

.....  
June 8, 2009

Date .....

RESOLUTION APPROVING EXTENSION OF THE EXPIRATION DATE OF THE LETTER OF CREDIT RELATING TO THE OUTSTANDING SUBORDINATE AIRPORT COMMERCIAL PAPER REVENUE NOTES, SERIES C, OF THE CITY OF DES MOINES, IOWA, AND AUTHORIZING EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF DES MOINES AND BANK OF AMERICA, N.A.

WHEREAS, there have been heretofore issued by the City of Des Moines, Iowa (the "City") \$42,670,000 Aviation System Revenue Bonds, Series 1998A-C, dated April 1, 1998 (the "Series 1998 Bonds"), a portion of which remains outstanding and are a first lien on the Net Revenues of the Des Moines International Airport (the "Aviation System") and

WHEREAS, in Roll Call 98-1228 of the City Council adopted on April 19, 1998 authorizing the issuance of said Series 1998 Bonds (the "Prior Bond Resolution"), it is provided that additional bonds or notes may be issued and by payable from the Net Revenues (as defined in the Prior Bond Resolution) of the Aviation System on deposit in the subordinate securities fund (the "Subordinate Securities Fund") established under Sections 4.04 and 4.11 of the Prior Bond Resolution, such obligations being subordinate in right of payment to the Series 1998 Bonds; and

WHEREAS, there have been heretofore authorized for issuance not to exceed \$12,000,000 Subordinate Airport Commercial Paper Revenue Notes, Series C (the "Outstanding Series C Notes"), pursuant to Roll Call No. 00-3504 of the City Council adopted on August 21, 2000, as amended by Roll Call No. 03-792 of the City Council adopted on April 7, 2003 (together, the "Outstanding Note Resolution"); and

WHEREAS, the Outstanding Series C Notes are payable solely and only out of the Subordinate Securities Fund established under the Prior Bond Resolution and are subordinate in right of payment and in all other respects to the Series 1998 Bonds, and are not general obligations of the City or payable in any manner by taxation or other Aviation System revenues; and

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WHEREAS, in connection with the issuance of the Outstanding Series C Notes, the City has heretofore entered into a Reimbursement Agreement dated as of August 21, 2000, as amended by a First Amendment to Reimbursement Agreement dated as of October 3, 2003 (together, the "Reimbursement Agreement") by and between the City of Des Moines and Bank of America, N.A. (the "Bank"), pursuant to which the Bank has issued its irrevocable direct pay letter of credit (the "Letter of Credit") to secure the payment of the principal of and interest on the Outstanding Series C Notes; and

WHEREAS, under Section 2.4 of the Reimbursement Agreement, the City may request the Bank to renew the Letter of Credit and, if the Bank elects to extend the Letter of Credit, the covenants and obligations of the City contained in the Reimbursement Agreement shall continue in full force and effect upon any extension of the Letter of Credit as provided in the Reimbursement Agreement, except insofar as the Bank may request or agree to any modification thereof; and

WHEREAS, the Letter of Credit currently expires on June 30, 2009, and it is the recommendation of the Des Moines International Airport Board that the City extend the expiration date for another two years; and

WHEREAS, the Bank has expressed a willingness to extend the Letter of Credit until June 30, 2011, pursuant to the terms of a Second Amendment to Reimbursement Agreement ("Second Amendment") by and between the City and the Bank now before this Council; and

WHEREAS, it is appropriate for the City Council to approve the extension of the Letter of Credit on the terms proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DES MOINES, IOWA, AS FOLLOWS:

Section 1. Approval of Extension and Second Amendment. The proposal to extend the expiration date of the Letter of Credit to June 30, 2011 is hereby approved on the terms proposed, and the Mayor and City Clerk are hereby authorized to execute, seal and deliver the Second Amendment for and on behalf of the City in the form now before this meeting, subject to such changes as may be acceptable to the City Attorney, and thereafter to cause the City to comply with the Reimbursement Agreement, as amended by the Second Amendment, during the term of said extension.

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Section 2. Approval of other Documents. The Mayor, City Clerk and Finance Director/Treasurer are hereby authorized, empowered and directed to execute, attest, seal and deliver for and on behalf of the City any and all other financing documents, certificates or closing papers as they deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution, including but not limited to Tax Exemption Certificates and Forms 8038 relating to the issuance of any additional new-issue Series C Notes during the extension period.

Section 3. Ratification. All other provisions of the Outstanding Note Resolution, including but not limited to the tax compliance covenants set forth in Section 4.4 thereof, and all actions heretofore taken with respect to the extension of the Letter of Credit approved in this Resolution, are hereby ratified, confirmed and approved.

Moved by: \_\_\_\_\_ to adopt.

Form approved: \_\_\_\_\_  
Deputy City Attorney

**(Council Communication No. 09-375 )**

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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.**

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June 1, 2009

Mr. Allen McKinley  
Finance Director/Treasurer  
City of Des Moines  
400 Robert D. Ray Drive  
Des Moines, Iowa 50309

RE: Extension of Letter of Credit Securing the Subordinate  
Airport Commercial Paper Revenue Notes, Series C

Dear Allen:

With this letter I am enclosing a suggested form of Roll Call for consideration by the City Council at its meeting on June 8, 2009, approving the extension of the expiration date of the Letter of Credit relating to the outstanding Subordinate Airport Commercial Paper Revenue Notes, Series C, to June 30, 2011, pursuant to the terms of a Second Amendment to Reimbursement Agreement between the City and Bank of America, N.A. As you know, the current Letter of Credit expires on June 30, 2009. The form of Second Amendment to Reimbursement Agreement currently is being revised by the Bank, and a copy thereof will be provided to you separately for consideration by the City Council.

Also enclosed are four (4) copies of an Issuer's Signature and Incumbency Certificate. Each of these should be signed by the Mayor, City Clerk and yourself and returned to me. I will insert the Roll Call number and date of closing in the blank spaces on the first page and provide you with a complete copy following the closing.

As always, we would appreciate receiving a certified copy of the enclosed Roll Call for our transcript of the action taken.

June 1, 2009

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Should you have any questions, or need anything further with respect to this matter, please don't hesitate to call.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. J. Noth', written in a cursive style.

William J. Noth

WJN:dc

encl.

cc: Tim Stiles (w/encl.)

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