City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 120644

Introduced September 13, 2012

**Councilmember Jones
for
Council President Clarke**

**Referred to the
Committee on Finance**

AN ORDINANCE

Constituting the Thirteenth Supplemental Ordinance to the Amended and Restated General Airport Revenue Bond Ordinance; authorizing the Mayor, the City Controller and the City Solicitor, or a majority of them, to issue and sell one or more series or subseries of tax-exempt or taxable airport revenue bonds or notes of the City of Philadelphia, some or all of which may be used for the implementation of a commercial paper program; setting forth the use of proceeds; determining the sufficiency of pledged Amounts Available for Debt Service; covenanting for the payment of interest and principal; authorizing the Bond Committee to take certain action with regard to the terms and conditions of the airport revenue bonds or notes and related agreements and the elections under the Amended and Restated General Airport Revenue Bond Ordinance; authorizing the Director of Finance to take certain actions with regard to the sale of such airport revenue bonds or notes, the investment of the proceeds thereof and the City's continuing disclosure obligation; amending the Amended and Restated General Airport Revenue Bond Ordinance; and specifying applicability of sections of The First Class City Revenue Bond Act and the Amended and Restated General Airport Revenue Bond Ordinance.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. *Authorization, Scope and Purpose*. The Mayor, the City Controller and the City Solicitor, or a majority of them (the "Bond Committee"), are hereby authorized, on behalf of the City of Philadelphia (the "City"), to borrow, by the issuance and sale of Airport revenue bonds or notes (the "Obligations"), a sum or sums which in the aggregate shall not exceed the principal amount of the Obligations authorized to be issued hereunder, to be expended as provided in Section 2 of this Ordinance. Some or all of the Obligations may be issued for the purpose of implementing a commercial paper

program (the "Airport CP Program") for the Airport System. The Obligations are to be issued under and pursuant to The First Class City Revenue Bond Act of October 18, 1972, Act No. 234 (the "Act"), and are to be secured by the Amended and Restated General Airport Revenue Bond Ordinance, approved June 16, 1995 (Bill No. 950282), as amended and supplemented (the "Amended and Restated Ordinance"). All defined terms contained in the Act shall apply to this Thirteenth Supplemental Ordinance. Unless expressly given different meanings hereunder or the context clearly otherwise requires, all terms used herein shall have the same meanings assigned to them in the Amended and Restated Ordinance.

The aggregate principal amount of the Obligations shall not exceed Three Hundred Fifty Million Dollars ($350,000,000) exclusive of costs of issuance (including underwriters' discount), original issue discount, capitalized interest, funding of deposits to the Sinking Fund Reserve Account, if necessary, and similar items. The Bond Committee is hereby authorized to increase the aggregate principal amount of the Obligations so issued, by the amount of such items (the "Additions"). The Obligations, increased by the Additions (collectively, the "Authorized Program Amount"), shall be used for various capital projects (the "Capital Projects") of the Airport System. The Obligations used for Capital Projects discussed in Section 2 hereof may be issued in one or more series or subseries, at the same or different times and as taxable or tax-exempt notes or bonds at fixed and/or variable rates. The Obligations shall bear interest from the dated date thereof to maturity or prior redemption, if any, or pursuant to tender provisions contained within the Obligations at prescribed variable rates (not exceeding any limitation prescribed by law). The interest on the Obligations (other than for the Airport CP Program) at variable rates may accrue on a daily, weekly, monthly, quarterly, semi-annual or annual basis or on the basis of commercial paper periods, on a periodic reset based on an index or on such other basis as may be further provided and may be payable daily, weekly, monthly, quarterly, semi-annually, annually or at the end of each commercial paper period, on a periodic reset based on an index, or on such basis as may be further provided, or may accrue to a specific date (including, but not limited to, the maturity date) and may thereafter accrue and be payable on such basis as shall be specified in the Bond Committee Determination(s). Obligations issued for the Airport CP Program may be sold with a maturity of up to 270 days; at a maturity date the maturing Obligations may be rolled over as long as the total amount of commercial paper outstanding does not exceed the Authorized Program Amount. Because commercial paper is a form of variable rate debt, the rate on each commercial paper note will be based upon market conditions at the time of issuance. Each Obligation shall contain series or subseries designations, terms and provisions (including without limitation, interest payment dates, tender options, record dates, redemption provisions, denominations, provisions for payments by wire transfer and provision for issuance of the Obligations in book entry form) as the Bond Committee shall determine to be in the best interest of the City and which are not inconsistent with the provisions hereof, of the Act or of the Amended and Restated Ordinance. The Airport CP

Program shall have a final maturity date of thirty (30) years and any Obligation issued pursuant to this Thirteenth Supplemental Ordinance shall have a final maturity date not exceeding thirty (30) years from the date of issuance of the initial commercial paper note issued pursuant to this Thirteenth Supplemental Ordinance. With respect to the Obligations issued hereunder, the City may create a Non-Parity Sinking Fund Reserve Account for the Obligations with such terms, including the establishment of a Non-Parity Sinking Fund Reserve Requirement, established in the Bond Committee Determination.

The Obligations shall not pledge the credit or taxing power of the City, or create any debt, charge or lien against the tax, general revenues or property of the City other than the revenues pledged by the Amended and Restated Ordinance.

The Bond Committee is authorized on behalf of the City to enter into agreements specified in the Bond Committee Determination(s) ("Enhancement Agreements") with any bank, insurance company or other appropriate entity providing credit enhancement or payment or liquidity sources (collectively, a "Provider") for the account of the City for the Obligations, including, without limitation, letters of credit, liquidity and credit facilities and bond insurance. Such Enhancement Agreements may provide for payment of the principal or purchase price of, or interest on, the Obligations if the City does not pay the Obligations when due and may provide for repayment with interest to the Provider from the date of such payment or acquisition.

The Fiscal Agent (as defined in the Amended and Restated Ordinance) is hereby designated to act as Bond Registrar pursuant to Section 3.05 of the Amended and Restated Ordinance.

The Bond Committee is authorized to make all such covenants and to take any and all such other actions on behalf of the City as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein. The Bond Committee shall approve the final terms of the Obligations prior to, and as a condition of, the issuance of the Obligations.

SECTION 2. *Purposes for the Obligations*. The aggregate principal amount of the Obligations shall not exceed the Authorized Program Amount and shall be issued to pay for projects which consist of such capital improvements to the Airport System as may, from time to time, heretofore have been, or hereafter be, included in the capital budget of the City; the construction of such other improvements to, and facilities in, the Airport System, and the acquisition, demolition or replacement of such other real property or property of a capital nature for use in the operation, maintenance and administration of the Airport System as the Director of Commerce may, from time to time, deem necessary or desirable for the prudent management of the Airport System and

secure, to the extent required by the Home Rule Charter, the approval of this Council therefor (the "Project").

This Thirteenth Supplemental Ordinance is intended to provide proceeds of Obligations for Capital Projects up to the Authorized Program Amount. City Council only approves the expenditure of proceeds of Obligations for Capital Projects in an amount not exceeding the Authorized Program Amount. The City will seek City Council authorization to: (i) refund such Obligations, and (ii) expend proceeds of Obligations for Capital Projects in an amount which exceeds the Authorized Program Amount.

The Obligations may have a delivery date which occurs in a fiscal year which is different then the fiscal year in which the sale date of such Obligations occurred.

The proceeds of the sale of the Obligations shall be used to pay all "Project Costs" as such term is defined in the Act, including, but without limitation, the establishment of a sinking fund reserve, if necessary, and other funds permitted by, the Amended and Restated Ordinance, and the payment of the costs of the issuance of the Obligations.

The Airport CP Program is intended to provide the City with a source of interim financing for the capital needs of the Airport System. The Airport CP Program provides the City flexibility with respect to the timing and the amounts periodically issued as part of the Airport CP Program.

SECTION 3. *Official Intent*. In accordance with Treasury Regulation §1.150-2, the City hereby states its intentions that it may use all or a portion of the proceeds of the Obligations to reimburse the Division of Aviation for expenditures originally paid prior to a date of issuance of the Obligations.

All original expenditures which may be reimbursed will be capital expenditures (as defined in Treasury Regulation §1.150-1(b)) and other permissible amounts under Treasury Regulation §1.150-2(d)(3).

If the City reimburses the original expenditures it will do so through the City's incurrence of debt to be evidenced by the Obligations.

The property for which the original expenditure may be fully or partially reimbursed from bond proceeds consists of the Project described in Section 2 of the Ordinance.

Once the Obligations are issued, the City shall allocate, or cause to be allocated, bond proceeds to reimburse prior capital expenditures, if any, provided that, except as permitted under Treasury Regulation §1.150-2(f) such costs to be reimbursed were paid not

more than sixty (60) days prior to the date of enactment of this Ordinance. Such allocation shall specifically identify the actual original expenditures to be reimbursed. Such allocation shall occur not later than eighteen (18) months after the later of (i) the date on which the original expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. If the Obligations are issued before the expiration of the period prescribed in the preceding sentence, then the reimbursement allocation shall occur not later than the date the Obligations are issued.

Any bond proceeds used to reimburse the Division of Aviation for original expenditures will not be used within one (1) year after the allocation in a manner that results in the creation of replacement proceeds (as defined in Treasury Regulation §1.148-1) for the Obligations or for other bonds.

SECTION 4. *Finding Required by Act*. Based on the report of the Director of Finance of the City to be filed with the Council pursuant to Section 8 of the Act, it is hereby determined that the pledged Amounts Available for Debt Service, will be sufficient to comply with the rate covenant contained in Section 5.01(a) of the Amended and Restated Ordinance and also to pay all costs, expenses and payments required to be paid therefrom, in the order and priority stated in Section 4.06 of the Amended and Restated Ordinance.

Prior to the approval of this Ordinance by City Council, the City shall cause to be delivered to the Chief Clerk of City Council an opinion of the City Solicitor, a form of which is attached hereto as Exhibit A to the effect, *inter alia*, that the holders of the Obligations will have no claim upon the taxing power or general revenues of the City nor any lien upon any of the property of the City other than the Pledged Amounts pledged for the Obligations pursuant to Section 8 of the Act.

Any exhibits mentioned in this Ordinance shall be kept on file in the office of the Chief Clerk of City Council.

SECTION 5. *Payments From Sinking Fund*. The City covenants that, so long as any Obligations shall remain unpaid, it will make payments or cause payments to be made out of the Sinking Fund established pursuant to the Amended and Restated Ordinance or any of the other Aviation Funds available therefor, at such times and in such amounts as shall be sufficient for the payment of the interest thereon and the principal thereof when due.

SECTION 6. *Tax-Exempt Obligations Not to Become Arbitrage Bonds*. The City covenants that it will make no investment or other use of the proceeds of the Obligations (with respect to those Obligations intended to be tax-exempt) ("Tax Exempt

Obligations") which would cause the Tax Exempt Obligations to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (the "Code"), and that the City will comply with the requirements of Section 148 of the Code throughout the term of the Tax Exempt Obligations as more fully described in the determination of the Bond Committee. The Director of Finance is authorized to execute on behalf of the City a report of the issuance of the Tax Exempt Obligations as required by Section 149(e) of the Code.

SECTION 7. *Additional Tax Covenants*. The Director of Finance is authorized to make such elections under the Code, and file any reports required to be filed pursuant to the Code, with respect to the Tax Exempt Obligations as may be necessary or advisable and to take such action and make such covenants on behalf of the City as may be necessary or advisable with respect to the sale of the Tax Exempt Obligations and the investment of the proceeds of the tax-exempt Obligations in order that the Tax Exempt Obligations shall not be "arbitrage bonds" as defined in the Code, in order to otherwise effect or maintain the exclusion of interest on the tax-exempt Obligations from gross income for federal income tax purposes, and further to establish such sub-accounts within the Sinking Fund Reserve Account and terms or restrictions relating thereto as may be necessary or advisable to permit issuance of the Tax Exempt Obligations. For purposes of Section 4.14 of the Amended and Restated Ordinance, the Rebate Bond Year with respect to the Tax Exempt Obligations shall mean the period as determined by the Bond Committee or the Director of Finance.

SECTION 8. *Form and Terms of Obligations issued for the Airport CP Program*. Obligations issued for the Airport CP Program shall be substantially in the following form with appropriate omissions, insertions and variations, consistent with their terms of issuance including principal amount, interest rate or rates, interest payment dates and record date, except that they shall be issued in fully registered form only, exchangeable only for fully registered bonds unless and until issuance in coupon form, which in the opinion of bond counsel, will have no adverse effect on the exclusion of interest on the tax-exempt Obligations from gross income for federal income tax purposes, in which case the Obligations may be exchanged for coupon bonds as provided in the Amended and Restated Ordinance:

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of Philadelphia or its agent for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ***ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL*** *inasmuch as the registered owner hereof Cede & Co., has an interest herein.*

MASTER NOTE
UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

CITY OF PHILADELPHIA
AIRPORT REVENUE COMMERCIAL PAPER NOTE, SERIES [A/B/C]
(PHILADELPHIA AIRPORT SYSTEM)

FOR VALUE RECEIVED, the City of Philadelphia, Pennsylvania (the "City"), hereby promises to pay solely from the sources hereinafter described to CEDE & CO. as nominee of The Depository Trust Company, or registered assigns, (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the City (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank National Association ("Fiscal Agent"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified in the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH IN SCHEDULE A HERETO.

This Master Note is a valid and binding special obligation of the City.

IN WITNESS WHEREOF, the CITY OF PHILADELPHIA has caused this Master Note to be properly executed by its Fiscal Agent, by two duly authorized officers thereof, and the facsimile of the seal of the City of Philadelphia to be imprinted hereon, and to be duly countersigned and attested by a facsimile signature of the City Controller, and to be dated.

Dated:

CITY OF PHILADELPHIA
By: U.S. Bank National Association
Fiscal Agent

Countersigned and Attested by

By:_____
Authorized Signatory

(facsimile signature)
City Controller

By:_____
Authorized Signatory

(SEAL)

FORM OF ASSIGNMENT AND TRANSFER

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

_____

(Please type or print name, address (including postal zip code) and Social Security or other identification number of the transferee)

_____

_____

the within Master Note and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ his/her attorney to transfer said Master Note on the books of the transfer agent with full power of substitution in the premises.

Dated: _____

Notice: The signature on this Assignment must correspond with the name as it appears on the face of the within Master Note in every particular, without alteration or enlargement or any change whatever.

Signature guarantee:

_____
(Type or Print Name)

_____
(Signature)

NOTICE: Signature must be guaranteed by an approved, eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

SCHEDULE A

CITY OF PHILADELPHIA
AIRPORT REVENUE COMMERCIAL PAPER NOTE, SERIES [A/B/C]
(PHILADELPHIA AIRPORT SYSTEM)

The City of Philadelphia, Pennsylvania (the "City"), for value received, hereby promises to pay in lawful money of the United States of America to the Registered Owner hereof, from the rentals, revenues and moneys of the City pledged for the payment hereof pursuant to the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282 signed by the Mayor on June 16, 1995) of the City, as supplemented and amended (the "Amended and Restated Ordinance") but solely therefrom and not otherwise, upon surrender hereof, all amounts due pursuant to the Underlying Records. The principal or redemption price of the Series [A/B/C] Note is payable upon surrender thereof at the principal Philadelphia office of the Fiscal Agent of the City, in Philadelphia, Pennsylvania, or at the principal Philadelphia office of any successor Fiscal Agent appointed under the Amended and Restated Ordinance. At the option of the Registered Owner of at least $1,000,000 in aggregate principal amount of bonds subject to or issued pursuant to the Amended and Restated Ordinance, upon written request to the Fiscal Agent, at least three days prior to the payment date, interest due shall be payable by wire transfer to an account at a financial institution in the United States specified in writing. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Registered Owner on the relevant payment date and such defaulted interest shall be paid to the person in whose name the Series [A/B/C] Note is registered at the close of business on a special record date (the "Special Record Date"). Such Special Record Date shall be fixed by the Fiscal Agent whenever moneys become available for the payment of the defaulted interest, and notice of the Special Record Date and payment date shall be given by mail to the Registered Owners of the Series [A/B/C] Note not less than 10 days prior to the Special Record Date.

This Series [A-__/B-__/C-__] Note [is a subseries of airport commercial paper notes duly authorized and designated "City of Philadelphia Airport Revenue Commercial Paper Notes, Series [A/B/C]" all of like tenor, except as to series designation, authentication dates, numbers, denominations, interest rates and maturities.] The aggregate principal amount of Series [A/B/C] Notes and the subseries of airport commercial paper notes that may be Outstanding at any one time is expressly limited to the lesser of: (i) $350,000,000 and (ii) the aggregate sum, for all Commercial Paper Notes issued pursuant to the Thirteenth Supplemental Ordinance approved _____ in connection with the establishment of the Airport CP Program (as defined in the Thirteenth

Supplemental Ordinance). The Series [A/B/C] Notes are issued or to be issued pursuant to the First Class City Revenue Bond Act (Act No. 234 of the Pennsylvania General Assembly approved October 18, 1972, 53 P.S. §§15901 *et. seq*.) (the "Act") under the Amended and Restated Ordinance and the Thirteenth Supplemental Ordinance. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Ordinance. The Series [A/B/C] Note, together with the other Commercial Paper Notes authorized under the Thirteenth Supplemental Ordinance and all previous bonds of the City, heretofore issued under the General Airport Revenue Bond Ordinance of 1978 (Bill No. 1180 approved March 16, 1978) (the "1978 Ordinance") and under previous supplemental ordinances thereto and made subject to the Amended and Restated Ordinance, all previous parity bonds of the City, if any, heretofore issued under the Amended and Restated Ordinance and under previous supplemental ordinances thereto and together with all parity bonds of the City hereafter issued under the Amended and Restated Ordinance and all subsequent supplemental ordinances (other than Subordinate Obligations), are and will be equally and ratably secured under the Amended and Restated Ordinance by a pledge of Pledged Amounts which shall include Project Revenues defined to include revenues, rents, rates, tolls or other charges imposed and moneys received by or on behalf of the City from or in connection with the ownership and operation of the Airport System (exclusive of certain revenues as described in the Amended and Restated Ordinance), as more fully defined in the Amended and Restated Ordinance, together with certain other amounts as set forth in the Amended and Restated Ordinance. The Amended and Restated Ordinance generally requires amounts on deposit in the Aviation Operating Fund, including Project Revenues, to be applied in order of priority to certain operating and net operating expenses, sinking fund payments and to maintain or provide a sinking fund reserve, to make deposits into the Renewal Fund, to make certain deposits in connection with Subordinate Obligations, payment of general obligation bonds of the City adjudged to be self-liquidating from the revenues of the Airport System, interdepartmental charges, and debt service on other general obligation bonds issued for the Airport System with any balances to be used at the written direction of the City for any Airport System purposes.

The City covenants, so long as each Series [A/B/C] Note shall remain outstanding, it will pay or cause to be paid from the pledged Amounts Available for Debt Service deposited in the Sinking Fund, and other amounts available therefor, the principal of, redemption premium, if any, and interest on the Series [A/B/C] Note as the same shall become due and payable.

Reference is hereby made to the Amended and Restated Ordinance for a statement of the terms and conditions under which previous bonds, have been issued or become subject thereto, under which the Series [A/B/C] Note are issued and under which additional bonds will be issued, and for a statement of the particular rentals, revenues and moneys pledged for the security and payment of all bonds issued under or made subject to the Amended and Restated Ordinance, the nature, extent and manner of enforcement of the security, the terms

and conditions under which the Amended and Restated Ordinance may be amended or modified, and the rights of the Registered Owners of the Bonds with respect to such security. The City hereby represents to and covenants with the Registered Owner of the Series [A/B/C] Note that no airport revenue bonds of the City have been or will be issued for the payment of which the holder has or shall have a prior lien on or security interest in the revenues pledged for the payment of the Series [A/B/C] Note or a prior right to payment therefrom and that all airport revenue bonds which have been or will be equally and ratably secured by such pledged revenues have been and will be issued in accordance with the provisions of the Amended and Restated Ordinance. However, nothing herein contained shall be construed to prevent the City from financing airport projects by the issuance of its general obligation bonds or special facility revenue bonds or by the issuance of airport revenue bonds under other authorizations, for the payment of which project revenues of the Airport System may be pledged, subject and subordinate in each fiscal year to the prior payment from such revenues of all principal, premium, interest and sinking fund requirements payable during such fiscal year under the Amended and Restated Ordinance in respect of airport revenue bonds issued and outstanding thereunder.

In the manner and upon the terms and conditions provided in the Amended and Restated Ordinance,

[insert specified provisions with respect to redemption, including, if applicable, mandatory redemption]

If less than an entire year's maturity is to be redeemed at any particular time, the Series [A/B/C] Note or portions thereof to be redeemed shall be chosen by the Fiscal Agent by lot.

Each Series [A/B/C] Note is transferable and exchangeable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Amended and Restated Ordinance, and upon surrender and cancellation of the Series [A/B/C] Note. Upon any such transfer or exchange, the City shall issue in the name of the transferee or of the Registered Owner hereof, and shall deliver in exchange for the Series [A/B/C] Note, to or upon the order of such Registered Owner, a new registered bond or new registered bonds in authorized denominations aggregating the principal amount hereof, maturing on the same date and bearing interest at the same rate as the Series [A/B/C] Note, and bearing the same designation as to series or subseries as the Series [A/B/C] Note.

[Under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), the Series [A/B/C] Note, and the interest hereon shall at all times be free from taxation within the Commonwealth, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series [A/B/C] Note or the

interest thereon. Profits, gains or income derived from the sale, exchange or other disposition of the Series [A/B/C] Note are subject to state and local taxation.]

The City, the Fiscal Agent and any paying agent may treat the person in whose name the Series [A/B/C] Note is registered as the absolute owner hereof for all purposes whether or not the Series [A/B/C] Note or any installment of interest be overdue, and neither the City, the Fiscal Agent nor any paying agent shall be affected by any notice to the contrary. All payments of the principal, or premium upon redemption, of the Series [A/B/C] Note or of interest hereon to such Registered Owner in the manner herein and in the Amended and Restated Ordinance set forth shall be valid and effectual to satisfy and discharge the liability upon the Series [A/B/C] Note to the extent of the sum or sums so paid whether or not notation of the same be made hereon, and any consent, waiver or other action taken by such Registered Owner pursuant to the provisions of the Amended and Restated Ordinance shall be conclusive and binding upon such Registered Owner, his heirs, successors or assigns, and upon all transferees hereof whether or not notation thereof be made hereon or on any bond issued in exchange or transfer hereof.

In case a payment event of default, as described in the Amended and Restated Ordinance, shall occur, the principal of all Series [A/B/C] Notes then outstanding under the Amended and Restated Ordinance may be declared or may become due and payable and any such declarations may thereafter be annulled, all upon the conditions and in the manner and with the effect provided in the Amended and Restated Ordinance and in the Act.

Each Series [A/B/C] Note is a special obligation of the City payable solely from the pledged rentals, revenues and moneys and neither the credit nor the taxing power of the City is pledged for the payment of the principal of or interest on the Series [A/B/C] Note, nor shall the Series [A/B/C] Note be or be deemed to be a general obligation of the City.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Amended and Restated Ordinance precedent to and in the issuance of the Series [A/B/C] Note, exist, have happened and have been performed, and that the issuance and delivery of the Series [A/B/C] Note has been duly authorized by Ordinance of the City duly adopted.

The Series [A/B/C] Note shall not be entitled to any benefit under the Amended and Restated Ordinance or be valid or become obligatory for any purpose until the Series [A/B/C] Note shall have been duly executed by the Fiscal Agent.

DATED DATE: _____

[END OF NOTE FORM]

SECTION 9. *Form and Terms of Obligations*. Any Obligations issued which are not part of the Airport CP Program shall be substantially in the following form with appropriate omissions, insertions and variations, consistent with their terms of issuance including principal amount, interest rate or rates, interest payment dates and record date, except that they shall be issued in fully registered form only, exchangeable only for fully registered bonds unless and until issuance in coupon form, which in the opinion of bond counsel, will have no adverse effect on the exclusion of interest on the tax-exempt Obligations from gross income for federal income tax purposes, in which case the Obligations may be exchanged for coupon bonds as provided in the Amended and Restated Ordinance:

(Form of Fully Registered Bond)

[BOND TEXT - FACE OF BOND]

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

No. R [_____] - $

CITY OF PHILADELPHIA
AIRPORT REVENUE BOND, SERIES _____
(PHILADELPHIA AIRPORT SYSTEM)

DATED DATE	INTEREST RATE	MATURITY DATE	CUSIP
	%		

REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS

The City of Philadelphia, Pennsylvania (the "City"), for value received, hereby promises to pay in lawful money of the United States of America to the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price shall have been made or provided for, from the rentals, revenues and moneys of the City pledged for the payment hereof pursuant to the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282 signed by the Mayor on June 16, 1995) of the City, as supplemented and amended (the "Amended and Restated Ordinance") but solely therefrom and not otherwise, upon surrender hereof, the Principal Sum hereof, and to pay interest on such Principal Sum in like money, but solely from said rentals, revenues and moneys aforesaid, by check or draft mailed to the person in whose name this Bond is registered at his or her address as it appears on the bond register at the close of business on the last day (regardless of whether it is a Business Day) of the calendar month next preceding such interest payment date (the "Record Date"), from the date hereof, for any Bond authenticated prior to the Record Date with respect to the first interest payment, otherwise from the interest payment date next preceding the date of authentication thereof, unless the date of such authentication is an interest payment date, in which case, from the date of such authentication, or unless the date of authentication is after any Record Date and before the following interest payment date, in which case the Bond shall bear

interest from the following interest payment date, payable initially on _____ and thereafter on each _____ and _____ until payment of such Principal Sum, or provision therefor, shall have been made upon redemption or at or after maturity, at the Interest Rate shown hereon. The principal or redemption price of this Bond is payable upon surrender thereof at the principal Philadelphia office of U.S. Bank National Association, successor to Wachovia Bank, National Association, Fiscal Agent of the City, in Philadelphia, Pennsylvania, or at the principal Philadelphia office of any successor Fiscal Agent appointed under the Amended and Restated Ordinance. At the option of the Registered Owner of at least $1,000,000 in aggregate principal amount of bonds subject to or issued pursuant to the Amended and Restated Ordinance, upon written request to the Fiscal Agent, at least three days prior to the Record Date, interest due shall be payable by wire transfer to an account at a financial institution in the United States specified in writing. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Registered Owner on the relevant Record Date and such defaulted interest shall be paid to the person in whose name this Bond is registered at the close of business on a special record date (the "Special Record Date"). Such Special Record Date shall be fixed by the Fiscal Agent whenever moneys become available for the payment of the defaulted interest, and notice of the Special Record Date and payment date shall be given by mail to the Registered Owners of the Bonds not less than 10 days prior to the Special Record Date.

This Bond is one of a duly authorized issue of bonds of the City designated as its Airport Revenue Bonds of the Series designated hereon (the "Bonds"), limited in aggregate principal amount to $_____, issued or to be issued pursuant to The First Class City Revenue Bond Act (Act No. 234 of the Pennsylvania General Assembly approved October 18, 1972, 53 P.S. §§15901 *et. seq.*) (the "Act") under the Amended and Restated Ordinance and the Thirteenth Supplemental Ordinance approved _____. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Ordinance. The Bonds, together with all previous bonds of the City, heretofore issued under the General Airport Revenue Bond Ordinance of 1978 (Bill No. 1180 approved March 16, 1978) (the "1978 Ordinance") and under previous supplemental ordinances thereto and made subject to the Amended and Restated Ordinance, all previous parity bonds of the City, if any, heretofore issued under the Amended and Restated Ordinance and under previous supplemental ordinances thereto and together with all parity bonds of the City hereafter issued under the Amended and Restated Ordinance and all subsequent supplemental ordinances (other than Subordinate Obligations), are and will be equally and ratably secured under the Amended and Restated Ordinance by a pledge of Pledged Amounts which shall include Project Revenues defined to include revenues, rents, rates, tolls or other charges imposed and moneys received by or on behalf of the City from or in connection with the ownership and operation of the Airport System (exclusive of certain revenues as described in the Amended and Restated Ordinance), as more fully defined in the Amended and Restated Ordinance, together with certain other amounts as set forth in the

Amended and Restated Ordinance. The Amended and Restated Ordinance generally requires amounts on deposit in the Aviation Operating Fund, including Project Revenues, to be applied in order of priority to certain operating and net operating expenses, sinking fund payments and to maintain or provide a sinking fund reserve, to make deposits into the Renewal Fund, to make certain deposits in connection with Subordinate Obligations, payment of general obligation bonds of the City adjudged to be self-liquidating from the revenues of the Airport System, interdepartmental charges, and debt service on other general obligation bonds issued for the Airport System with any balances to be used at the written direction of the City for any Airport System purposes.

The City covenants, so long as this Bond shall remain outstanding, it will pay or cause to be paid from the pledged Amounts Available for Debt Service deposited in the Sinking Fund, and other amounts available therefor, the principal of, redemption premium, if any, and interest on this Bond as the same shall become due and payable.

Reference is hereby made to the Amended and Restated Ordinance for a statement of the terms and conditions under which previous bonds, have been issued or become subject thereto, under which the Bonds are issued and under which additional bonds will be issued, and for a statement of the particular rentals, revenues and moneys pledged for the security and payment of all bonds issued under or made subject to the Amended and Restated Ordinance, the nature, extent and manner of enforcement of the security, the terms and conditions under which the Amended and Restated Ordinance may be amended or modified, and the rights of the Registered Owners of the Bonds with respect to such security. The City hereby represents to and covenants with the Registered Owner of this Bond that no airport revenue bonds of the City have been or will be issued for the payment of which the holder has or shall have a prior lien on or security interest in the revenues pledged for the payment of this Bond or a prior right to payment therefrom and that all airport revenue bonds which have been or will be equally and ratably secured by such pledged revenues have been and will be issued in accordance with the provisions of the Amended and Restated Ordinance. However, nothing herein contained shall be construed to prevent the City from financing airport projects by the issuance of its general obligation bonds or special facility revenue bonds or by the issuance of airport revenue bonds under other authorizations, for the payment of which project revenues of the Airport System may be pledged, subject and subordinate in each fiscal year to the prior payment from such revenues of all principal, premium, interest and sinking fund requirements payable during such fiscal year under the Amended and Restated Ordinance in respect of airport revenue bonds issued and outstanding thereunder.

In the manner and upon the terms and conditions provided in the Amended and Restated Ordinance,

> [insert specified provisions with respect to redemption, including, if applicable, mandatory redemption]

If less than an entire year's maturity is to be redeemed at any particular time, the Bonds or portions thereof to be redeemed shall be chosen by the Fiscal Agent by lot.

Each such redemption shall be made after notice by first class mail, postage prepaid, to each Registered Owner of Bonds to be redeemed at such Registered Owner's registered address as it appears in the bond register, mailed not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption. Notice having been given as required by the Amended and Restated Ordinance or irrevocable instructions to give such notice having been delivered to the Fiscal Agent, irrevocable instruction having been delivered to the Fiscal Agent to pay said Bonds or portions thereof and funds having been deposited in the Sinking Fund prior to the date fixed for redemption, all interest on such Bonds or portions thereof shall cease from such redemption date, and the holders or Registered Owners of the Bonds called for redemption shall have no security, benefit or lien under the Amended and Restated Ordinance or any right except to receive payment of the redemption price.

If, at the time of mailing notice of redemption, there shall not have been deposited with the Fiscal Agent moneys sufficient to redeem the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of redemption moneys with the Fiscal Agent not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

This Bond is transferable and exchangeable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Amended and Restated Ordinance, and upon surrender and cancellation of this Bond. Upon any such transfer or exchange, the City shall issue in the name of the transferee or of the Registered Owner hereof, and shall deliver in exchange for this Bond, to or upon the order of such Registered Owner, a new registered bond or new registered bonds in authorized denominations aggregating the principal amount hereof, maturing on the same date and bearing interest at the same rate as this Bond, and bearing the same designation as to series or subseries as this Bond.

[Under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), this Bond, and the interest hereon shall at all times be free from taxation within the Commonwealth, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on this Bond or the interest thereon.] Profits, gains or income derived from the sale, exchange or other disposition of this Bond are subject to state and local taxation.

The City, the Fiscal Agent and any paying agent may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes whether or not this Bond

or any installment of interest be overdue, and neither the City, the Fiscal Agent nor any paying agent shall be affected by any notice to the contrary. All payments of the principal, or premium upon redemption, of this Bond or of interest hereon to such Registered Owner in the manner herein and in the Amended and Restated Ordinance set forth shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid whether or not notation of the same be made hereon, and any consent, waiver or other action taken by such Registered Owner pursuant to the provisions of the Amended and Restated Ordinance shall be conclusive and binding upon such Registered Owner, his heirs, successors or assigns, and upon all transferees hereof whether or not notation thereof be made hereon or on any bond issued in exchange or transfer hereof.

In case a payment event of default, as described in the Amended and Restated Ordinance, shall occur, the principal of all Bonds then outstanding under the Amended and Restated Ordinance may be declared or may become due and payable and any such declarations may thereafter be annulled, all upon the conditions and in the manner and with the effect provided in the Amended and Restated Ordinance and in the Act.

This Bond is a special obligation of the City payable solely from the pledged rentals, revenues and moneys and neither the credit nor the taxing power of the City is pledged for the payment of the principal of or interest on this Bond, nor shall this Bond be or be deemed to be a general obligation of the City.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Amended and Restated Ordinance precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance and delivery of this Bond have been duly authorized by Ordinance of the City duly adopted.

[Insert Statement of Insurance, if applicable.]

This Bond shall not be entitled to any benefit under the Amended and Restated Ordinance or be valid or become obligatory for any purpose until this Bond shall have been duly executed by the Fiscal Agent.

IN WITNESS WHEREOF, the CITY OF PHILADELPHIA has caused this Bond to be properly executed by its Fiscal Agent, by two duly authorized officers thereof, and the facsimile of the seal of the City of Philadelphia to be imprinted hereon, and to be duly countersigned and attested by a facsimile signature of the City Controller, and to be dated.

Dated:

CITY OF PHILADELPHIA
By: U.S. Bank National Association
Fiscal Agent

Countersigned and Attested by

By:_____
Authorized Signatory

(facsimile signature)
City Controller

By:_____
Authorized Signatory

(SEAL)

FORM OF ASSIGNMENT AND TRANSFER

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

_____

(Please type or print name, address (including postal zip code) and Social Security or other identification number of the transferee)

_____

_____

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

_____ his/her attorney to transfer said Bond on the books of the transfer agent with full power of substitution in the premises.

Dated: _____

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

Signature guarantee:

_____
(Type or Print Name)

_____
(Signature)

NOTICE: Signature must be guaranteed by an approved, eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

[END OF BOND FORM]

SECTION 10. *Amendment of Section 2.01 of Amended and Restated Ordinance*. The definition of "Bond" or "Bonds" in Section 2.01 of the Amended and Restated Ordinance is amended to read as follows:

> "Bond" or "Bonds" means any airport revenue bond, note, commercial paper program, or obligation of the City, authorized and issued, or assumed, under one or more supplemental ordinances amending and supplementing the General Airport Revenue Bond Ordinance of 1978, the Amended and Restated General Airport Revenue Bond Ordinance of 1995 or the General Ordinance.

SECTION 11. *Continuing Disclosure*. The Director of Finance is authorized on behalf of the City to execute and deliver a continuing disclosure agreement meeting the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5). The City covenants and agrees that it will comply with and carry out all of the provisions of such continuing disclosure agreement.

SECTION 12. *Elections Under the Amended and Restated Ordinance*. The Bond Committee is authorized on behalf of the City, without any further action by City Council, to make any and all elections under the Amended and Restated Ordinance as it shall determine to be in the best interest of the City as and when it shall deem such elections to be appropriate.

SECTION 13. *Effect of Ordinance*. This Ordinance is supplementary to the Amended and Restated Ordinance and all sections of the Amended and Restated Ordinance and the Act not inconsistent herewith are applicable to the Obligations authorized hereunder.

EXHIBIT A

FORM OF OPINION OF CITY SOLICITOR

Re: General Airport Revenue Obligations
Thirteenth Supplemental Ordinance (Bill No. _____)

Dear Council President Clarke:

The office of the City Solicitor has reviewed The First Class City Revenue Bond Act, the Amended and Restated General Airport Revenue Bond Ordinance of 1995 (Bill No. 1099) approved June 16, 1995, as supplemented (the "General Ordinance") and the proposed Thirteenth Supplemental Ordinance thereto, Bill No. _____ (the "Thirteenth Supplemental Ordinance" and together with the General Ordinance, the "Ordinance"). The Ordinance authorizes the issuance and sale of one or more series or subseries of General Airport Revenue Obligations (the "Obligations") of the City of Philadelphia in the maximum principal amount of _____ ($_____).

Based on that review, it is my opinion that under the General Ordinance and the Thirteenth Supplemental Ordinance, as introduced in City Council, the registered owners of any series or subseries of the Obligations will have no claim upon the taxing power or general revenues of the City of Philadelphia, nor will they have any lien upon any property of the City of Philadelphia other than the Project Revenues (as defined in the General Ordinance) and the funds properly pledged to such registered owners pursuant to the terms and conditions of the General Ordinance and the Thirteenth Supplemental Ordinance.

Sincerely,

Shelley R. Smith
City Solicitor