

.....
Date December 20, 2010
.....

MASTER RESOLUTION RELATING TO THE ISSUANCE OF AVIATION SYSTEM REVENUE BONDS BY THE CITY OF DES MOINES, IOWA UNDER THE PROVISIONS OF CHAPTER 384 OF THE CODE OF IOWA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$5,225,000 AVIATION SYSTEM REVENUE CAPITAL LOAN NOTES, SERIES 2010A, \$15,990,000 AVIATION SYSTEM REVENUE CAPITAL LOAN NOTES, SERIES 2010B, \$10,330,000 AVIATION SYSTEM REVENUE REFUNDING CAPITAL LOAN NOTES, TAXABLE SERIES 2010C, AND \$4,900,000 AVIATION SYSTEM REVENUE CAPITAL LOAN NOTES, SERIES 2010D, PROVIDING FOR A METHOD OF PAYMENT THEREOF, FUNDING A DEBT SERVICE RESERVE FUND, APPROVING A PURCHASE CONTRACT, AND OTHER RELATED MATTERS

WHEREAS, the City of Des Moines, Iowa ("City") is authorized to issue Bonds (as defined herein) under the provisions of Chapter 384 of the Code of Iowa, as amended, as a means of financing the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, and equipping of the Aviation System (as defined herein); and

WHEREAS, such Bonds may be issued and sold by the City in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, at fixed or variable rates of interest as shall be prevailing at the time of issuance, with such covenants and terms and in such form and manner as the City Council shall determine to be appropriate, in its sole discretion; and

WHEREAS, the principal of and interest on the Bonds shall be payable solely from and secured by the Pledged Revenues of the Aviation System and from other funds of the City lawfully available therefore, and the Bonds shall not in any respect be general obligations of the City; and

.....
Date December 20, 2010
.....

WHEREAS, the City, pursuant to that certain authorizing Bond Resolution dated April 20, 1998 (the "Prior Bond Resolution"), has previously issued its \$6,335,000 Series 1998A Aviation System Revenue Bonds, its \$23,870,000 Series 1998B Aviation System Revenue Bonds, and its \$12,465,000 Series 1998C (Taxable) Bonds (collectively, the "Series 1998 Bonds", a portion of which will remain outstanding subsequent to the issuance of the City's Series 2010 Notes (as hereinafter defined); and

WHEREAS, pursuant to Section 9.03 of the Prior Resolution, this Resolution shall constitute an amendment to the Prior Resolution requiring the consent of the Owners of not less than a majority in aggregate unpaid principal amount of the Revenue Bonds (as defined in the Prior Resolution) then Outstanding (as defined in the Prior Resolution); and

WHEREAS, by the purchase and acceptance of the Series 2010 Notes, the owners of the Series 2010 Notes constitute more than a majority of Revenue Bonds Outstanding and shall be deemed to have consented to and agree to be bound by the terms of this Resolution, amending the Prior Resolution; and

WHEREAS, pursuant to Section 2.21 of the Prior Resolution, the Insurer (as defined in the Prior Resolution) has agreed to amend the Prior Resolution by this Resolution and has provided its written consent to same;

WHEREAS, the City has heretofore established charges, rates and rentals for services which are and will continue to be collected as system revenues of the Aviation System, sometimes hereinafter referred to as the "System", and said revenues have not been pledged and are available for the payment of the Series 1998 Bonds, the Series 2010A Notes, the Series 2010B Notes, the Series 2010C Notes, and the Series 2010D Notes and any additional Senior Bonds and any Subordinate Bonds authorized herein (each as defined herein).

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

December 20, 2010
Date

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

"Accreted Value" means, with respect to each Capital Appreciation Bond, (i) the initial principal amount of such Capital Appreciation Bond plus, on the date of calculation, the interest accrued thereon to such date compounded at the interest rate thereof on each compounding date contained in such Capital Appreciation Bond, and (ii) with respect to any calculation on a date other than a compounding date, the amount determined pursuant to clause (i) above as of the immediately preceding compounding date plus interest on such amount from such compounding date to the date of calculation at a rate equal to the interest rate on such Capital Appreciation Bond.

"Airport Consultant" shall mean an independent airport consultant or airport consulting firm, as from time to time may be appointed and compensated by the City.

"Airport Facilities" or "Airport Facility" shall mean a facility or group of facilities or category of facilities which constitute or are part of the Aviation System.

"Authorized Denominations" shall mean \$5,000 or any integral multiple thereof, except that any Capital Appreciation Bond shall be issued in the denomination of \$5,000 maturity amount or integral multiples thereof and any Bonds bearing interest at a Variable Rate may be issued in the denomination of \$100,000 each or integral multiples of \$5,000 in excess thereof.

"Aviation Director" shall mean the Aviation Director appointed by the City Manager.

December 20, 2010
Date

"**Aviation System**" or "**System**" shall mean all airport, heliport and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated or controlled in whole or in part by the City and declared by the City to be part of the Aviation System, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the City in connection therewith. The Aviation System currently includes the present airport of the City, known as "Des Moines International Airport." The Aviation System shall also include all improvements and extensions made by Issuer while any of the Bonds remain Outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles.

"**Aviation System Revenue Fund**" means the fund by that name established in Section 6.2 and further described in Section 6.3 of this Resolution for the deposit of all Revenues.

"**Balloon Bonds**" means any series of Bonds 25% or more of the Principal of which (i) is due in any 12-month period or (ii) may, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid in any 12-month period; provided that, in calculating the Principal of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such Principal shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

"**Balloon Date**" means any Principal Maturity Date or Put Date on which more than 25% of the Principal of related Balloon Bonds mature or are subject to mandatory redemption or could, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid.

"**Beneficial Owner**" shall mean the person in whose name such Bond is recorded as the beneficial owner of a Bond by a Participant on the records of such Participant or such person's subrogee.

December 20, 2010
Date

"**Board**" means the Airport Board of the City of Des Moines, Iowa, established by ordinance for administration of the Aviation System.

"**Bond Principal and Interest Fund**" means the fund by that name established in Section 6.2 and further described in Section 6.5 of this Resolution.

"**Bond Register**" means the books maintained by the Registrar for the registration, transfer and exchange of Bonds.

"**Bondholder**" means the registered owner of one or more Bonds.

"**Bonds**" means any revenue bonds, notes or other obligations authorized by and authenticated and delivered pursuant to this Resolution and any Series Resolution, including the Series 2010A Notes, the Series 2010B Notes, the Series 2010C Notes, the Series 2010D Notes, any other Senior Bonds, and any Subordinate Bonds.

"**Capital Appreciation Bonds**" means Bonds which bear interest which is calculated based on periodic compounding, payable only at maturity or earlier redemption.

"**Capitalized Interest**" shall mean the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other monies that are deposited in the Bond Principal and Interest Fund, as may be described in a Supplemental Resolution upon issuance of Bonds and to be used to pay interest on the Bonds.

"**City Council**" means the City Council of the City of Des Moines, Iowa.

"**City Manager**" shall mean the City Manager appointed by the City Council.

"**Clerk**" shall mean the City Clerk or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities.

December 20, 2010
Date

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

"Commercial Paper" shall mean notes of the City with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Commercial Paper Program adopted by the City.

"Commercial Paper Program" shall mean a program authorized by the City pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the authorized amount of such Program.

"Commitment," when used with respect to Balloon Bonds, means a binding written commitment from a financial institution, surety or insurance company to refinance such Bonds on or prior to any Balloon Date thereof, including without limitation any Credit Facility for such Bonds.

"Continuing Disclosure Certificates" shall mean those certain Continuing Disclosure Certificates executed by the City and dated the date of issuance and delivery of the Series 2010A Notes, Series 2010B Notes, Series 2010C Notes, and Series 2010D Notes, as originally executed and as they may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means issuance costs with respect to any series of Bonds, including but not limited to the following: underwriters' spread (whether realized directly or derived through purchase of such Bonds at a discount below the price at which they are expected to be sold to the public); Credit Facility fees and Reserve Account Credit Facility fees; Trustee's fees; counsel fees (including bond counsel, underwriter's counsel, and any other specialized counsel fees incurred in connection with the borrowing); fees of any Financial Advisor to the City incurred in connection with the issuance of the Bonds; Rating Agency fees; escrow agent and paying agent fees; accountant fees and other expenses related to issuance of the Bonds; printing costs (for the Bonds and of the preliminary and final official statement relating to the Bonds); and other fees and expenses of the City incurred in connection with the issuance of the Bonds.

December 20, 2010
Date

"Credit Facility" means any letter of credit, insurance policy, guaranty, surety bond, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other financial institution which is used by the City to perform one or more of the following tasks: (i) enhancing the City's credit by assuring owners of any of the Bonds that Principal of and interest on such Bonds will be paid promptly when due; (ii) providing liquidity for the owners of Bonds through undertaking to cause Bonds to be bought from the owners thereof when submitted pursuant to an arrangement prescribed by the Series Resolution relating to such Bonds; or (iii) remarketing any Bonds so submitted to the City or Credit Facility Provider for purchase (whether or not the same Credit Facility Provider is remarketing the Bonds). The term Credit Facility shall not include a Reserve Account Credit Facility.

"Credit Facility Agreement" means an agreement between the City and a Credit Facility Provider pursuant to which the Credit Facility Provider issues a Credit Facility and may include the promissory note or other instrument evidencing the City's obligations to a Credit Facility Provider pursuant to a Credit Facility Agreement. The term Credit Facility Agreement shall not include a Reserve Account Credit Facility Agreement.

"Credit Facility Provider" means any issuer of a Credit Facility then in effect for all or part of the Bonds. The term Credit Facility Provider shall not include any Reserve Account Credit Facility Provider. Whenever in the Resolution the consent of the Credit Facility Provider is required, such consent shall only be required from the Credit Facility Provider whose Credit Facility is issued with respect to the series of Bonds for which the consent is required.

"Current Interest Bonds" means those Bonds which are not Capital Appreciation Bonds.

"Current Operation and Maintenance Expense Account" means the account by that name within the Operation and Maintenance Fund established in Section 6.4 of this Resolution.

December 20, 2010
Date

"Customer Facility Charge" means the charges imposed by car rental companies upon car rental customers arriving at the Des Moines International Airport and renting a vehicle from a car rental company serving the Aviation System, which charges shall be collected by the car rental companies for the benefit of the Aviation System, together with Investment Earnings thereon.

"Debt Service Requirement" shall mean the total Principal and interest coming due on Senior Bonds, or all Bonds, as applicable, whether at maturity or upon mandatory sinking fund redemption in any specified period. In addition:

(a) For any series of Bonds bearing interest at a Variable Rate or a rate to be negotiated or revised from time to time such that the actual future rate of interest thereon cannot be ascertained at the time of calculation, it shall be assumed that such Bonds will bear interest as if the Variable Rate in effect at all times during such future period was equal to the average of the SIFMA Municipal SWAP Index (formerly the BMA Municipal Bond Index) for the prior five (5) calendar years, or any successor index as certified by a Financial Advisor.

(b) If any Capital Appreciation Bonds are Outstanding or proposed to be issued, the total Principal and interest coming due in any specified period shall be determined, with respect to such Capital Appreciation Bonds, by the Series Resolution of the City authorizing such Capital Appreciation Bonds.

(c) With respect to any Bonds secured by a Credit Facility, Debt Service Requirement shall include (i) any upfront or periodic commission or commitment fee obligations with respect to such Credit Facility, (ii) the outstanding amount of any Reimbursement Obligation owed to the applicable Credit Facility Provider and interest thereon, and (iii) any remarketing agent fees.

(d) With respect to any Hedged Bonds, the interest on such Hedged Bonds during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations

December 20, 2010
Date

thereunder shall be calculated by adding (x) the amount of interest payable by the City on such Hedged Bonds pursuant to their terms and (y) the amount of Hedge Payments payable by the City under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the City on the related Hedged Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts payable or receivable for any future period which are not fixed throughout the Hedge Period (i.e., which are variable), such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables which were in effect (weighted according to the length of the period during which each such variable was in effect) for the prior five (5) calendar years immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a five year period).

(e) For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are subject to a Commitment or (2) which do not have a Balloon Date within 12 months from the date of calculation, such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for Principal and interest over an assumed amortization period of 20 years from the date of issuance thereof at an assumed interest rate (which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the City could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Bonds and with a 20-year term); provided, however, that if the maturity of such Bonds (taking into account the term of any Commitment) is in excess of 20 years from the date of issuance, then such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for Principal and interest over an assumed amortization period of years

Date December 20, 2010

equal to the number of years from the date of issuance of such Bonds to maturity (including the Commitment) and at the interest rate applicable to such Bonds. For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are not subject to a Commitment and (2) which have a Balloon Date within 12 months from the date of calculation, the Principal payable on such Bonds on the Balloon Date shall be calculated as if paid on the Balloon Date.

(f) The Principal of and interest on Bonds and Hedge Payments shall be excluded from the determination of Debt Service Requirement to the extent that (1) the same were or are expected to be paid with amounts on deposit on the date of calculation (or Bond proceeds to be deposited on the date of issuance of proposed Bonds) in the Project Fund, the Debt Service Reserve Fund or a similar fund for Subordinate Bonds or (2) cash or non-callable Government Obligations are on deposit in an irrevocable escrow or trust account in accordance with Section 9.1 hereof (or a similar escrow or trust account for Subordinate Bonds) and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay Principal or interest and are sufficient to pay such Principal or interest.

"Debt Service Reserve Fund" means the fund by that name established in Section 6.2 and further described in Section 6.6 of this Resolution.

"Debt Service Reserve Requirement" means the amount determined to be a reasonable reserve for the payment of Principal of and interest on Senior Bonds, which amount shall be the least of (a) 10% of the stated Principal amount of the Senior Bonds, (b) the maximum annual Principal and interest requirements on the Senior Bonds (determined as of the issue date of each series of Senior Bonds), or (c) 125% of the average annual Principal and interest requirements on the Senior Bonds (determined as of the issue date of each series of Senior Bonds). If the aggregate initial offering price of a series of Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in lieu of the stated Principal amount. Notwithstanding the foregoing, the Debt Service Reserve Requirement, if any, in connection with any Subordinate Bonds shall be as

.....
Date December 20, 2010
.....

provided in the Series Resolution authorizing the issuance of such Subordinate Bonds.

"Depository Bonds" shall mean the Bonds as issued in the form of one global certificate for each maturity, registered in the Bond Register maintained by the Registrar in the name of DTC or its nominee.

"DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company, or any successor book-entry securities depository appointed for the Bonds.

"Financial Advisor" means a financial advisory firm appointed by the City Council for the purpose of assisting the City with the structuring and offering of Bonds, Subordinate Bonds or other obligations.

"Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the Aviation System. Requirements of a Fiscal Year as expressed in this Resolution shall exclude any payment of Principal or interest falling due on the first day of the Fiscal Year and include any payment of Principal or interest falling due on the first day of the succeeding Fiscal Year.

"General Obligation Bond Fund" shall mean the General Obligation Bond Fund established by Section 6.2 and further described in Section 6.9 of this Resolution.

"Governing Body" shall mean, as applicable, the Board of the Des Moines International Airport or its successor in function with respect to the powers of operation and control of the Aviation System delegated to the Board by City ordinance; or the Des Moines City Council or its successor in function with respect to the issuance, performance and payment of the Bonds or other obligations of the System and other powers retained by ordinance.

December 20, 2010
Date

"Government Obligations" means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged or (b) obligations issued by an agency controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, (i) are not subject to redemption or prepayment prior to maturity except at the option of the holder of such obligations and (ii) may include U.S. Treasury Trust Receipts.

"Hedge Agreement" means, to the extent permitted by the laws of the State, (i) any contract provided by a Qualified Hedge Provider known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract provided by a Qualified Hedge Provider providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract provided by a Qualified Hedge Provider to exchange cash flows or payments or series of payments; (iv) any type of contract provided by a Qualified Hedge Provider called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement provided by a Qualified Hedge Provider that the City determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

"Hedge Contingency Payments" means amounts payable by the City pursuant to any Hedge Agreement as termination payments, fees, expenses and indemnity payments.

.....
Date December 20, 2010
.....

"Hedge Payments" means amounts payable by the City pursuant to any Hedge Agreement, other than Hedge Contingency Payments.

"Hedge Period" means the period during which a Hedge Agreement is in effect.

"Hedge Receipts" means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

"Hedged Bonds" means any Bonds for which the City shall have entered into a Hedge Agreement, to the extent permitted by the laws of the State.

"Independent Auditor" shall mean an independent firm of certified public accountants.

"Insurance Advisor" shall mean a person or a firm of persons of favorable repute in the State for skill and experience in dealing with the insurance requirements of enterprises similar to the Aviation System and in performing the duties imposed upon it under this Resolution.

"Interest Payment Date" means each date on which interest is to become due on any Bonds, as established in the Series Resolution for such Bonds, and with respect to the Series 2010A Notes, the Series 2010B Notes, the Series 2010C Notes, and the Series 2010D Notes shall be as specified in Sections 2.2, 2.3 and 2.4 hereof.

"Investment Earnings" means all interest received on and profits derived from investments of moneys in all funds and accounts of the City established under this Resolution, other than investments derived from or with respect to those funds or accounts established within or as part of the Rebate Fund.

"Issuer" or "City" shall mean the City of Des Moines, Iowa.

December 20, 2010
Date

"Maximum Annual Debt Service" means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year.

"Mayor" means the individual presently serving as the Mayor of the City, and any successor who may hereafter serve as such officer.

"Net Revenues" shall mean Revenues of the Aviation System after deduction of Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" shall mean the reasonable necessary current expenses paid or accrued in operating and maintaining the Aviation System as determined in accordance with generally accepted accounting principles, including but not limited to (a) costs, including a reserve for bad debts of collecting Revenues and making refunds; (b) engineering, audit reports, legal and administrative expenses; (c) salaries, wages, benefits and other compensation; (d) costs of routine repairs, replacements and renewals; (e) costs of utility services; (f) general administrative overhead, marketing or advertising; (g) material and supplies used in the ordinary course of business; (h) contractual and professional services; (i) costs of insurance and fidelity bonds; (j) costs of carrying out provisions of the Resolution; (k) expenditures which do not exceed the standards for capitalization under the City's accounting basis; and (l) all other routine costs and expenses. The term "Operation and Maintenance Expense" shall not include any allowance for depreciation or amortization, expenditures for capital improvements or replacements, payments in lieu of taxes made to City, any debt service or the costs associated with early extinguishment of debt, nor any other accounting charges which are not payable from Revenues.

"Operation and Maintenance Fund" means the fund by that name established by Section 6.2 and further described in Section 6.4 of this Resolution.

"Operation and Maintenance Reserve Account" shall mean the Operation and Maintenance Reserve Account established by Section 6.2 and further described in Section 6.8 of this Resolution.

December 20, 2010
Date

"Original Purchaser" shall mean RBC Capital Markets LLC, as the purchaser of the Series 2010A Notes, Series 2010B Notes, Series 2010C Notes, and Series 2010D Notes from the City at the time of their original issuance.

"Other Airport Obligations" shall mean obligations of any kind, including but not limited to government loans, capital leases, installment purchase agreements or notes (but excluding Bonds and related obligations to Credit Facility Providers, Reserve Account Credit Facility Providers or Qualified Hedge Providers) incurred or issued by the City to finance or refinance the cost of acquiring, constructing, reconstructing, improving, equipping or extending any part of the Aviation System.

"Outstanding" shall mean, as of a particular date, all such Bonds theretofore and thereupon delivered except: (a) any such Bond cancelled by or on behalf of the Issuer on or before said date; (b) any such Bond defeased pursuant to Section 9.1 of this Resolution or of the Series Resolution authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the Series Resolution authorizing the issuance of such Bond.

"Participants" shall mean those broker-dealers, banks and other financial institutions for which DTC holds Bonds as securities depository.

"Passenger Facility Charges" shall mean charges collected by the Aviation System pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Aviation System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such Passenger Facility Charge revenues.

"Paying Agent" shall mean the City Treasurer, or such successor as may be approved by the City as provided herein and who shall carry out the duties prescribed herein as the City's agent to provide for the payment of principal of and interest on the Bonds as the same shall become due.

December 20, 2010
Date

"Permitted Investments" shall mean the following:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury), or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(1) U.S. Export/Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership).

(2) Farmers Home Administration (certificates of beneficial ownership).

(3) Federal Financing Bank.

(4) Federal Housing Administration Debentures.

(5) General Services Administration (participation certificates).

(6) Government National Mortgage Association (guaranteed mortgage backed bonds and pass-through obligations).

(7) U.S. Maritime Administration (guaranteed Title XI financing).

(8) U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures, and U.S. public housing notes and bonds).

.....
Date December 20, 2010
.....

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(1) Federal Home Loan Bank Systems (senior debt obligations).

(2) Federal Home Loan Mortgage Corporation (participation certifications and senior debt obligations).

(3) Federal National Mortgage Association (mortgaged-backed securities and senior debt obligations).

(4) Resolution Funding Corp. (Refcorp obligations).

(5) Farm Credit System (consolidated system-wide bonds or notes).

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of AAAM-G, and if rated by Moody's, rated Aaa.

(e) Certificates of deposit issued by federally insured depository institutions, approved pursuant to Iowa Code, Chapter 12C, and secured at all times by collateral described in subparagraphs (a) and/or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks, so long as the collateral is held by a third party and Bondholders have a perfected first security interest in the collateral.

(f) Certificates of deposits, savings accounts, deposit accounts or money market deposits which are fully insured by the FDIC, including the Bank Insurance Fund and the Savings Association Insurance Fund.

.....
Date December 20, 2010
.....

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements allowed by Iowa Code, Chapter 12B.10, provided same is rated within the two highest classifications by either Moody's or Standard & Poor's.

(h) Commercial paper that matures within two hundred seventy (270) days and that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1x" or better by Standard & Poor's, provided further that at the time of purchase, no more than ten percent of the investment portfolio shall be in investments authorized by this paragraph, and that at the time of purchase, no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(i) Repurchase agreements which exceed thirty days and repurchase agreements for thirty days or less that meet the following criteria:

(1) The repurchase agreement must be between the City and a primary dealer on the Federal Reserve reporting dealer list which is rated "A" or better by Standard & Poor's Corporation and Moody's Investors Services or a bank rated "A" or above by Standard & Poor's Corporation and Moody's Investors Services.

(2) The repurchase agreement must provide that (i) the securities which are acceptable for transfer are direct U.S. government obligations or federal agencies backed by the full faith and credit of the U.S. government (and FNMA or FHLMC), (ii) the term of the repurchase agreement may be up to thirty days, (iii) the collateral must be delivered to the City, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before or simultaneous with payment (permitting perfection by possession of certificated securities) and (iv) the securities must be valued weekly, marked-to-market at current market price plus accrued interest, with the value of the collateral being equal to 104% of the amount of cash transferred by the City to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the

December 20, 2010
Date

value of the cash transferred by the City, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) The City shall have received a legal opinion to the effect that the repurchase agreement meets guidelines under State law for legal investment of public funds.

(j) Any State administered pool investment fund in which the City is statutorily permitted or required to invest will be deemed a Permitted Investment.

(k) Debt Service Reserve Fund investments shall be valued at fair market value and marked-to-market at least once per year, and may not have maturities extending beyond five years.

"Pledged Revenues" means Net Revenues, Hedge Receipts, and all moneys paid or required to be paid into, and all moneys and securities on deposit from time to time in, the funds and accounts specified in Section 6.2, but excluding any amounts required in the Resolution to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code, including amounts in the Rebate Fund.

"Principal" means (i) with respect to a Current Interest Bond, the principal amount of such Bond, and (ii) with respect to a Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond.

"Principal Maturity Date" means each date on which Principal is to become due on any Bonds, by maturity or mandatory sinking fund redemption, as established in the Series Resolution for such Bonds.

"Prior Bond Resolution" shall have the meaning described in the recitals hereto.