



A RESOLUTION AUTHORIZING THE EXECUTION OF A PRELIMINARY AGREEMENT WITH ELLIOTT AVIATION OF DES MOINES, INC. REGARDING THE ISSUANCE OF NOT TO EXCEED \$6,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SPECIAL FACILITY REVENUE BONDS (ELLIOTT AVIATION PROJECT) OF THE CITY OF DES MOINES, IOWA, DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE, CALLING A PUBLIC HEARING ON THE PROPOSAL TO ISSUE SAID BONDS AND DECLARING AN OFFICIAL INTENT TO REIMBURSE

WHEREAS, the City of Des Moines, Iowa (the "Issuer") is a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Iowa, and is authorized and empowered by Chapter 419 of the Code of Iowa (the "Act"), to issue its bonds and loan the proceeds from the sale of said bonds to one or more parties to be used to finance all or a portion of the cost of acquiring, constructing, improving and equipping a "project", as that term is defined in the Act, including a national, regional, or divisional headquarters facility of a company that does multistate business and to retire any existing indebtedness and refund any outstanding bonds issued under the Act; and

WHEREAS, the Issuer has been requested by Elliott Aviation of Des Moines, Inc., an Iowa corporation (the "Borrower"), to authorize and issue its revenue bonds pursuant to the provisions of the Act for the purpose of financing costs of (i) a regional headquarters facility to be used by Borrower, consisting of three aircraft hangars, and a general aviation terminal and a supporting office area with certain other directly related improvements (the "Project"), (ii) funding a reserve fund, and (iii) paying costs of issuance and related costs. The Project will be located at 2800 SW McKinley Avenue, Des Moines, Iowa, adjacent to the Des Moines International Airport and will be leased to the Borrower by the Issuer pursuant to a Fixed Base Operator Lease and Agreement; and

WHEREAS, based on information provided by the Borrower, the amount necessary to finance all or a portion of the cost of constructing the Project, funding a reserve fund and paying costs of issuance, including necessary expenses incidental thereto, will require the issuance by the Issuer of not to exceed \$6,000,000 aggregate principal amount of its Special Facility Revenue Bonds, in one or more series (the "Bonds") pursuant to the provisions of the Act, and it is proposed that the Issuer loan said amount to the Borrower under a Loan Agreement between the Issuer and Borrower pursuant to which loan payments will be made by the Borrower in amounts sufficient to pay the principal of, premium, if any, and interest on said Bonds, as and when the same shall be due; and

WHEREAS, the Bonds, if issued, shall be limited obligations of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, and the principal of, interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the Loan Agreement and the Project to be financed by the Bonds; and

WHEREAS, the Borrower wishes to proceed with the Project and reasonably expects to pay costs of the Project prior to the issuance of the Bonds and wishes to reimburse original expenditures paid from its own funds with proceeds of the Bonds, and in order to comply with Treasury Regulation 1.150-2, it is necessary for the Issuer to declare an official intent to reimburse original expenditures paid by the Borrower with proceeds of the Bonds; and

WHEREAS, before the Bonds may be issued, it is necessary to conduct a public hearing on the proposal to issue the Bonds, all as required and provided by Section 419.9 of the Act and Section 147(f) of the Code; and

WHEREAS, a Preliminary Agreement in the form and with the contents set forth in Exhibit A attached hereto, has been presented to the Issuer which sets forth certain mutual undertakings and agreements between the Issuer and the Borrower, relating to the further processing of the Bonds.

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Governing Body of the Issuer as follows:

Section 1. The Preliminary Agreement in the form and with the contents set forth in Exhibit A attached hereto is hereby approved, and the Mayor is hereby authorized to execute said Preliminary Agreement and the City Clerk is hereby authorized to attest the same and to affix the seal of the Issuer thereto; said Preliminary Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto. Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of the Preliminary Agreement.

Section 2. A public hearing shall be conducted on June 18, 2007, at 5:00 p.m., before this Governing Body in the Council Chambers at City Hall on the proposal to issue not to exceed \$6,000,000 aggregate principal amount of the Issuer's Special Facility Revenue Bonds (Elliott Aviation Project) in one or more series pursuant to the provisions of the Act, for the purpose of financing costs of (i) the Borrower's regional headquarters facility which shall be comprised of three aircraft hangars, and a general aviation terminal and a supporting office area with certain other directly related improvements (the "Project"), (ii) funding a reserve fund, and (iii) paying costs of issuance and related costs, including necessary expenses incidental thereto, and all local residents



Roll Call Number

May 21, 2007

Agenda Item Number

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who appear at said hearing shall be given an opportunity to express their views for or against the proposal to issue such Bonds; and at said hearing, or any adjournment thereof, this Governing Body shall adopt a Resolution determining whether or not to proceed with the issuance of said Bonds.

Section 3. The City Clerk of the Issuer is hereby directed to publish one time, not less than 15 days prior to the date fixed for said hearing, in The Des Moines Register, a legal newspaper published and having a general circulation within the Issuer, a Notice of Intention to issue said Bonds in substantially the following form:

NOTICE OF PUBLIC HEARING ON INTENTION
TO ISSUE
SPECIAL FACILITY REVENUE BONDS
(ELLIOTT AVIATION PROJECT)

Notice is hereby given that a public hearing will be conducted before the City Council of the City of Des Moines, Iowa (the "Issuer"), in the Council Chambers at City Hall in said City at _____ .m., on June 18, 2007, on the proposal to issue not to exceed \$6,000,000 principal amount of the Issuer's Special Facility Revenue Bonds (Elliott Aviation Project), pursuant to the provisions of Chapter 419 of the Code of Iowa, for the purpose of financing the costs of (i) a regional headquarters facility to be used by Elliott Aviation, Inc. (the "Borrower"), consisting of three aircraft hangars, and a general aviation terminal and a supporting office area with certain other directly related improvements (the "Project"), (ii) funding a reserve fund, and (iii) paying costs of issuance and related costs. The Project will be located at 2800 SW McKinley Avenue, Des Moines, Iowa, adjacent to the Des Moines International Airport and will be leased to the Borrower by the Issuer pursuant to a Fixed Base Operator Lease and Agreement. It is contemplated that a Loan Agreement will be entered into between the Issuer and the Borrower, under which the Issuer will loan to said Borrower the proceeds from the sale of the Bonds in return for loan payments from the Borrower sufficient to pay the principal of, premium, if any, and interest on such Bonds as the same shall fall due.

Such Bonds, if issued, and the interest thereon, will be payable solely out of the revenues derived from the Loan Agreement and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

All local residents who appear at the hearing shall be given an opportunity to express their views for or against the proposal to issue the Bonds, and at the hearing, or any adjournment thereof, the City Council of the Issuer shall adopt a resolution determining whether or not to proceed with the issuance of the Bonds.

Dated this _____ day of _____, 2007

City Clerk of Des Moines, Iowa

(End of Notice)

★ Roll Call Number

Agenda Item Number

SZA

Date May 21, 2007

Section 4. Based upon representations of the Borrower, it is reasonably expected that original expenditures for Project costs will be paid from the Borrower's own funds prior to the issuance of the Bonds and the Issuer hereby declares an official intent in accordance with Treasury Regulation 1.150-2 to reimburse such original expenditures with proceeds of the Bonds.

Section 5. Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Section 6. All Resolutions and Orders or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed, and this Resolution shall be in full force and effect immediately upon its adoption.

Moved by: _____ to adopt.

Form approved: _____
Deputy City Attorney

(Council Communication No. 07-309)

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

AHLERS & COONEY, P.C.

52A

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www.ahlerslaw.com

john h. bunz
jbunz@ahlerslaw.com

direct dial:
(515) 246-0336

May 15, 2007

VIA HAND DELIVERY

Ms. Diane Rauh
City Clerk
400 Robert D. Ray Drive
Des Moines, Iowa 50309

RE: City of Des Moines, Iowa
Special Facility Revenue Bonds
(Elliott Aviation Project)

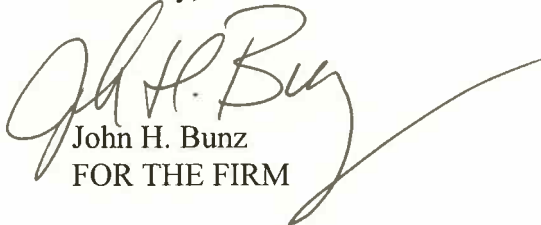
Dear Ms. Rauh:

I am enclosing a suggested Roll Call for consideration by the City Council at its May 21, 2007 meeting in connection with the above-referenced project. Following the Council's action, we would appreciate receiving a certified copy of the enclosed Roll Call for inclusion in our transcripts.

On behalf of Elliott Aviation of Des Moines, Inc., an Iowa corporation (the "Company"), I hereby enclose the Company's Industrial Revenue Bond Issue Application, along with its application fee in the amount of \$1,000, payable to the City of Des Moines, Iowa, in connection with the Company's \$6,000,000 Special Facility Revenue Bonds.

Should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



John H. Bunz
FOR THE FIRM

JHB:ej
Enclosure
cc: Allen McKinley
NJACKSON\534909.1\WP222127001

EXHIBIT A

PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT is between the City of Des Moines, Iowa (the "Issuer") and Elliot Aviation of Des Moines, Inc. (the "Borrower").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is authorized by Chapter 419 of the Code of Iowa, 2007, as amended (the "Act") to issue its bonds and loan the proceeds from the sale of said bonds to one or more parties to be used to finance all or a portion of the cost of acquiring, constructing, improving and equipping a "project", as that term is defined in the Act, including a national, regional, or divisional headquarters facility of a company that does multistate business and to retire any existing indebtedness and refund any outstanding bonds issued under the Act; and

(b) The Borrower wishes to obtain approvals from the Issuer that the Issuer will hold a hearing and may take steps to issue Industrial Development Revenue Bonds (Elliott Aviation Project) (the "Bonds") and loan the proceeds thereof to the Borrower for the purpose of financing a portion of the cost of (i) a regional headquarters facility to be used by Borrower, consisting of three aircraft hangars, and a general aviation terminal and a supporting office area with certain other directly related improvements (the "Project"), (ii) funding a reserve fund, and (iii) paying costs of issuance and related costs. The Project will be located at 2800 SW McKinley Avenue, Des Moines, Iowa, adjacent to the Des Moines International Airport and will be leased to the Borrower by the Issuer pursuant to a Fixed Base Operator Lease and Agreement; and

2. Undertakings on the Part of the Issuer.

(a) The Issuer, when appropriate and subject to all conditions and acts required to be performed precedent to such financing, will adopt the proceedings necessary to authorize the issuance of the Bonds in an aggregate principal amount not to exceed \$6,000,000.

(b) Subject to due compliance with all requirements of law and the terms of this Agreement, including the public hearing required by the Act, it will cooperate with the Borrower in the issuance and sale of the Bonds, and the proceeds from the issuance of the Bonds shall be loaned to the Borrower pursuant to a loan agreement mutually satisfactory to the Issuer and the Borrower.

(c) The aggregate basic payments (i.e. the payments to be used to pay the principal of, premium, if any, and interest on the Bonds) payable under the loan agreement shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

3. Undertakings on the Part of the Borrower.

(a) The Borrower will cooperate with the Issuer and comply with the Act and all other provisions of law relating to financing of the Project and the issuance and sale of the Bonds; provided, however, that the terms of the Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Issuer and the Borrower.

(b) The Borrower will enter into a loan agreement with the Issuer under the terms of which the Borrower will obligate itself to pay to the Issuer sums sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such instrument to contain other provisions required by law and such other provisions as shall be mutually acceptable to the Issuer and the Borrower.

4. General Provisions.

(a) All commitments on the part of the Issuer under paragraph 2 and of the Borrower under paragraph 3 herein are subject to the condition that on or before one year from the date hereof (or such other date as shall be mutually agreed to) the Issuer and the Borrower shall have agreed to mutually acceptable terms relating to the issuance and sale of the Bonds, and mutually acceptable terms and conditions of the documents referred to in paragraph 3 and the proceedings referred to in paragraphs 2 and 3 hereof.

(b) Whether or not the events set forth in (a) of this paragraph take place within the time set forth or any extension thereof, the Borrower agrees (i) to pay all applicable deposits and review fees of the Issuer and Issuer's counsel at the times and in the amounts requested and (ii) to reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur, including but not limited to, legal fees, administrative costs, printing and publication costs and filing fees arising from the execution of this Agreement and the performance by the Issuer, or preparation to perform of its obligations hereunder, or done at the request of the Borrower.

(c) All commitments of the Issuer hereunder are further subject to the conditions that the Issuer and its elected and appointed officials shall in no event incur any liability for any act or omission hereunder, and that the Bonds shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

The execution of this Preliminary Agreement by the Issuer is not intended to nor does it create a binding commitment on the part of the Issuer to proceed with the issuance of the Bonds. It is further understood that the issuance of the Bonds is subject to further review by the City Council of the Issuer and compliance with all provisions of the Act and the Code, including the holding of a public hearing with respect thereto.

(d) The Borrower represents that the information contained in Section 5 of the resolution of the Issuer approving this Preliminary Agreement has been provided to the Issuer by the Borrower and is true and correct.

(e) Preparation of all resolutions, agreements, instruments, certificates or other documents in final form for adoption and execution shall be the sole responsibility of Bonds Counsel.

Dated this _____ day of May, 2007.

CITY OF DES MOINES, IOWA

(SEAL)

By _____
Mayor

Attest:

City Clerk

ELLIOTT AVIATION OF DES MOINES, INC.

By _____

Its _____

52A

City of Des Moines
Finance Department
Industrial Revenue Bond Issue
Application

Background

Legal Name of Application: Elliott Aviation of Des Moines, Inc.

Address: 2800 SW McKinley Avenue, Des Moines, Iowa

Telephone Number: (309) 799-3183; FAX Number: 309.799.9893

Contact Person: Jeff Hyland

Experience in Business: See Corporate Brochure attached.

Bond Counsel: Ahlers & Cooney, PC

Address: 100 Court Avenue, Suite 600, Des Moines, Iowa 50309

Telephone Number: (515) 243-7611; FAX Number: (515) 243-2149

Financial Adviser: _____

Address: _____

Telephone Number: _____; FAX Number: _____

Other Industrial/Commercial Revenue Bond Issues (Please provide date, size, and use of proceeds):
None

List all outstanding parity debt (Please provide date, size, use of proceeds, and term length):
None

