

Date June 18, 2007

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

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 be 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

Date June 18, 2007

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 July 1, 2007, and it is the recommendation of the Des Moines International Airport Board that the City extend the expiration date for another year; and

WHEREAS, the Bank has expressed a willingness to extend the Letter of Credit until July 1, 2008; 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. The proposal to extend the expiration date of the Letter of Credit to July 1, 2008 is hereby approved on the terms proposed, and the Mayor and City Clerk are hereby authorized to execute, send and deliver the extension of the Letter of Credit for and on behalf of the City in the form now before this meeting, subject to such changes as shall be acceptable to the City Attorney, and thereafter to cause the City to comply with the Reimbursement Agreement during the term of said extension.

★ **Roll Call Number**

**Agenda Item Number**

42

.....  
 June 18, 2007  
**Date** .....

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.

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

DCORNELL/ 537272.1 /MSWord\10387150

**(Council Communication No. 07-371 )**

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
<b>TOTAL</b>				

MOTION CARRIED

APPROVED

\_\_\_\_\_ Mayor

**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.

\_\_\_\_\_ City Clerk

# AHLERS & COONEY, P.C.

42

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May 30, 2007

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

RE: 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 Council at its meeting on June 18, 2007, 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 July 1, 2008. As you know, the current Letter of Credit expires on July 1, 2007. The Roll Call assumes that Des Moines International Airport Board has approved the extension (which is expected to occur on June 5, 2007), and that a copy of the formal extension prepared by Bank of America, N.A. is available to the City Council at the time of its meeting.

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

May 30, 2007  
Page 2

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

Yours very truly,



William J. Noth

WJN:dc  
encl.

cc: Tim Stiles (w/encl.)

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