NEW ISSUES **Ratings: See "RATINGS" herein.**
BOOK-ENTRY ONLY

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Senior Series 2010 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Senior Series 2010B Bond for any period during which such Senior Series 2010B Bond is held by a "substantial user" of the facilities financed and refinanced by the Senior Series 2010B Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that interest on the Senior Series 2010 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Senior Series 2010 Bonds is not includible in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, but is includible in the calculation of taxable income of corporations and financial institutions for State of Minnesota franchise tax purposes. For a more complete description, see "TAX MATTERS" herein.

$135,685,000
MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Senior Airport Revenue Bonds

$62,210,000	$73,475,000
Series 2010A	Series 2010B
(Non-AMT)	(Non-AMT)

Dated: Date of Delivery **Due:** January 1, as shown on the inside cover

The Metropolitan Airports Commission (the "Commission") is issuing its Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010A and Series 2010B (collectively, the "Senior Series 2010 Bonds") to (a) finance certain capital improvements at Minneapolis-St. Paul International Airport, (b) reimburse the Commission for its previous purchase of its Subordinate Commercial Paper Notes (as defined herein), (c) make a deposit to the Reserve Fund (as defined herein), (d) fund a portion of the interest accruing on a portion of the Senior Series 2010 Bonds, and (e) pay the costs of issuance of the Senior Series 2010 Bonds, as described herein. See "PLAN OF FINANCE AND APPLICATION OF THE SENIOR SERIES 2010 BOND PROCEEDS" herein.

The Senior Series 2010 Bonds are limited obligations of the Commission payable solely from and secured by (a) a pledge of Net Revenues (as defined herein) which include certain income and revenue received by the Commission from the operation of the Airport System (as defined herein) less all amounts which are required to be used to pay the Maintenance and Operation Expenses of the Airport System (as defined herein), and (b) other amounts payable under the Senior Indenture (as defined herein). The Senior Series 2010 Bonds will be issued with a pledge of and lien on Net Revenues on a parity with the Commission's Prior Senior Bonds (as defined herein) which, as of July 1, 2010, were outstanding in the aggregate principal amount of $723,250,000, and its General Obligation Revenue Bonds (as defined herein) which, as of July 1, 2010, were outstanding in the aggregate principal amount of $244,655,000.

THE SENIOR SERIES 2010 BONDS ARE NOT GENERAL OBLIGATIONS, BUT ARE LIMITED OBLIGATIONS OF THE COMMISSION PAYABLE FROM A LIEN ON NET REVENUES, AS DESCRIBED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMISSION, THE CITY OF MINNEAPOLIS, THE CITY OF ST. PAUL, THE STATE OF MINNESOTA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY OF THE STATE, OTHER THAN THE COMMISSION, TO THE EXTENT OF THE NET REVENUES IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SENIOR SERIES 2010 BONDS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SENIOR SERIES 2010 BONDS.

The Senior Series 2010 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Senior Series 2010 Bonds may be made in book-entry form only in denominations of $5,000 and integral multiplies thereof. Interest on the Senior Series 2010 Bonds will be payable on January 1 and July 1, commencing on January 1, 2011. So long as the Senior Series 2010 Bonds are held by DTC, the principal of and interest on the Senior Series 2010 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners (as defined herein) of the Senior Series 2010 Bonds, as more fully described herein.

The Senior Series 2010 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as more fully described herein.

The purchase and ownership of the Senior Series 2010 Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of, or the security for, the Senior Series 2010 Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS" herein.

The Senior Series 2010 Bonds are offered, when, as and if issued by the Commission, subject to the approval of validity by Kutak Rock LLP, Bond Counsel, and to certain other conditions. Certain matters will be passed upon for the Commission by Thomas W. Anderson, Esq., General Counsel to the Commission, and certain legal matters will be passed upon for the Commission by Kutak Rock LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Hogan Lovells US LLP. Jefferies & Company, Inc. has served as Financial Advisor to the Commission. It is expected that the Senior Series 2010 Bonds in book-entry form will be available for delivery through the facilities of DTC on or about August 10, 2010.

Barclays Capital **Piper Jaffray & Co.**

Citi **J.P. Morgan** **RBC Capital Markets** **Wells Fargo Securities**

Date of Official Statement: July 28, 2010.

MATURITY SCHEDULE

$62,210,000
Minneapolis-St. Paul Metropolitan Airports Commission
Senior Airport Revenue Bonds
Series 2010A
(Non-AMT)

Due January 1	Principal Amount	Interest Rate	Yield	CUSIP Numbers[1]
2028	$1,460,000	5.00%	4.19%[C]	603827SB3
2028	3,090,000	4.00	4.19	603827SF4
2029	2,000,000	5.00	4.29[C]	603827SC1
2029	5,155,000	4.00	4.29	603827SG2
2030	2,325,000	5.00	4.37[C]	603827SD9
2030	5,135,000	4.125	4.37	603827SH0

$43,045,000 5.00% Term Bonds due January 1, 2035, Yield: 4.52%[C]; CUSIP Number[1]: 603827SE7

$73,475,000
Minneapolis-St. Paul Metropolitan Airports Commission
Senior Airport Revenue Bonds
Series 2010B
(Non-AMT)

Due January 1	Principal Amount	Interest Rate	Yield	CUSIP Numbers[1]
2012	$ 900,000	3.00%	0.63%	603827SY3
2013	1,400,000	3.00	0.97	603827SZ0
2014	3,640,000	3.00	1.30	603827TA4
2015	3,745,000	4.00	1.78	603827SJ6
2016	3,895,000	4.00	2.21	603827SK3
2017	4,055,000	5.00	2.55	603827SL1
2018	4,255,000	5.00	2.79	603827SM9
2019	4,470,000	5.00	2.98	603827SN7
2020	4,690,000	5.00	3.15	603827SP2
2021	4,925,000	5.00	3.36[C]	603827SQ0
2022	5,175,000	5.00	3.54[C]	603827SR8
2023	5,430,000	5.00	3.68[C]	603827SS6
2024	5,705,000	5.00	3.80[C]	603827ST4
2025	5,990,000	5.00	3.89[C]	603827SU1
2026	6,285,000	5.00	3.99[C]	603827SV9
2027	6,600,000	4.00	4.11	603827SW7
2028	2,315,000	4.00	4.19	603827SX5

[C] Priced to the par call date of January 1, 2020.

[1] Copyright 2010, American Bankers Association. CUSIP data was provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies Inc. CUSIP numbers are provided only for the convenience of the reader. Neither the Commission nor the Underwriters take any responsibility for any changes to or errors in this list of CUSIP numbers.

METROPOLITAN AIRPORTS COMMISSION

John Lanners
Chair

Daniel Boivin	Robert Nelson
Timothy Geisler	Lisa Peilen
Pat Harris	Paul Rehkamp
Mike Landy	Molly Sigel
John McClung	Sherry Stenerson
Bert J. McKasy	Andy Westerberg
Donald Monaco	Dr. John Williams

MANAGEMENT OF THE COMMISSION

Executive Director	Jeffrey W. Hamiel
Deputy Executive Director, Finance and Administrative Services	Stephen L. Busch
Deputy Executive Director, Planning and Environment	Dennis Probst
Deputy Executive Director, Human Resources	Jan Nielsen
Deputy Executive Director, Operations	Timothy Anderson
General Counsel	Thomas W. Anderson
Director of Finance	Robert C. Schauer

FINANCIAL ADVISOR

Jefferies & Company, Inc.

BOND COUNSEL AND DISCLOSURE COUNSEL

Kutak Rock LLP

SENIOR TRUSTEE

Wells Fargo Bank,
National Association

AIRPORT CONSULTANT

Jacobs Consultancy

No dealer, broker, salesperson or other person has been authorized by the Commission to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Commission. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Senior Series 2010 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Senior Series 2010 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See "INTRODUCTION—Forward-Looking Statements" herein.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Commission since the date hereof. This Official Statement is submitted in connection with the sale of the Senior Series 2010 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

THE SENIOR SERIES 2010 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE SENIOR INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. THE SENIOR SERIES 2010 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY COMMISSION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SENIOR SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SENIOR SERIES 2010 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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$135,685,000
MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Senior Airport Revenue Bonds

$62,210,000	**$73,475,000**
Series 2010A	**Series 2010B**
(Non-AMT)	**(Non-AMT)**

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the appendices, is to provide certain information concerning the sale and delivery by the Metropolitan Airports Commission (the "Commission" or "MAC") of its $62,210,000 Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010A (the "Senior Series 2010A Bonds"), and $73,475,000 Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010B (the "Senior Series 2010B Bonds," and together with the Senior Series 2010A Bonds, the "Senior Series 2010 Bonds").

The Senior Series 2010 Bonds are being issued pursuant to the Master Trust Indenture, dated as of June 1, 1998, as amended (the "Master Senior Indenture"), by and between the Commission and Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, National Association), as trustee (the "Senior Trustee"), and the Eighth Supplemental Trust Indenture, to be dated as of August 1, 2010 (the "Eighth Supplemental Senior Indenture," and together with the Master Senior Indenture, and all supplements thereto, the "Senior Indenture"), by and between the Commission and the Senior Trustee. The Senior Series 2010 Bonds have been authorized by Resolution No. 2130 adopted by the Commission on June 21, 2010 (the "Resolution"). The Senior Series 2010 Bonds are being issued under and in accordance with Minnesota Statutes, Sections 473.601, et seq. (the "Act"). **Capitalized terms used but not otherwise defined herein are defined in Appendix C hereto.**

The Commission

The Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation. Its purpose is to promote air navigation and transportation (international, national and local) in and through the State of Minnesota (the "State"), promote the efficient, safe and economic handling of air commerce, assure the inclusion of the State in national and international programs of air transportation, and to those ends develop the full potentialities of the Metropolitan Area (as defined below) as an aviation center. The Commission exercises its jurisdiction over any place within 35 miles of the city hall of the City of Minneapolis or the city hall of the City of St. Paul, and over the Minneapolis-St. Paul Metropolitan Area (the "Metropolitan Area"), which includes the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington. See "THE COMMISSION."

The Airport and the Airport System

The Commission owns and operates seven airports in the Metropolitan Area, including Minneapolis-St. Paul International Airport (the "Airport" or "MSP"), which serves as the primary Air Carrier (as defined herein) facility, and six reliever airports which serve general aviation, including St. Paul Downtown Airport, Flying Cloud Airport, Crystal Airport, Anoka County/Blaine Airport, Lake Elmo Airport and Airlake Airport (collectively, the "Reliever Airports"). For purposes of this Official Statement, "Air Carrier" will mean all major or national commercial airlines, regional or commuter airlines and cargo carriers.

The Airport maintains four air-transport type runways, including two northwest-southeast runways, one north-south runway and one northeast-southwest cross-wind runway. Passenger terminal facilities at the Airport are located in two separate buildings: Terminal 1-Lindbergh Terminal Building (the "Lindbergh Terminal") and Terminal 2-Hubert H. Humphrey Terminal (the "Humphrey Terminal"). According to Airports Council International ("ACI") statistics, in calendar year 2009, the Airport was ranked as the 15th busiest airport in the country as measured by total number of enplaned and deplaned passengers. The Airport is classified by the Federal Aviation Administration (the "FAA") as a large hub airport (an airport that enplanes 1.0% or more of the total number of passenger boardings at all commercial service airports in the United States). See "THE COMMISSION—The Airport System," and "MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT."

Delta Air Lines

The Airport serves as a primary hub in the route system of Delta Air Lines, Inc. ("Delta"). In 2008, Delta acquired Northwest Airlines Corporation, including Northwest Airlines, Inc. ("Northwest") and its affiliated Air Carriers, Mesaba Airlines ("Mesaba"), Pinnacle Airlines ("Pinnacle") and Compass Airlines ("Compass"). As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. On January 31, 2010, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Commission. Delta and Northwest (including Mesaba, Pinnacle and Compass) accounted for approximately 78.7% of all passengers enplaned at the Airport in 2009. See "THE AIRPORT AGREEMENTS—Airline Lease Agreements," "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta" and "CERTAIN INVESTMENT CONSIDERATIONS—Dominance of Delta at the Airport."

Plan of Finance

The Senior Series 2010 Bonds are being issued to (a) finance certain capital improvements at the Airport, (b) reimburse the Commission for its previous purchase of its Subordinate Commercial Paper Notes (as defined herein), (c) make a deposit to the Reserve Fund (as defined herein), (d) fund a portion of the interest accruing on a portion of the Senior Series 2010 Bonds, and (e) pay the costs of issuance of the Senior Series 2010 Bonds, all as further described herein. See "PLAN OF FINANCE AND APPLICATION OF THE SENIOR SERIES 2010 BOND PROCEEDS" and "DESCRIPTION OF THE SENIOR SERIES 2010 BONDS."

Security for the Senior Series 2010 Bonds

The Senior Series 2010 Bonds will be secured by a pledge of and lien on Net Revenues (as defined herein) on a parity with the outstanding Prior Senior Bonds (as defined below), the outstanding General Obligation Revenue Bonds (as defined herein), any additional bonds issued on a parity with the Senior Bonds under the terms and provisions of the Master Senior Indenture (the "Additional Senior Bonds"), any additional General Obligation Revenue Bonds issued on a parity with respect to Net Revenues pursuant to the terms of the Act (the "Additional General Obligation Revenue Bonds"), and any other obligations issued on a parity with respect to Net Revenues pursuant to the terms of laws enacted by the Minnesota State Legislature and the Master Senior Indenture. For purposes of this Official Statement, "Senior Bonds" means the Senior Series 2010 Bonds, the Prior Senior Bonds, and any Additional Senior Bonds. The Senior Bonds, the General Obligation Revenue Bonds, any Additional General Obligation Revenue Bonds (issued on a parity with respect to Net Revenues), and any other obligations issued on a parity with respect to Net Revenues pursuant to the terms of laws enacted by the Minnesota State Legislature and the Master Senior Indenture are hereinafter collectively referred to as the "Senior Parity Bonds." At the time of this Official Statement, the only obligations the Commission has issued pursuant to the Master Senior Indenture are the Prior Senior Bonds. Net Revenues are available for the equal and proportionate benefit of all Senior Parity Bonds, except for the timing of payment of such Senior Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Pledge of Net Revenues," and "—Use of PFCs to Pay Debt Service" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Senior Bonds."

The Senior Series 2010 Bonds will not be general obligations, but will be limited obligations of the Commission payable solely from and secured by a pledge of Net Revenues which will include certain income and revenue received by the Commission from the operation of the Airport System less all amounts which are

required to be used to pay the Maintenance and Operation Expenses of the Airport System. Neither the full faith and credit nor the taxing power of the Commission, the City of Minneapolis, the City of St. Paul, the State or any political subdivision or public agency of the State, other than the Commission, to the extent of the Net Revenues, will be pledged to the payment of the principal of and interest on the Senior Series 2010 Bonds. None of the properties of the Airport System will be subject to any mortgage or other lien for the benefit of the owners of the Senior Series 2010 Bonds.

Outstanding Senior Bonds

The Commission has previously issued and as of July 1, 2010 there was outstanding $723,250,000 aggregate principal amount of its Airport Revenue Bonds, Series 2001B (the "Senior Series 2001B Bonds"), Senior Airport Revenue Refunding Bonds, Series 2007A (the "Senior Series 2007A Bonds"), Senior Airport Revenue Refunding Bonds, Series 2008A (the "Senior Series 2008A Bonds"), Senior Airport Revenue Refunding Bonds, Series 2009A (the "Senior Series 2009A Bonds"), and Senior Airport Revenue Refunding Bonds, Series 2009B (the "Senior Series 2009B Bonds," and collectively with the Senior Series 2001B Bonds, the Senior Series 2007A Bonds, the Senior Series 2008A Bonds and the Senior Series 2009A Bonds, the "Prior Senior Bonds"). The Senior Series 2010 Bonds, the Prior Senior Bonds and any Additional Senior Bonds are secured on a parity basis by the Net Revenues. See "PLAN OF FINANCE AND APPLICATION OF THE SENIOR SERIES 2010 BOND PROCEEDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE."

General Obligation Revenue Bonds

The Commission has previously issued and as of July 1, 2010 there was outstanding $244,655,000 aggregate principal amount of its General Obligation Revenue Bonds, consisting of $15,635,000 aggregate principal amount of the General Obligation Revenue Refunding Bonds, Series 13 (the "Series 13 Bonds"), $3,465,000 aggregate principal amount of the General Obligation Revenue Refunding Bonds, Series 14 (the "Series 14 Bonds"), and $225,555,000 aggregate principal amount of the Taxable General Obligation Revenue Refunding Bonds, Series 15 (the "Series 15 Bonds," and collectively with the Series 13 Bonds and the Series 14 Bonds, the "General Obligation Revenue Bonds"). The General Obligation Revenue Bonds are general obligations of the Commission secured by a pledge of Net Revenues on parity with the Senior Bonds. If Net Revenues are insufficient to pay principal and interest currently due on the General Obligation Revenue Bonds, the Commission would be required to levy taxes, solely for the payment of principal and interest currently due on the General Obligation Revenue Bonds, on all taxable property within the Metropolitan Area. The Commission has the ability to issue up to $55,051,875 of Additional General Obligation Revenue Bonds without additional statutory authorization and without having to comply with the Additional Bonds test required under the Master Senior Indenture. At this time, the Commission has no plans to issue any of the authorized $55,051,875 of Additional General Obligation Revenue Bonds. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—General Obligation Revenue Bonds."

Subordinate Obligations

In addition to the Prior Senior Bonds and the General Obligation Revenue Bonds, the Commission has issued and as of July 1, 2010 had $694,395,000 aggregate principal amount of its Subordinate Bonds (as defined herein) outstanding. The Subordinate Bonds are payable from Net Revenues on a subordinate basis to the payment of debt service and reserve and replenishment requirements on and relating to the Senior Series 2010 Bonds, the Prior Senior Bonds and the General Obligation Revenue Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Flow of Funds" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Subordinate Obligations."

Airport Agreements

Most of the Air Carriers operating at the Airport have entered into an Airline Operating Agreement and Terminal Building Lease – Minneapolis-St. Paul International Airport, as amended, with the Commission (collectively, the "Airline Lease Agreements"). In addition to covering the lease of certain portions of the passenger terminal complex, including the apron, the Airline Lease Agreements cover the use of and charging mechanisms for the airfield facilities. The rates and charges under the Airline Lease Agreements are calculated based on a compensatory rate-setting methodology for the terminal building and a cost-center residual rate-setting methodology for the airfield. As of July 1, 2010, 28 Air Carriers operating at the Airport, including Delta, had entered into Airline Lease Agreements with the Commission. For purposes of this Official Statement, except as otherwise provided herein, those Air Carriers that have signed an Airline Lease Agreement are referred to herein as "Signatory Airlines." See "THE AIRPORT AGREEMENTS—Airline Lease Agreements" and "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE LEASE AGREEMENTS."

The Commission has also entered into certain other agreements with various parties regarding the lease of space and the sale of goods and services in connection with certain activities at the Airport, including, but not limited to, concessions, parking and rental cars. See "THE AIRPORT AGREEMENTS."

Report of the Airport Consultant

Included as Appendix A to this Official Statement is the Report of the Airport Consultant, dated July 20, 2010 (the "Report of the Airport Consultant") prepared by Jacobs Consultancy (the "Airport Consultant"), which, among other things, provides information concerning the Airport System, describes the Commission's capital improvement program, forecasts future levels of activity at and revenues of the Airport System and forecasts future debt service coverage levels. The Report of the Airport Consultant should be read in its entirety for an understanding of the assumptions and rationale underlying the financial forecasts contained therein and the key factors impacting such forecasts. The Report of the Airport Consultant has not been revised subsequent to the date of such report to reflect the final terms of the Senior Series 2010 Bonds. See "REPORT OF AIRPORT CONSULTANT," "CERTAIN INVESTMENT CONSIDERATIONS—Assumptions in the Report of the Airport Consultant" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. See "CERTAIN INVESTMENT CONSIDERATIONS—Forward-Looking Statements."

Continuing Disclosure

The Commission will covenant for the benefit of the Owners and Beneficial Owners (as defined herein) of the Senior Series 2010 Bonds to provide, or cause to be provided, annually certain financial information and operating data concerning the Commission and certain other obligated persons, including Delta, and to provide, or cause to be provided, notices of certain enumerated events if material, to assist the Underwriters (as defined herein) in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC"). See "CONTINUING DISCLOSURE" and "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Changes from Preliminary Official Statement

This Official Statement includes certain information which was not available for inclusion in the Preliminary Official Statement, dated July 20, 2010 (the "Preliminary Official Statement"), including information relating to the rating assigned to the Senior Series 2010 Bonds by Standard & Poor's Ratings Services, and the amounts and maturities, interest rates, yields and other terms of the Senior Series 2010 Bonds. Additionally, the Commission decided to issue only the Senior Series 2010A Bonds and the Senior Series 2010B Bonds and not to issue its Senior Airport Revenue Bonds, Series 2010C (the "Senior Series 2010C Bonds") or its Senior Airport Revenue Bonds, Series 2010D (the "Senior Series 2010D Bonds"). All references to the Senior Series 2010C Bonds and the Senior Series 2010D Bonds have been removed from this Official Statement. This Official Statement also contains certain other changes and additions, as well as information reflecting events occurring since the date of the Preliminary Official Statement, which have been included in order to make this Official Statement complete as of its date. Purchasers of the Senior Series 2010 Bonds should read this Official Statement in its entirety.

Additional Information

Brief descriptions of the Senior Series 2010 Bonds, the Senior Indenture, the Airline Lease Agreements and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. Information contained herein has been obtained from officers, employees and records of the Commission and from other sources believed to be reliable. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances, create any implication that there has been no change in the affairs of the Commission since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Commission or the Underwriters and the purchasers or Owners of any of the Senior Series 2010 Bonds.

PLAN OF FINANCE AND APPLICATION OF THE SENIOR SERIES 2010 BOND PROCEEDS

Plan of Finance

The Senior Series 2010 Bonds are being issued to (a) finance certain capital improvements at the Airport (the "Series 2010 Projects"), (b) reimburse the Commission for its previous purchase of $20,868,000 aggregate principal amount of its outstanding Subordinate Commercial Paper Notes, (c) make a deposit to the Reserve Fund, (d) fund a portion of the interest accruing on a portion of the Senior Series 2010 Bonds, and (e) pay the costs of issuance of the Senior Series 2010 Bonds.

Series 2010 Projects

The Commission will use a portion of the proceeds of the Senior Series 2010 Bonds and the earnings on such proceeds to pay a portion of the costs of the Series 2010 Projects. The Series 2010 Projects include, among other things, various terminal, airfield and parking improvements. See "CAPITAL IMPROVEMENT PROGRAM."

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Estimated Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Senior Series 2010 Bonds.

Sources	
Par Amount of Senior Series 2010 Bonds	$135,685,000.00
Net Original Issue Premium	8,244,230.50
Total Sources	$143,929,230.50
Uses	
Deposit to Construction Funds	$101,773,293.37
Reimburse Commission for Purchase of Subordinate Commercial Paper Notes	20,868,000.00
Deposit to Interest Account of Senior Series 2010 Debt Service Funds[1]	9,978,488.18
Deposit to Reserve Fund	9,943,218.76
Costs of Issuance[2]	1,366,230.19
Total Uses	$143,929,230.50

[1] Represents a portion of the interest accruing on a portion of the Senior Series 2010 Bonds.
[2] Includes Underwriters' discount, legal and other costs of issuance.

DESCRIPTION OF THE SENIOR SERIES 2010 BONDS

General

The Senior Series 2010 Bonds will bear interest at the rates and mature on the dates set forth on the inside front cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Senior Series 2010 Bonds will be dated their initial date of delivery, and will bear interest from that date payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2011 (each an "Interest Payment Date"). Interest due and payable on the Senior Series 2010 Bonds on any Interest Payment Date will be paid to the person who is the registered owner as of the Record Date (DTC, so long as the book-entry system with DTC is in effect). Each Senior Series 2010 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Senior Series 2010 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Senior Series 2010 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before December 15, 2010, in which event such Senior Series 2010 Bond will bear interest from its date of delivery. If interest on the Senior Series 2010 Bonds is in default, Senior Series 2010 Bonds issued in exchange for Senior Series 2010 Bonds surrendered for transfer or exchange will bear interest from the last Interest Payment Date to which interest has been paid in full on the Senior Series 2010 Bonds surrendered.

The Senior Series 2010 Bonds will be issued in denominations of $5,000 and integral multiples thereof. The Senior Series 2010 Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Senior Series 2010 Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Senior Series 2010 Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the Senior Series 2010 Bonds, references herein to the Bondholders or registered owners means Cede & Co. and does not mean the Beneficial Owners of the Senior Series 2010 Bonds.

So long as Cede & Co. is the registered owner of the Senior Series 2010 Bonds, the principal of and interest on the Senior Series 2010 Bonds will be payable by wire transfer by the Senior Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions

Optional Redemption. The Senior Series 2010 Bonds maturing on or before January 1, 2020 are not subject to optional redemption prior to maturity. The Senior Series 2010 Bonds maturing on or after January 1, 2021 are redeemable at the option of the Commission on or after January 1, 2020, in whole or in part at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the Senior Series 2010 Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Senior Series 2010A Bonds maturing on January 1, 2035 (the “Senior Series 2010A Term Bonds”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on January 1 of the following years and in the following principal amounts:

Redemption Date (January 1)	Principal Amount
2031	$7,790,000
2032	8,180,000
2033	8,590,000
2034	9,015,000
2035*	9,470,000

* Final Maturity.

At the option of the Commission, to be exercised by delivery of a written certificate to the Senior Trustee on or before the 60th day next preceding any mandatory sinking fund redemption date for the Senior Series 2010A Term Bonds, it may (a) deliver to the Senior Trustee for cancellation Senior Series 2010A Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Commission or (b) specify a principal amount of such Senior Series 2010A Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Senior Trustee at the request of the Commission and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. The Senior Series 2010A Term Bonds or portion thereof so purchased or otherwise acquired or redeemed and delivered to the Senior Trustee for cancellation will be credited by the Senior Trustee at 100% of the principal amount thereof against the obligation of the Commission to pay the principal of such Senior Series 2010A Term Bonds on such mandatory sinking fund redemption date.

Notices of Redemption to Bondholders; Conditional Notice of Optional Redemption. The Senior Trustee will give notice of redemption, in the name of the Commission, to Bondholders affected by redemption (or DTC, so long as the book-entry system with DTC is in effect) at least 30 days but not more than 60 days before each redemption date and send such notice of redemption by first class mail (or with respect to Senior Series 2010 Bonds held by DTC by an express delivery service for delivery on the next following Business Day) to each owner of a Senior Series 2010 Bond to be redeemed; each such notice will be sent to the owner’s registered address.

Each notice of redemption will specify the Series, maturity date, interest rate and CUSIP number of each Senior Series 2010 Bond to be redeemed, if less than all Senior Series 2010 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Senior Series 2010 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Senior Trustee’s name, that payment will be made upon presentation and surrender of the Senior Series 2010 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

Failure to give any required notice of redemption as to any particular Senior Series 2010 Bond will not affect the validity of the call for redemption of any Senior Series 2010 Bond in respect of which no failure occurs. Any notice sent as provided in the Senior Indenture will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Senior Series 2010 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Senior Trustee sufficient for redemption, interest on the Senior Series 2010 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

Upon surrender of a Senior Series 2010 Bond to be redeemed, in part only, the Senior Trustee will authenticate for the holder a new Senior Series 2010 Bond or Senior Series 2010 Bonds of the same Series, maturity and interest rate equal in principal amount to the unredeemed portion of the Senior Series 2010 Bond surrendered.

The Commission may provide that if at the time of mailing of notice of an optional redemption there has not been deposited with the Senior Trustee moneys sufficient to redeem all the Senior Series 2010 Bonds called for redemption, such notice may state that it is conditional and subject to the deposit of the redemption moneys with the Senior Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be cancelled and on such cancellation date notice of such cancellation will be mailed to the holders of such Senior Series 2010 Bonds.

Effect of Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Senior Indenture and as described above and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, interest on such Senior Series 2010 Bonds will cease to accrue from and after such redemption date, such Senior Series 2010 Bonds will cease to be entitled to any lien, benefit or security under the Senior Indenture and the owners of such Senior Series 2010 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Senior Series 2010 Bonds which have been duly called for redemption and for the payment of the redemption price of which moneys will be held in trust for the holders of the respective Senior Series 2010 Bonds to be redeemed, all as provided in the Eighth Supplemental Senior Indenture, will not be deemed to be Outstanding under the provisions of the Senior Indenture.

Selection of Senior Series 2010 Bonds for Redemption; Series 2010 Bonds Redeemed in Part. Redemption of the Senior Series 2010 Bonds will only be in Authorized Denominations. The Senior Series 2010 Bonds are subject to redemption in such order of maturity and interest rate (except mandatory sinking fund payments on the Senior Series 2010A Term Bonds) as the Commission may direct and by lot within such maturity and interest rate selected in such manner as the Senior Trustee (or DTC, as long as DTC is the securities depository for the Senior Series 2010 Bonds), deems appropriate.

Except as otherwise provided under the procedures of DTC, on or before the 45th day prior to any mandatory sinking fund redemption date, the Senior Trustee will proceed to select for redemption (by lot in such manner as the Senior Trustee may determine), from all Senior Series 2010A Term Bonds subject to such redemption, an aggregate principal amount of such Senior Series 2010A Term Bonds equal to the amount for such year as set forth in the table under “Mandatory Sinking Fund Redemption” above and will call such Senior Series 2010A Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS

Flow of Funds

The application of revenues of the Commission is governed by relevant provisions of the Act, internal guidelines of the Commission and applicable provisions of the Master Senior Indenture and the Master Subordinate Trust Indenture, dated as of October 1, 2000, as amended (the “Master Subordinate Indenture”), by and between the Commission and Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association), as trustee (the “Subordinate Trustee”).

Pursuant to the internal guidelines of the Commission, all income and revenue from the operation of the Airport System, of whatever kind or nature, and all net income from leases or any other source of income or revenue, are deposited in a special fund established and administered by the Commission and designated as the "Operating Fund." These moneys are held separate and apart from all other moneys of the Commission.

Pursuant to the Act and the Master Senior Indenture, all moneys in the Operating Fund are set aside for the payment of the following amounts or transferred to the following funds and accounts in the order listed:

(a) *Maintenance and Operation Expenses of the Airport System*. A sufficient amount of Revenues will be set aside from time to time in the Operating Fund to be used to pay the current Maintenance and Operation Expenses of the Airport System.

(b) *Commission Debt Service Fund for General Obligation Revenue Bonds (current principal and interest portion) and Senior Debt Service Funds*. A sufficient amount of Revenues will be transferred by the Commission, without priority and on an equal basis, except as to timing of payment, (i) on or before October 10 of each Fiscal Year to the Commission Debt Service Fund to satisfy the Commission's obligation to have on deposit in such fund an amount equal to the principal and interest required to be paid in the following Fiscal Year on the outstanding General Obligation Revenue Bonds; and (ii) to the Senior Trustee in the amounts, at the times and in the manner provided for in the Senior Indenture, to provide for the payment of principal and interest to become due on the Outstanding Senior Bonds.

(c) *Commission Debt Service Fund for General Obligation Revenue Bonds (reserve portion) and Senior Debt Service Reserve Funds*. A sufficient amount of Revenues will be transferred by the Commission, without priority and on an equal basis, except as to timing of payment, (i) on or before October 10 of each Fiscal Year to the Commission Debt Service Fund to satisfy the Commission's obligation to have on deposit in such fund a reserve sufficient to pay the debt service on its General Obligation Revenue Bonds required to be paid in the second following Fiscal Year; and (ii) to the Senior Trustee for deposit into the respective Senior Debt Service Reserve Funds established pursuant to the Senior Indenture, if any, such amounts as required to be used to pay or replenish such Senior Debt Service Reserve Funds or reimburse a credit provider of a debt service reserve fund surety.

(d) *Reimbursement of Commission Debt Service Fund Deficiencies (Repay Property Taxes Used for General Obligation Revenue Bonds Debt Service).* If a Commission Debt Service Fund deficiency tax with respect to the General Obligation Revenue Bonds has been certified in accordance with the Act, a sufficient amount of Revenues will be set aside in the Operating Fund to make payments of principal and interest to the treasurer of each county which extended a deficiency tax on its tax rolls to make up the deficiency in the Commission Debt Service Fund.

(e) *Subordinate Obligation Debt Service.* To the Subordinate Trustee such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Indenture (as defined herein).

(f) *Subordinate Obligation Debt Service Reserve Funds*. To the Subordinate Trustee for deposit into the respective debt service reserve funds established pursuant to the Subordinate Indenture, if any, such amounts as required to be used to pay or replenish such debt service reserve funds or reimburse a credit provider of a debt service reserve fund surety.

(g) *Maintenance and Operation Reserve Account*. To the payment of the amount established by the Commission as the minimum amount (currently equal to six months of maintenance and operation expenses) required to be deposited in the Maintenance and Operation Reserve Account (such account to be established within the Operating Fund).

(h) *Commission Construction Fund*. To the Commission Construction Fund (such fund being held and administered by the Commission), such amounts, if any, as the Commission may determine in its discretion to be used in any manner provided by the Commission. Pursuant to the Airline Lease Agreements, the Commission has established the Repair and Replacement Account in the Commission Construction Fund.

(i) *Health Self-Insurance Trust Fund*. To the Health Self-Insurance Trust Fund (such fund being held and administered by the Commission), such amounts, if any, as the Commission may determine in its discretion to be used in the manner provided by the Commission.

(j) *Coverage Account*. To the Coverage Account (such account to be established within the Operating Fund) such amounts, if any, as the Commission may determine from time to time to be used to pay for Maintenance and Operation Expenses of the Airport System, debt service or redemption premiums on Outstanding Senior Bonds or the cost of additions, improvements and repairs to the Airport System.

The Commission will not be obligated to fund the Commission Debt Service Fund as provided in paragraphs (b)(i) and (c)(i) above and will not be required to reimburse any deficiencies as provided in paragraph (d) above after all outstanding General Obligation Revenue Bonds have been paid in full or defeased in accordance with the terms of the General Obligation Revenue Bond Resolutions (as defined herein).

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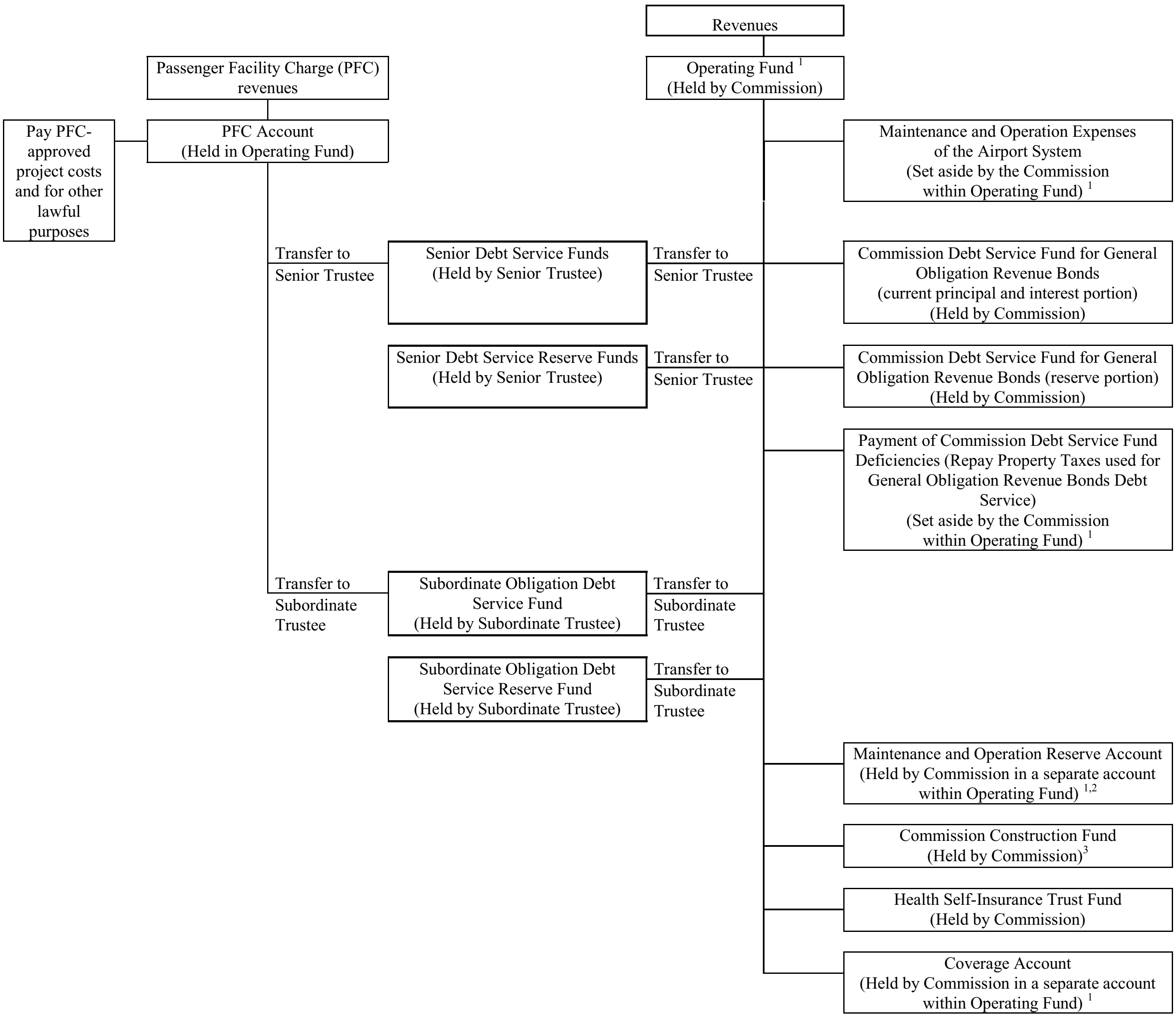
The following chart provides a graphic presentation of the flow of funds under the Master Senior Indenture upon the receipt of Revenues and the PFC Resolution (as defined herein) upon the receipt of passenger facility charges ("PFCs").

Metropolitan Airports Commission
Flow of Funds



[1] The Maintenance and Operation Reserve Account and Coverage Account are separate accounts established within the Operating Fund. Amounts set aside for Maintenance and Operation Expenses of the Airport System and funding Commission Debt Service Fund deficiencies are held within the Operating Fund.

[2] The Commission's current policy is to maintain in the Maintenance and Operation Reserve Account an amount equal to six months of maintenance and operation expenses.

[3] Includes amounts deposited to the Repair and Replacement Account.

Pledge of Net Revenues

The Senior Series 2010 Bonds are limited obligations of the Commission payable solely from and secured by a pledge of Net Revenues on parity with all Senior Parity Bonds. "Net Revenues" is defined in the Master Senior Indenture to mean, for any given period, the Revenues for such period less, for such period, all amounts which are required to be used to pay the Maintenance and Operation Expenses of the Airport System. Revenues include, but are not limited to, except to the extent specifically excluded therefrom: rates, tolls, fees, rentals, charges and other payments made to or owed to the Commission for the use or availability of the Airport System; amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Commission; the principal portion of payments received pursuant to certain self liquidating lease agreements; and such other amounts that may be designated as Revenues pursuant to a certificate of the Commission or a Supplemental Senior Indenture. PFCs and capitalized interest, among other things, are specifically excluded from Revenues unless otherwise designated as Revenues pursuant to a certificate of the Commission or in a Supplemental Senior Indenture. The Commission has not designated pursuant to a certificate or a Supplemental Senior Indenture, including the Eighth Supplemental Senior Indenture, PFCs or capitalized interest, or any additional amounts, as Revenues. However, see "—Use of PFCs to Pay Debt Service" below for a discussion regarding the Commission's irrevocable commitment of a portion of the PFCs received by the Commission to pay debt service on PFC Eligible Bonds (as defined herein). Additionally, any federal grants restricted by their terms to purposes inconsistent with the payment of debt service on Senior Bonds are specifically excluded from Revenues. See "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—CERTAIN DEFINITIONS" for a more complete definition of Revenues. The Senior Series 2010 Bonds are also secured by amounts held in certain funds and accounts pursuant to the Senior Indenture, as further described herein.

The Senior Series 2010 Bonds are not general obligations, but are limited obligations of the Commission payable from Net Revenues. Neither the full faith and credit nor the taxing power of the Commission, the City of Minneapolis, the City of St. Paul, the State or any political subdivision or public agency of the State, other than the Commission, to the extent of Net Revenues, is pledged to the payment of the principal of or interest on, the Senior Series 2010 Bonds. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Senior Series 2010 Bonds.

The Commission has covenanted in the Master Senior Indenture not to issue any additional General Obligation Revenue Bonds of the Commission with a senior lien on Revenues and it will not issue any additional bonds or other obligations with a pledge of or lien on Net Revenues prior or superior to that of the Senior Bonds. Net Revenues are available for the equal and proportionate benefit and security of all Senior Parity Bonds, except for the timing of payment of such Senior Parity Bonds.

The Senior Series 2010 Bonds are secured by a pledge of and lien on Net Revenues on a parity with the Prior Senior Bonds, any Additional Senior Bonds, the outstanding General Obligation Revenue Bonds and any Additional General Obligation Revenue Bonds issued pursuant to the terms of the Act. See "—Additional Senior Bonds" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Senior Bonds" and "—General Obligation Revenue Bonds."

Rate Covenant

The Commission has covenanted in the Master Senior Indenture to fulfill the following requirements:

(a) The Commission will, while any of the Senior Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the Commission as of the date of execution of the Senior Indenture setting forth restrictions relating thereto), establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Aggregate Annual Debt Service on any Outstanding Senior Bonds and the Aggregate Annual Debt Service on any General Obligation Revenue Bonds required to be funded by the Commission in such Fiscal Year as required by the Senior Indenture or any Supplemental

Senior Indenture with respect to the Outstanding Senior Bonds and the Act with respect to General Obligation Revenue Bonds;

(ii) the required deposits to fund the Commission Debt Service Fund reserve requirement for the General Obligation Revenue Bonds and to fund any Senior Debt Service Reserve Fund which may be established by a Supplemental Senior Indenture;

(iii) the reimbursement owed to any Credit Provider as required by a Supplemental Senior Indenture;

(iv) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than for General Obligation Revenue Bonds and Outstanding Senior Bonds, but including Subordinate Obligations; and

(v) payments of any reserve requirement for debt service for any indebtedness other than General Obligation Revenue Bonds and Outstanding Senior Bonds, but including Subordinate Obligations.

(b) The Commission has further agreed that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any Transfer, will be equal to at least 125% of Aggregate Annual Debt Service on the Outstanding Senior Bonds. For purposes of this paragraph (b), the amount of any Transfer taken into account will not exceed 25% of Aggregate Annual Debt Service on the Outstanding Senior Bonds in such Fiscal Year.

(c) The Commission has agreed that if Net Revenues, together with any Transfer (only as applied in (b) above), in any Fiscal Year are less than the amount specified in paragraph (a) or (b) above, the Commission will retain and direct a Consultant to make recommendations as to the revision of the Commission's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Commission in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Commission will take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to produce Net Revenues, together with any Transfer (only as applied in (b) above), in the amount specified in paragraph (a) or (b) above in the next succeeding Fiscal Year.

(d) In the event that Net Revenues for any Fiscal Year are less than the amount specified in paragraph (a) or (b) above, but the Commission promptly has taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, fees and charges as required by paragraph (c) above, such deficiency in Net Revenues will not constitute an Event of Default under the provisions of the Senior Indenture. Nevertheless, if after taking the measures required by paragraph (c) above to revise the schedule of rentals, rates, fees and charges, Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Commission for such Fiscal Year) are less than the amount specified in paragraph (a) or (b) above, such deficiency in Net Revenues will constitute an Event of Default under the provisions of the Senior Indenture.

The definition of Aggregate Annual Debt Service specifically excludes the payment of debt service on certain Senior Bonds, where the payment of such debt service will be made from moneys (other than Net Revenues) which are irrevocably committed or deposited for the specific purpose of paying debt service on such Senior Bonds. Bond Counsel has advised the Commission that it may exclude from its calculation of Aggregate Annual Debt Service on the Senior Bonds and debt service on the Subordinate Obligations for the purpose of determining compliance with the rate covenant described above, the payment of debt service or portions thereof on Senior Bonds and Subordinate Obligations whose debt service is payable from moneys (including, but not limited to, PFCs) irrevocably committed or irrevocably deposited for the payment of debt service on such Senior Bonds and Subordinate Obligations. The Commission expects to use PFCs to pay a portion of the debt service on the Senior Bonds and the Subordinate Obligations. See "—Use of PFCs to Pay Debt Service." See also "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Senior Debt Service Coverage."

See "THE AIRPORT AGREEMENTS—Airline Lease Agreements" for a discussion regarding certain limits on the ability of the Commission to raise fees to be charged to the airlines.

Debt Service Deposits

The Senior Indenture provides that the Commission will transfer amounts needed to pay debt service on Outstanding Senior Bonds to the Senior Trustee five Business Days prior to each Payment Date with respect to a Series of Senior Bonds. The Act requires that amounts needed to satisfy the funding requirements for the outstanding General Obligation Revenue Bonds must occur on or prior to October 10 of each Fiscal Year. The Act requires the Commission to have a balance on hand in the Commission Debt Service Fund on October 10 of every year equal to the total principal and interest due on all General Obligation Revenue Bonds for the next two succeeding Fiscal Years. Moneys on deposit in the Commission Debt Service Fund for General Obligation Revenue Bonds are not available to pay principal of and interest on the Senior Bonds or the Subordinate Obligations. The Commission is currently in compliance with all Commission Debt Service Fund deposit requirements. The Commission has not had to levy taxes to pay debt service on its General Obligation Revenue Bonds since 1969. The Commission's policy is to establish and collect rates and charges sufficient to avoid levying ad valorem taxes to pay debt service on the General Obligation Revenue Bonds.

Senior Debt Service Reserve Fund

Pursuant to the Senior Indenture, the Commission established a Senior Debt Service Reserve Fund (the "Reserve Fund") to secure any Senior Bonds elected by the Commission to participate in the Reserve Fund. At the time of issuance of the Senior Series 2001B Bonds, the Senior Series 2007A Bonds, the Senior Series 2008A Bonds, the Senior Series 2009A Bonds and the Senior Series 2009B Bonds, the Commission elected to have such Senior Bonds participate in the Reserve Fund. Additionally, at the time of issuance of the Senior Series 2010 Bonds, the Commission will elect to have the Senior Series 2010 Bonds participate in the Reserve Fund. At the time of issuance of any Additional Senior Bonds which the Commission elects to have participate in the Reserve Fund, the Reserve Requirement is required to be met at the time of such issuance. At the time of issuance of the Senior Series 2010 Bonds sufficient amounts will be on deposit in the Reserve Fund to meet the Reserve Requirement ($68,334,925).

Moneys or investments held in the Reserve Fund may only be used to pay the principal of and interest on the Senior Bonds participating in the Reserve Fund (including the Senior Series 2010 Bonds). Moneys and investments held in the Reserve Fund are not available to pay debt service on the General Obligation Revenue Bonds or the Subordinate Obligations. The Reserve Fund may be drawn upon if the amounts in the respective Senior Debt Service Funds for the Senior Bonds participating in the Reserve Fund (including the Senior Series 2010 Bonds) are insufficient to pay in full any principal or interest then due on the Senior Bonds participating in the Reserve Fund (including the Senior Series 2010 Bonds). In the event any amounts are required to be withdrawn from the Reserve Fund, such amounts will be withdrawn and deposited pro rata to meet the funding requirements of the Senior Bonds participating in the Reserve Fund (including the Senior Series 2010 Bonds).

The Commission may fund all or a portion of the Reserve Requirement with respect to the Reserve Fund with a Debt Service Reserve Fund Surety Policy. A Debt Service Reserve Fund Surety Policy may be an insurance policy, letter of credit or surety bond deposited in the Reserve Fund in lieu of or in partial substitution for cash or securities. Any such Debt Service Reserve Fund Surety Policy must either extend to the final maturity of the Series of Senior Bonds for which the Debt Service Reserve Fund Surety Policy was issued or the Commission must agree, by Supplemental Senior Indenture, that the Commission will replace such Debt Service Reserve Fund Surety Policy prior to its expiration with another Debt Service Reserve Fund Surety Policy, or with cash, and the face amount of the Debt Service Reserve Fund Surety Policy, together with amounts on deposit in the Reserve Fund, including the face amount of any other Debt Service Reserve Fund Surety Policy, are at least equal to the Reserve Requirement. Any such Debt Service Reserve Fund Surety Policy will be required to secure all of the Senior Bonds participating in the Reserve Fund.

The Reserve Fund is currently funded with cash and securities. No portion of the Reserve Fund has been funded with a Debt Service Reserve Fund Surety Policy.

Additional Senior Bonds

The Master Senior Indenture provides the Commission with flexibility as to establishing the nature and terms of any Additional Senior Bonds hereafter issued with a lien and charge on Net Revenues on a parity with the Senior Bonds (including the Senior Series 2010 Bonds). See "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Additional Senior Bonds."

Additional Senior Bonds may be issued under the Master Senior Indenture on a parity with the Senior Bonds provided, among other things, that there is delivered to the Senior Trustee either:

(a) a certificate prepared by an Authorized Commission Representative showing that the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Senior Bonds or preceding the first issuance of the proposed Senior Program Bonds were at least equal to 110% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds, the proposed Series of Senior Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding; or

(b) a certificate prepared by an Authorized Commission Representative showing that the Net Revenues (as may be adjusted as described below) for the last completed Fiscal Year or 12-month period immediately preceding the date of issuance of the proposed Series of Senior Bonds or preceding the first issuance of the proposed Senior Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds, the proposed Series of Senior Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding.

For purposes of paragraphs (a) and (b) above, no Transfer will be taken into account in the computation of Revenues by the Authorized Commission Representative. Additionally, when issuing Additional Senior Bonds in the future, the Commission may, for purposes of determining compliance with the additional bonds test described in paragraphs (a) and (b) above, exclude the following amounts from its calculation of Maximum Aggregate Annual Debt Service: (i) debt service on Senior Bonds which is payable from PFCs specifically and irrevocably committed to the payment of debt service on such Senior Bonds, and (ii) debt service on Senior Bonds which is payable from moneys, such as federal grants, specifically and irrevocably deposited with the Senior Trustee to pay debt service on such Senior Bonds. Bond Counsel has advised the Commission that it may exclude from its calculation of Maximum Aggregate Annual Debt Service, for purposes of complying with the additional bonds test described above, the amount of debt service on Senior Bonds payable from PFCs which have been irrevocably committed thereto. See "—Use of PFCs to Pay Debt Service" below. See also "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects—Passenger Facility Charges."

For purposes of paragraph (b) above, the Commission will be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Series of Senior Bonds but which, during the last completed Fiscal Year or 12-month period, was not in effect for the entire period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of such last completed Fiscal Year or 12-month period, as shown by the certificate or opinion of a Consultant employed by the Commission.

At the time of issuance of the Senior Series 2010 Bonds, an Authorized Commission Representative will deliver a certificate as described in paragraph (a) above to the Senior Trustee.

Neither of the certificates described above under paragraphs (a) or (b) will be required:

(i) if such Senior Bonds are being issued for the purpose of refunding then Outstanding Senior Bonds or General Obligation Revenue Bonds and there is delivered to the Senior Trustee, instead, a certificate of an Authorized Commission Representative showing that Maximum Aggregate Annual Debt Service after the issuance of such Refunding Senior Bonds will not exceed Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Senior Bonds;

(ii) if such Senior Bonds being issued constitute Senior Notes and there is delivered to the Senior Trustee, instead, a certificate prepared by an Authorized Commission Representative showing that the principal amount of the proposed Senior Notes being issued, together with the principal amount of any Senior Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the 24 months immediately preceding the issuance of the proposed Notes and there is delivered to the Senior Trustee a certificate of an Authorized Commission Representative setting forth calculations showing that for each of the Fiscal Years during which the Senior Notes will be Outstanding, and taking into account the debt service becoming due on such Senior Notes, the Commission will be in compliance with the rate covenant established by the Master Senior Indenture; or

(iii) if such Senior Bonds are being issued to pay costs of completing a Project for which Senior Bonds have previously been issued and the principal amount of such Senior Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of Senior Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Commission Representative and there is delivered to the Senior Trustee (A) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (B) a certificate of an Authorized Commission Representative to the effect that (1) all of the proceeds (including investment earnings on amounts in the Senior Construction Fund allocable to such Project) of the original Senior Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (2) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Senior Construction Fund established for the Project (including unspent proceeds of Senior Bonds previously issued for such purpose).

The Commission also has the ability to issue up to $55,051,875 of Additional General Obligation Revenue Bonds without additional statutory authorization and without having to comply with the above described additional bonds test. At this time, the Commission has no plans to issue any of the authorized $55,051,875 of Additional General Obligation Revenue Bonds. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—General Obligation Revenue Bonds."

Use of PFCs to Pay Debt Service

The definition of Revenues does not include, among other things, PFCs, except to the extent included in Revenues through the adoption of a supplemental indenture, which has not occurred to date. However, the definition of Aggregate Annual Debt Service provides that, if PFCs have been irrevocably committed or are held by the Senior Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on the Senior Bonds, then such principal and/or interest may be excluded from the calculation of Aggregate Annual Debt Service; thus decreasing Aggregate Annual Debt Service and increasing debt service coverage for purposes of the rate covenant and the additional bonds test under the Master Senior Indenture.

Pursuant to Resolution No. 2021 adopted by the Commission on May 19, 2003, as amended by Resolution No. 2037 adopted by the Commission on April 19, 2004 (collectively, the "PFC Resolution"), the Commission has irrevocably committed a portion of the PFCs it receives to the payment and funding of debt service on Senior Bonds and/or Subordinate Obligations issued to finance projects authorized to be financed with PFCs (collectively, the "PFC Eligible Bonds") through December 31, 2030.

Pursuant to the PFC Resolution, the Commission has irrevocably committed the following amounts of PFCs in the following Fiscal Years:

TABLE 1
Metropolitan Airports Commission
Irrevocably Committed PFCs

Fiscal Year	Irrevocably Committed PFCs	Fiscal Year	Irrevocably Committed PFCs
2010	$5,026,513	2021	$9,337,900
2011	5,026,513	2022	9,332,650
2012	5,026,513	2023	9,333,150
2013	5,026,513	2024	9,333,400
2014	5,026,513	2025	9,337,650
2015	9,336,513	2026	9,334,900
2016	9,335,238	2027	9,334,650
2017	9,337,150	2028	9,465,900
2018	9,338,400	2029	9,467,625
2019	9,337,650	2030	9,462,475
2020	9,339,400		

Source: Metropolitan Airports Commission.

If the Commission does not use the full amount of the irrevocably committed PFCs to pay debt service on PFC Eligible Bonds in a Fiscal Year (i.e., there is more irrevocably committed PFCs than there is debt service due on PFC Eligible Bonds in such Fiscal Year), any unused portion of the irrevocable commitment for such Fiscal Year is not required to be carried over for use in future Fiscal Years.

In addition to the PFCs irrevocably committed pursuant to the PFC Resolution, the Commission can, at its sole discretion, use excess PFCs to pay additional debt service on PFC Eligible Bonds. The Commission currently expects to utilize all of the irrevocably committed PFCs and a portion of the remaining PFCs to pay the debt service on the PFC Eligible Bonds. See "THE AIRPORT AGREEMENTS—The Airline Agreements" for additional information regarding certain agreements the Commission has made with respect to the use of PFCs.

In the Report of the Airport Consultant, the Airport Consultant has assumed that PFCs will be used to pay a portion of the debt service on the Senior Bonds (not including the Senior Series 2010 Bonds) and a portion of the debt service on the Subordinate Bonds. Consequently, debt service on such obligations is excluded from the calculation of the rate covenant as set forth in the Report of the Airport Consultant, which results in a higher debt service coverage ratio. See "REPORT OF THE AIRPORT CONSULTANT" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Permitted Investments

Moneys and funds held by the Commission will be invested in Permitted Investments, subject to any restrictions set forth in the Senior Indenture and subject to restrictions imposed upon the Commission by the Act. Moneys and funds held by the Senior Trustee under the Senior Indenture, including moneys in the respective Senior Debt Service Funds (and the accounts therein) and in the respective Senior Debt Service Reserve Funds, may be invested as directed by the Commission in Permitted Investments, subject to the restrictions set forth in the Senior Indenture and subject to restrictions imposed upon the Commission by the Act. The Commission's current investment policy provides that investments cannot exceed a maturity of three years. See "FINANCIAL INFORMATION—Investment Policy."

Events of Default and Remedies; No Acceleration

Events of Default under the Senior Indenture and related remedies are described in "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Defaults and Remedies." The occurrence of an Event of Default does not grant any right to accelerate payment of the Senior Bonds to either the Senior Trustee or the Holders of the Senior Series 2010 Bonds or the Senior Parity Bonds. The Senior Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the obligations of the Commission under the Senior Indenture. If there is an Event of Default, payments, if any, on the Senior Bonds will be made after payments of Maintenance and Operation Expenses of the Airport System. Since Net Revenues are Revenues net of all amounts needed to pay Maintenance and Operation Expenses of the Airport System, and the Commission is not subject to involuntary bankruptcy proceedings, the Commission may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport System even if an Event of Default has occurred and no payments are being made on the Senior Bonds.

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Senior Bonds

Pursuant to the Senior Indenture, the Commission has previously issued and as of July 1, 2010 there was outstanding $723,250,000 aggregate principal amount of its Prior Senior Bonds. The Prior Senior Bonds and the Senior Series 2010 Bonds are and will be, respectively, secured by a pledge and lien on Net Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Flow of Funds." The following table sets forth the Senior Bonds which have been issued and were outstanding as of July 1, 2010.

TABLE 2
Metropolitan Airports Commission
Prior Senior Bonds
(as of July 1, 2010)

Series	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
2001B	$ 98,815,000	$ 73,975,000	1/1/2024
2007A	440,985,000	440,985,000	1/1/2032
2008A	72,035,000	56,380,000	1/1/2016
2009A	23,075,000	23,075,000	1/1/2022
2009B	128,835,000	128,835,000	1/1/2022
Total	$763,745,000	$723,250,000	

Source: Metropolitan Airports Commission.

General Obligation Revenue Bonds

The Commission has previously issued and as of July 1, 2010 there was outstanding $244,655,000 aggregate principal amount of its General Obligation Revenue Bonds. The General Obligation Revenue Bonds were issued pursuant to Section 473.667 of the Act and various resolutions of the Commission (the "General Obligation Revenue Bond Resolutions"). The General Obligation Revenue Bonds are general obligations of the Commission secured by a pledge of Net Revenues, subject to the prior pledge of Revenues of the Commission to the payment of Maintenance and Operation Expenses of the Airport System. The General Obligation Revenue Bonds have a pledge of and lien on Net Revenues on parity, except as to timing of payment, with the Senior Bonds, including the Senior Series 2010 Bonds. If Net Revenues are insufficient to pay principal and interest currently due on the General Obligation Revenue Bonds, the Commission would be required to levy a tax on all taxable property within the Metropolitan Area. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Flow of Funds." See also "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta—Role at the Airport—Series 15 Bonds." The following table sets forth the General Obligation Revenue Bonds which have been issued and were outstanding as of July 1, 2010.

TABLE 3
Metropolitan Airports Commission
General Obligation Revenue Bonds
(as of July 1, 2010)

Series	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
13	$ 38,750,000	$ 15,635,000	1/1/2015
14	25,690,000	3,465,000 [1]	1/1/2011
15	287,825,000	225,555,000	1/1/2022[2]
Total	$352,265,000	$244,655,000	

[1] The Commission has deposited sufficient amounts into the Commission Debt Service Fund to pay all remaining principal and interest due on the Series 14 Bonds through and including January 1, 2011.

[2] Delta has agreed to prepay all amounts due under the leases entered into with respect to the Series 15 Bonds by August 10, 2016. Upon receipt of the prepayment amounts, the Commission will redeem all of the outstanding Series 15 Bonds by September 30, 2016.

Source: Metropolitan Airports Commission.

The Commission is authorized to issue up to $55,051,875 of Additional General Obligation Revenue Bonds without additional statutory authorization and without having to meet the requirements of the additional bonds test set forth in the Master Senior Indenture. If the Commission decides to issue Additional General Obligation Revenue Bonds up to $55,051,875, such Additional General Obligation Revenue Bonds would also have a pledge of and lien on Net Revenues on a parity, except as to timing of payment, with the Senior Bonds. At this time, the Commission has no plans to issue any of the authorized $55,051,875 of Additional General Obligation Revenue Bonds. Prior to issuing Additional General Obligation Revenue Bonds in excess of $55,051,875, the Commission would be required to seek authorization from the Minnesota State Legislature and would have to comply with the additional bonds test set forth in the Master Senior Indenture. Such Additional General Obligation Revenue Bonds issued in excess of $55,051,875 could have a pledge of and lien on Net Revenues on parity, except as to timing of payment, with the Senior Bonds, or on a basis subordinate to the Senior Bonds (if such authority was granted by the Minnesota State Legislature), but could not have a pledge of and lien on Net Revenues senior to the Senior Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Flow of Funds."

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Senior Debt Service Requirements

The following table sets forth the debt service funding requirements for the General Obligation Revenue Bonds, the Prior Senior Bonds and the Senior Series 2010 Bonds.

TABLE 4
Metropolitan Airports Commission
Debt Service Requirements
Senior Parity Bonds[1,2,3]

Year Ended December 31	General Obligation Revenue Bonds[4,5]	Prior Senior Bonds	Principal Requirements on the Senior Series 2010 Bonds	Interest Requirements on the Senior Series 2010 Bonds	Total Debt Service Requirements on the Senior Series 2010 Bonds	Debt Service Requirements on all Senior Parity Bonds
2010	$29,531,528	$ 58,003,140	—	$ 2,495,903	$ 2,495,903	$ 90,030,571
2011	29,912,318	58,006,400	$ 900,000	6,372,519	7,272,519	95,191,237
2012	30,197,565	58,007,675	1,400,000	6,345,519	7,745,519	95,950,759
2013	30,526,475	58,006,037	3,640,000	6,303,519	9,943,519	98,476,031
2014	28,326,131	58,011,025	3,745,000	6,194,319	9,939,319	96,276,475
2015	28,677,198	57,904,575	3,895,000	6,044,519	9,939,519	96,521,292
2016	28,608,083	58,387,075	4,055,000	5,888,719	9,943,719	96,938,877
2017	28,540,981	58,385,662	4,255,000	5,685,969	9,940,969	96,867,612
2018	28,468,014	58,391,706	4,470,000	5,473,219	9,943,219	96,802,939
2019	28,387,501	58,388,681	4,690,000	5,249,719	9,939,719	96,715,901
2020	28,302,251	58,380,206	4,925,000	5,015,219	9,940,219	96,622,676
2021	—	51,172,144	5,175,000	4,768,969	9,943,969	61,116,113
2022	—	51,525,500	5,430,000	4,510,219	9,940,219	61,465,719
2023	—	51,531,888	5,705,000	4,238,719	9,943,719	61,475,607
2024	—	51,529,525	5,990,000	3,953,469	9,943,469	61,472,994
2025	—	51,532,275	6,285,000	3,653,969	9,938,969	61,471,244
2026	—	51,530,275	6,600,000	3,339,719	9,939,719	61,469,994
2027	—	51,532,650	6,865,000	3,075,719	9,940,719	61,473,369
2028	—	51,530,425	7,155,000	2,786,519	9,941,519	61,471,944
2029	—	51,525,000	7,460,000	2,480,319	9,940,319	61,465,319
2030	—	29,512,550	7,790,000	2,152,250	9,942,250	39,454,800
2031	—	12,174,250	8,180,000	1,762,750	9,942,750	22,117,000
2032	—	—	8,590,000	1,353,750	9,943,750	9,943,750
2033	—	—	9,015,000	924,250	9,939,250	9,939,250
2034	—	—	9,470,000	473,500	9,943,500	9,943,500
Total	$319,478,044	$1,144,968,664	$135,685,000	$100,543,260	$236,228,260	$1,700,674,968

1 Numbers may not total due to rounding to nearest dollar.
2 Represents the Commission's debt service funding requirements for each Fiscal Year.
3 The General Obligation Revenue Bonds, the Prior Senior Bonds and the Senior Series 2010 Bonds have a parity lien on Net Revenues.
4 By October 10 of each year, the Commission is required to have on deposit in the Commission Debt Service Fund an amount equal to the debt service due on the General Obligation Revenue Bonds in the following Fiscal Year and the second following Fiscal Year.
5 Delta has agreed to prepay all amounts due under the leases entered into with respect to the Series 15 Bonds by August 10, 2016. Upon receipt of the prepayment amounts the Commission will redeem all of the outstanding Series 15 Bonds by September 30, 2016.

Source: Metropolitan Airports Commission and Jefferies & Company, Inc.

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Senior Debt Service Coverage

The following table sets forth the historical senior debt service coverage on the Senior Parity Bonds for Fiscal Years 2005 through 2009, and the budgeted senior debt service coverage on the Senior Parity Bonds for Fiscal Year 2010. See "SECURITY AND SOURCES OF PAYMENTS FOR THE SENIOR SERIES 2010 BONDS—Rate Covenant." See also "REPORT OF THE AIRPORT CONSULTANT."

TABLE 5
Metropolitan Airports Commission
Senior Debt Service Coverage
(Dollars in Thousands)

Fiscal Year	Revenues[1] [a]	Maintenance and Operation Expenses of the Airport System[1] [b]	Net Revenues[1] [c]=[a]-[b]	Debt Service Requirement for Senior Parity Bonds[1,2] [d]	Senior Debt Service Coverage[3,4] [c]/[d]
2005	$273,303	$113,225	$160,078	$82,283	195%
2006	275,650	111,634	164,016	80,377	204
2007	294,220	124,642	169,578	78,961	215
2008	293,076	126,735	166,341	78,863	211
2009	289,925	123,430	166,495	78,684	212
2010B[5]	282,599	129,339	153,260	75,849	202

1 Calculated per the terms of the Master Senior Indenture.
2 Includes aggregate annual debt service on the Senior Bonds and the General Obligation Revenue Bonds. Excludes debt service on the Senior Bonds paid or expected to be paid with PFCs. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service."
3 Equals the debt service coverage on the Senior Bonds and the General Obligation Revenue Bonds. Senior Debt Service Coverage is not being provided to show compliance with the provisions of the rate covenant set forth in the Master Senior Indenture and as described under "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Rate Covenant."
4 Does not include Transfer. If, as permitted by the Master Senior Indenture, Transfer is included in the calculation, the Senior Debt Service Coverage for Fiscal Year 2010 (Budget) is projected to be 217%.
5 Budget for Fiscal Year 2010. Does not include the issuance of the Senior Series 2010 Bonds.
Source: Metropolitan Airports Commission.

The definition of Aggregate Annual Debt Service provides that, if PFCs have been irrevocably committed or are held by the Senior Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on the Senior Bonds, then such principal and/or interest may be excluded from the calculation of Aggregate Annual Debt Service; thus decreasing Aggregate Annual Debt Service and increasing debt service coverage for purposes of the rate covenant and the additional bonds test under the Master Senior Indenture. Pursuant to the PFC Resolution, the Commission irrevocably committed approximately $5.0 million of PFCs to the payment of debt service on PFC Eligible Bonds in each Fiscal Year between Fiscal Years 2010 and 2014, and irrevocably committed approximately $9.3 million of PFCs to the payment of debt service on PFC Eligible Bonds in each Fiscal Year between Fiscal Years 2015 and 2030. While there is no assurance that the Commission will continue to do so in the future, historically, the Commission has applied PFCs in addition to the amounts irrevocably committed to pay debt service on PFC Eligible Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service." See also "THE AIRPORT AGREEMENTS—The Airline Agreements" for additional information regarding certain agreements the Commission has made with respect to the use of PFCs.

Senior Repayment Obligations

Under certain circumstances the obligation of the Commission, pursuant to a written agreement, to reimburse the provider of a Credit Facility or a Liquidity Facility (a "Senior Repayment Obligation") may be secured by a pledge of and lien on Net Revenues on a parity with the Senior Bonds. If a Credit Provider or Liquidity Provider advances funds to pay principal of or purchase Senior Bonds, all or a portion of the Commission's Senior Repayment Obligation may be afforded the status of a Senior Bond under the Senior Indenture. The Commission currently does not have any Senior Repayment Obligations outstanding. See "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Senior Repayment Obligations Afforded Status of Senior Bonds."

Subordinate Obligations

Pursuant to the Master Subordinate Indenture, the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2001 (the "Second Supplemental Subordinate Indenture"), the Fourth Supplemental Subordinate Trust Indenture, dated as of July 1, 2003 (the "Fourth Supplemental Subordinate Indenture"), the Sixth Supplemental Subordinate Trust Indenture, dated as of June 1, 2005 (the "Sixth Supplemental Subordinate Indenture") and the Seventh Supplemental Subordinate Trust Indenture, dated as of January 1, 2007 (the "Seventh Supplemental Subordinate Indenture"), all by and between the Commission and the Subordinate Trustee, the Commission has previously issued and as of July 1, 2010 there was outstanding $694,395,000 aggregate principal amount of its Subordinate Airport Revenue Bonds, Series 2001D (the "Subordinate Series 2001D Bonds"), Series 2003A (the "Subordinate Series 2003A Bonds"), Series 2005A (the "Subordinate Series 2005A Bonds"), Series 2005B (the "Subordinate Series 2005B Bonds"), Series 2005C (the "Subordinate Series 2005C Bonds") and Series 2007B (the "Subordinate Series 2007B Bonds," and collectively with the Subordinate Series 2001D Bonds, the Subordinate Series 2003A Bonds, the Subordinate Series 2005A Bonds, the Subordinate Series 2005B Bonds and the Subordinate Series 2005C Bonds, the "Subordinate Bonds").

Additionally, pursuant to the Master Subordinate Indenture, the First Supplemental Subordinate Trust Indenture, dated as of October 1, 2000, as amended (the "First Supplemental Subordinate Indenture"), by and between the Commission and the Subordinate Trustee, and the Third Supplemental Subordinate Trust Indenture, dated as of November 1, 2002 (the "Third Supplemental Subordinate Indenture"), by and between the Commission and the Subordinate Trustee, the Commission is authorized to issue and have outstanding, from time to time, up to $200,000,000 in aggregate principal amount of its Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Revenue Commercial Paper Notes (collectively, the "Subordinate Commercial Paper Notes"). As of July 1, 2010, the Commission had no outstanding Subordinate Commercial Paper Notes. Pursuant to the First Supplemental Subordinate Indenture and the Third Supplemental Subordinate Indenture, the Commission can issue Subordinate Commercial Papers Notes only if such Subordinate Commercial Paper Notes are secured by one or more letters of credit. Currently, the Subordinate Commercial Paper Notes are not secured by a letter of credit, and therefore, the Commission cannot issue any Subordinate Commercial Paper Notes. The Commission is currently reviewing its options with respect to acquiring one or more letters of credit to secure the Subordinate Commercial Paper Notes, and alternatively, subject to the provisions of the Master Senior Indenture, establishing a commercial paper program on parity with the Senior Parity Bonds (including the Senior Series 2010 Bonds).

The Subordinate Bonds, the Subordinate Commercial Paper Notes, any obligations of the Commission to reimburse a letter of credit bank for draws under a letter of credit securing the Subordinate Commercial Paper Notes, and any additional obligations issued under the Master Subordinate Indenture are collectively referred to herein as the "Subordinate Obligations." The Master Subordinate Indenture, the First Supplemental Subordinate Indenture, the Second Supplemental Subordinate Indenture, the Third Supplemental Subordinate Indenture, the Fourth Supplemental Subordinate Indenture, the Fifth Supplemental Subordinate Trust Indenture, dated as of May 1, 2004, by and between the Commission and the Subordinate Trustee, the Sixth Supplemental Subordinate Indenture and the Seventh Supplemental Subordinate Indenture are collectively referred to herein as the "Subordinate Indenture."

The Subordinate Obligations are payable from Net Revenues on a subordinate basis to the payment of debt service and reserve and replenishment requirements on and relating to the Senior Parity Bonds (including the Senior Series 2010 Bonds). See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Flow of Funds."

As of July 1, 2010, the only outstanding Subordinate Obligations were the Subordinate Bonds. The following table sets forth the Subordinate Bonds that have been issued and were outstanding as of July 1, 2010.

TABLE 6
Metropolitan Airports Commission
Subordinate Bonds
(as of July 1, 2010)

Subordinate Obligation	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Subordinate Bonds			
- Series 2001D	$ 70,210,000	$ 33,850,000	1/1/2016
- Series 2003A	102,690,000	102,690,000	1/1/2031
- Series 2005A	136,110,000	136,110,000	1/1/2035
- Series 2005B	113,155,000	101,955,000	1/1/2026
- Series 2005C	123,750,000	122,430,000	1/1/2032
- Series 2007B	197,360,000	197,360,000	1/1/2032
Total Subordinate Bonds	$743,275,000	$694,395,000	

Source: Metropolitan Airports Commission.

[Remainder of page intentionally left blank.]

The following table sets forth the debt service funding requirements on the Subordinate Bonds.

TABLE 7
Metropolitan Airports Commission
Debt Service Requirements
Subordinate Bonds [1,2,3]

Year Ended December 31	Debt Service Requirements Subordinate Bonds
2010	$ 44,391,488
2011	51,225,713
2012	51,226,525
2013	51,228,763
2014	51,229,200
2015	51,506,150
2016	51,511,938
2017	51,512,850
2018	46,887,750
2019	46,889,350
2020	46,884,900
2021	54,622,150
2022	54,615,900
2023	54,621,150
2024	54,613,400
2025	54,624,150
2026	54,623,400
2027	54,619,075
2028	54,745,725
2029	54,748,700
2030	54,746,575
2031	45,284,800
2032	13,891,500
2033	13,891,500
2034	13,891,500
Total	$1,178,034,150

1 Numbers may not total due to rounding to nearest dollar.
2 Represents the Commission's debt service funding requirements for each Fiscal Year.
3 The Subordinate Bonds have a subordinate lien on Net Revenues.
Source: Metropolitan Airports Commission and Jefferies & Company, Inc.

Special Facility Obligations

The Commission may designate an existing facility or a planned facility as a "Special Facility" and may incur indebtedness in order to acquire, construct, renovate or improve such facility or to finance the acquisition, construction, renovation or improvement thereof by a third party. Additionally, the Commission may provide that certain contractual payments derived from or related to such Special Facility, together with other income and revenues available therefrom, will constitute "Special Facilities Revenue" and will not be included as Revenues or Net Revenues. Such indebtedness will constitute a "Special Facility Obligation" and will be payable solely from the Special Facilities Revenue. When Special Facility Obligations issued for a Special Facility are fully paid or otherwise discharged, all revenues received by the Commission from such facility will be included as Revenues. To the extent Special Facility Revenues exceed the amounts required to pay the principal of and interest on Special Facility Obligations when due, to the extent not otherwise encumbered, the excess may constitute Revenues as determined by the Commission. The Commission does not currently have any outstanding Special Facility Obligations. See APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Special Facilities and Special Facility Obligations."

Future Financings

After the issuance of the Senior Series 2010 Bonds, the Commission has no current plans to issue any Additional Senior Bonds, additional Subordinate Bonds and/or Subordinate Commercial Paper Notes between 2010 and 2016 to finance the Planned CIP Projects (as defined herein). See "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects." However, the Commission continuously evaluates refunding opportunities and may refund one or more series of its Senior Bonds, General Obligation Revenue Bonds or Subordinate Obligations in the future.

THE COMMISSION

General

The Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation. Its purpose is to promote air navigation and transportation (international, national and local) in and through the State of Minnesota, promote the efficient, safe and economic handling of air commerce, assure the inclusion of the State in national and international programs of air transportation, and to those ends, develop the full potentialities of the Metropolitan Area as an aviation center. The Commission exercises its jurisdiction over any place within 35 miles of the city hall of the City of Minneapolis or the city hall of the City of St. Paul and over the Metropolitan Area. It has the responsibility to assure residents of the Metropolitan Area minimal environmental impact from air navigation and transportation, promote the overall goals of the State's environmental policies and minimize the public's exposure to noise and safety hazards around airports.

The Commission may, under the Act, borrow money and issue bonds for the purpose of acquiring property, constructing and equipping new airports, acquiring existing airports, equipping, improving and making additions to such existing airports and making capital improvements to any airport constructed or acquired by the Commission. The Commission may contract with any person for the use by such person of any properties or facilities under the control of the Commission for purposes which will further the interests of aeronautics in the State, including, but not limited to, the right to lease any such properties or facilities, or any part thereof, to any person, the national government, or any foreign government, or any department of either, or to the State or any municipality. Other powers delegated to the Commission include the power to levy taxes against property in the Metropolitan Area required to pay debt service on the General Obligation Revenue Bonds issued by the Commission, to the extent debt service is not paid from Net Revenues of the Airport System, and to levy taxes not in excess of 0.00806% in each year upon the taxable market value of all property in the Metropolitan Area to pay costs of operation and maintenance of airport facilities. The Commission does not currently levy taxes to pay either debt service on its General Obligation Revenue Bonds or Maintenance and Operation Expenses of the Airport System.

Certain capital projects of the Commission at the Airport requiring the expenditure of more than $5,000,000, and other projects at the reliever airports requiring an expenditure of $2,000,000, are required by law to be submitted for approval to the Metropolitan Council, a public agency established by law with powers of regulation over the development of the Metropolitan Area.

The Airport System

General. The Commission owns and operates seven airports within the Metropolitan Area including the Airport and the six Reliever Airports, which are used mainly for general aviation.

Minneapolis-St. Paul Airport. The Airport has been designated as the major scheduled passenger airport for the Metropolitan Area, located south and equidistant from the downtown areas of Minneapolis and St. Paul. See "MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT" for further discussion of the Airport.

Reliever Airports. In addition to the Airport, the Commission owns and operates the six Reliever Airports which serve general aviation and constitute part of the Airport System. The six Reliever Airports include St. Paul Downtown Airport, Flying Cloud Airport, Crystal Airport, Anoka County/Blaine Airport, Lake Elmo Airport and Airlake Airport. The facilities at Airlake, Anoka County/Blaine, Crystal and Lake Elmo function as general aviation airports and are also used for pilot and flight training. In addition, a control tower is operational at Crystal Airport and Anoka County/Blaine. Flying Cloud Airport functions as a general aviation field and is also served by an FAA control tower. The St. Paul Downtown Airport serves as a corporate reliever and an all-purpose general aviation field and is served by an FAA control tower.

Revenues from the Airport are used to cover certain shortfalls incurred by the Reliever Airports that are a part of the Airport System. In recent years, the Commission has significantly reduced the amount of such subsidy. In 2007, the Commission adopted an ordinance (the "2007 Reliever Airports Ordinance") that amended the rates and charges methodology at the Reliever Airports. The 2007 Reliever Airports Ordinance requires that all costs associated with the Reliever Airports are to be collected from the users of such airports. As a result of the adoption of the 2007 Reliever Airports Ordinance and certain agreements made with the Signatory Airlines, beginning with calendar year 2006, the Commission's annual subsidy from Airport revenues to the Reliever Airports is now limited to $300,000 per year, escalated annually by 3%. However, there can be no assurance that major catastrophic liabilities or other unanticipated events will not occur with respect to one or more of the Reliever Airports which would require a substantial transfer of Revenues to such airports. In Fiscal Years 2008 and 2009, the Reliever Airports had a combined net operating loss (including depreciation and interest for projects financed at the Reliever Airports) of $2,614,000 and $3,114,000, respectively.

Organization of the Commission

Commissioners. The Commission is governed by 15 Commissioners, 12 of whom are appointed by the Governor of the State of Minnesota (the "Governor") for four-year terms and one of whom is appointed by the Governor as chair of the Commission and serves at the pleasure of the Governor. The remaining two Commissioners are the mayors of St. Paul and Minneapolis, or their designees, who serve a term equal to the term of office of such mayor. Of the 12 Commissioners that are appointed by the Governor for terms of four years, eight are appointed from designated districts within the Metropolitan Area and four are appointed from outside of the Metropolitan Area. From time to time, there have been bills introduced in the Minnesota State Legislature that proposed changes to the membership of the Commission. To date, none of these bills has been passed by the Minnesota State Legislature and signed by the Governor; however, the Commission cannot predict if additional bills will be introduced in the future to change the membership of the Commission or, if introduced and ultimately adopted by the Minnesota State Legislature and signed by the Governor, what effect, if any, such changes might have on the Commission.

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The present Commissioners and their occupations are set forth in the following table:

TABLE 8
Metropolitan Airports Commission
Commissioners

Name	Position	Occupation	Term Expires
John Lanners	Chair	CEO; F.T.L. Corporation	N/A[1]
Daniel Boivin[2]	Commissioner	Executive VP, Chief Legal Officer and General Counsel; Triveris LLC	Term of Office
Timothy Geisler	Commissioner	Unit Manager – Department of Finance; Mayo Clinic	January 2012
Pat Harris[3]	Commissioner	Vice President; Voyageur Asset Management	Term of Office
Michael Landy	Commissioner	Owner; Landy Beef International, Inc.; Cake, Candy and Wedding Supply Company and Landy Properties	January 2014
John McClung	Commissioner	Retired businessman	January 2013
Bert J. McKasy	Commissioner	Partner: Lindquist & Vennum PLLP	January 2011
Donald Monaco	Commissioner	Owner; Monaco Air Duluth, LLC	January 2013
Robert Nelson	Commissioner	Owner; RL Nelson & Associates	January 2011
Lisa Peilen	Commissioner	Director of Municipal Affairs – Minnesota Housing Association	January 2013
Paul Rehkamp	Commissioner	Funeral Director, Partner; Rehkamp Funeral Home	January 2011
Molly Sigel	Commissioner	Former Lobbyist	January 2011
Sherry Stenerson	Commissioner	General Counsel; Factory Motor Parts Company	January 2011
Andy Westerberg	Commissioner	Owner; Farmer's Insurance Agency	January 2013
Dr. John Williams	Commissioner	Dentist	January 2013

[1] Serves at the pleasure of the Governor of the State of Minnesota.
[2] Representative of the Mayor of the City of Minneapolis. Term expires when the Mayor's term in office expires.
[3] Representative of the Mayor of the City of St. Paul. Term expires when the Mayor's term in office expires.

Administration. Management and operation of the Commission are accomplished by the Executive Director through his staff. The Commission is organized into six divisions which include Human Resources, Labor/Government Affairs, Finance and Administrative Services, Legal Affairs, Planning and Environment, and Operations. The following table sets forth the responsibilities of the Executive Director and the six divisions.

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TABLE 9
Metropolitan Airports Commission
Organization

Division	Responsibilities
Executive Director	Public Affairs, Federal Government Affairs and Internal Audit
Human Resources	Staff Development, Employee Services, Employee Relations and Office of Diversity
Labor/Government Affairs	Labor Relations and Government Affairs
Finance and Administrative Services	Finance and Purchasing, Risk Management, Information Services, Marketing, Commercial Management/Airline Affairs
Legal Affairs	Legal Affairs
Planning and Environment	Planning, Environment, Airport Development, Concessions and Business Development
Operations	Airside Operations, Landside Operations, Maintenance, Facilities, Communication, Fire, Police and Reliever Airports

Chair and Administrative Staff.

John Lanners, Chair. Governor Pawlenty appointed Mr. Lanners to serve as Chair of the Commission on June 30, 2006. He is the president and chief executive officer of FTL Corporation, which owns MGM Liquor Warehouse stores; he is the president of R.P. Royalties, Inc.; and is an officer and partner with LannCo LLC, which specializes in commercial real estate development. Mr. Lanners serves on the boards of directors of the Woodbury Chamber of Commerce and the Minnesota Licensed Beverage Association. He is also past president of the New Richmond Jaycee's and the Woodbury Lion's Club. Mr. Lanners attended Marquette University in Wisconsin.

Jeffrey W. Hamiel, Executive Director. Mr. Hamiel was appointed Executive Director of the Commission on November 24, 1985. He received his Bachelor of Arts degree from the University of Minnesota, a Master of Arts degree in Public Administration from Northern Michigan University and a Doctorate in Public Administration from Hamline University, St. Paul, Minnesota. In 1977, Mr. Hamiel was initially employed by the Commission as its first Manager of Noise Abatement and Environmental Affairs; in 1980, he was promoted to Assistant Director of Operations and to Director of Operations in 1983. Between 1984 and 1985 he served as Airport Director and was promoted to Deputy Executive Director before becoming Executive Director. Mr. Hamiel was a pilot in the United States Air Force for over seven years and thereafter joined the United States Air Force Reserve where he served as a Chief Pilot and retired as Squadron Commander of the 96th Airlift Squadron in 1998. Mr. Hamiel served as Chairman, ACI–North America for 2001 and was a member of the Executive Committee of ACI–World in Geneva, Switzerland. He is the past Chair of the ACI International Affairs Committee and has served on the Governmental Affairs Committee, Environmental Committee, Technical Committee and Marketing/Communications Committee. Additionally, Mr. Hamiel is a certified member of the American Association of Airport Executives ("AAAE"). He serves as Vice Chair of the Airport Cooperative Research Program of the National Academies in Washington, D.C. Mr. Hamiel is a member of the Executive Committee of the Center for Transportation Studies at the University of Minnesota, a member of the Twin Cities Communications Council, and a member of the Executive Committee of the Transportation Research Board in Washington, D.C.

Stephen L. Busch, Deputy Executive Director, Finance and Administrative Services/Treasurer. Mr. Busch was appointed Deputy Executive Director, Finance and Administrative Services in June, 2008. Prior to his current appointment he served as Director of Finance of the Commission for 12 years. Mr. Busch has worked for the Commission since 1981. He received his Bachelor of Science degree from St. Johns University and holds a Masters of Business Administration degree from the University of St. Thomas. Prior to his employment with the Commission, he worked for Control Data Corporation and Emmer Distribution Centers. In addition, he is a member of the Government Finance Officers Association and is involved with ACI Economic Committee issues.

Dennis Probst, Deputy Executive Director, Planning and Environment. Mr. Probst was appointed Deputy Executive Director, Planning and Environment, in January, 2008. Prior to his current appointment, he served as Building Construction Manager of the Commission and was promoted to Director of Landside Development of the Commission in January, 1999. Mr. Probst received a Bachelor of Science in Civil Engineering, a Bachelor of Arts Architecture Degree and a Master of Architecture Degree from Iowa State University. He was previously employed with DMJM Harris as Vice President and was employed with BRW for 14 years as an Architect and Project Manager, Office Manager and Vice President. Mr. Probst served as Mayor of the City of Arden Hills from 1994–2002 and was President of the I-35W Corridor Coalition from 1998–2002. He served as Chairman of the Central Corridor Coordinating Committee. As a member of the American Institute of Architects, Mr. Probst served as Minneapolis Chapter President as well as a Board Member of the Minnesota Society American Institute of Architects. He served as Chair of the Arden Hills Planning Commission and is a former member of American Society of Heating, Refrigeration and Air Conditioning Engineers.

Jan Nielsen, Deputy Executive Director, Human Resources. Ms. Nielsen was appointed to the position of Deputy Executive Director, Human Resources in June 2001. She serves as staff liaison to the Human Resources and Affirmative Action Committee of the Commission. Ms. Nielsen has been with the Commission since 1984 and has held the positions of Operations Coordinator, Assistant Manager of Reliever Airports, Properties Manager, Quality Resource Manager and Manager of HRD & Strategic Planning. Ms. Nielsen received a Bachelor of Science Degree from the University of Minnesota and a Masters Degree in Management and Administration from Metropolitan State University, where she was honored as "The Outstanding Graduate Student of the Year." She is certified as a Senior Professional in Human Resources by the Society of Human Resource Management and has completed the Carlson School of Management's Human Resource Executive Program. Ms. Nielsen is a member of ACI-North America, AAAE, the Employers Association of Minnesota, the HR Executive Forum, the International Personnel Management Association and the Society for Human Resource Management. Prior to joining the Commission, she was a private pilot and was employed by the FAA for six years as an air traffic controller.

Timothy Anderson, Deputy Executive Director, Operations. Mr. Anderson was appointed to his current position in April of 1996. He has been with the Commission since April 1981 and has held the positions of Manager/Noise Abatement, Assistant Director of Operations, Airport Director and Director of Airports. Mr. Anderson is also the staff liaison to the Management and Operations Committee of the Commission. He has a Bachelor of Arts in Social Science from the University of Minnesota, Duluth; a Masters in Business Administration from the University of North Dakota; and a Master of Arts in Public Administration from Webster College, St. Louis, Missouri. Prior to joining the Commission, Mr. Anderson spent over 10 years as a pilot with the United States Air Force and in May 2000 ended 20 years of participation with the United States Air Force Reserve, retiring at the rank of Colonel. He serves as Chair of the ACI World Standing Security Committee and also serves on the ACI-NA Public Safety and Security Committee and the AAAE Transportation Security Committee.

Thomas W. Anderson, General Counsel. Mr. Anderson has been employed as the Commission's chief legal officer since December 1979. He obtained a Bachelors degree in Mathematics and Law degree from the University of Minnesota. He has served as Chair of the ACI–North America Legal Committee, Chair of the Transportation Law Committee of the American Bar Association Section of Urban, State and Local Government Law, President of the Corporate Counsel Association of Minnesota, as a member of the Minnesota State Bar Association Board of Governors and as a member of the Minnesota Secretary of State's Corporate Advisory Council. He is currently serving as a member of the Airport Foundation MSP.

Robert C. Schauer, Director of Finance. Mr. Schauer was appointed Director of Finance in August, 2008. Prior to his current appointment he served as Assistant Director of Finance and Manager of Accounting and Finance of the Commission for 20 years. Mr. Schauer has worked for the Commission since 1983. He received his Bachelor of Arts degree and Masters of Business Administration degree from the University of St. Thomas. Mr. Schauer is a Certified Public Accountant and Certified Treasury Professional. Prior to his employment with the Commission, he worked for St. Joseph's Hospital in St. Paul, Minnesota. In addition, he is a member of the Government Finance Officers Association and the Association for Finance Professionals.

Employees. As of July 1, 2010, approximately 550 full-time employees, including maintenance personnel, police officers, firefighters, clerical and professional persons, were employed by the Commission. The Commission staff believes its relationship with the employees is satisfactory. Certain employees of the Commission are unionized. The number of employees of the Commission represented by unions, the representative union and the date of expiration of respective union contracts are set forth in the following table.

TABLE 10
Metropolitan Airports Commission
Union Representation of Employees

Union	Number of Employees	Expiration Date of Union Contracts[1]
International Association of Fire Fighters, Local S-6 (representing fire fighters)	34	December 31, 2010
International Association of Fire Fighters, Local S-6 (representing fire captains)	9	N/A[2]
International Brotherhood of Electrical Workers, Local 292	17	April 30, 2011
International Union of Operating Engineers, Local 49	22	December 31, 2010
International Union of Operating Engineers, Local 70	15	December 31, 2009
Lakes & Plains Regional Council of Carpenters	9	April 30, 2011
Law Enforcement Labor Services, Local 302 (Police Officers)	57	December 31, 2010
Law Enforcement Labor Services, Local 307 (Police Supervisors)	18	December 31, 2008
Minnesota Teamsters Public and Law Enforcement Employees Union, Local 320	95	June 30, 2010
Painter's and Allied Trades, Local 386	8	April 30, 2011
United Association Plumbers, Local 34	8	April 30, 2011
Law Enforcement Labor Services, Local 358	9	N/A[2]
Total	301	

[1] Contracts that have expired are currently being renegotiated.
[2] New bargaining unit; no prior contract. Contract is currently being negotiated.
Source: Metropolitan Airports Commission.

MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT

General

The Airport was opened in 1927 as Wold-Chamberlain Field, and was operated by the Minneapolis Park Board until 1943, when it was transferred by State law to the Commission. In 1946, the Commission designated the field as the primary Air Carrier airport for the Metropolitan Area and renamed the Airport the Minneapolis-St. Paul International Airport-Wold-Chamberlain Field.

The Airport serves as a primary hub in the route system of Delta. In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. On January 31, 2010, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Commission. Delta and Northwest, together with its affiliated Air Carriers, accounted for approximately 78.7% of all passengers enplaned at the Airport in 2009. See "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta."

The Airport is primarily located within Hennepin County which is within the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (the "MSA"). The MSA is composed of 13 counties located in the east-central region of the State and the western portion of Wisconsin. There are seven core counties which represent over 87% of the MSA's population. These counties are Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, which are all located within the State. The other six counties in the MSA are Chisago, Isanti, Sherburne and Wright, which are also located in the State, and Pierce and St. Croix located in Wisconsin. See "—Air Trade Area" below and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT" for further discussion of the MSA.

Current Airport Facilities

Runways. The Airport maintains four air-transport-type runways, including two northwest-southeast runways, one north-south runway and one northeast-southwest cross-wind runway. The runways provide operational facilities to cover varying wind conditions and are connected by a system of taxiways and aprons. In addition, all eight of the runway approach directions are equipped with high-intensity runway lighting and instrument landing systems which permit continuous operation under almost all weather conditions. The northerly northwest-southeast runway is 8,200 feet long and 150 feet wide. The parallel northwest-southeast runway is 10,000 feet long and 200 feet wide. The north-south runway (also know as Runway 17/35) is 8,000 feet long and 150 feet wide. The northeast-southwest runway, which is provided to cover other wind conditions, is 11,000 feet long and 150 feet wide. The runways, in the opinion of the Commission's engineers, have sufficient capacity and are of sufficient strength to permit the operation of the largest existing commercial aircraft. The boundaries of the Airport provide sufficient clear area for runway approaches to meet the requirements of the FAA.

Terminal Facilities. Passenger terminal facilities at the Airport are located in two separate buildings: the Lindbergh Terminal and the Humphrey Terminal. International arrivals facilities ("IAF") at the Airport are located in both of the passenger terminal facilities. The Lindbergh Terminal and the Humphrey Terminal are connected by the light rail system that runs between downtown Minneapolis and the Mall of America (the "Light Rail System"). The Light Rail System includes stations at the Lindbergh and Humphrey Terminals. During peak traffic times during the year, a shuttle bus also provides transportation between the Lindbergh Terminal and the Humphrey Terminal, which are approximately 3.5 miles apart.

The Lindbergh Terminal is a three level structure consisting of approximately 2.8 million square feet of space, of which approximately 1.3 million square feet are considered rentable. The Lindbergh Terminal currently consists of one terminal (the "Main Building") and seven concourses designated as the A, B, C, D, E, F and G Concourses. The Lindbergh Terminal also includes the principal IAF; the ground transportation center; and a parking garage, which is located beneath the Lindbergh Terminal. The seven concourses, which extend from the Main Building, provided a total of 117 aircraft loading positions. These aircraft loading positions consist of passenger loading bridges and immediately adjacent ramp areas which are utilized by regional airline aircraft that may or may not utilize the passenger loading bridges. Concourses A and B are comprised of 14 and 16 gates, respectively, and are leased to Delta which utilizes them for regional airline operations. See "CAPITAL IMPROVEMENT PROGRAM—Demand Driven CIP Projects" for additional information concerning the proposed expansion of the Lindbergh Terminal.

Within the Lindbergh Terminal are ticketing facilities on the second level in the Main Building; security checkpoint locations on the second level in the Main Building and at the entrance to the G Concourse from the parking ramp skyway; passenger boarding facilities on the second level in each of the seven concourses; baggage claim and the international arrivals waiting area on the ground or first level; and the ground transportation center, which contains covered space for shuttle and taxi pickup on the ground level. Concessions are located throughout the Lindbergh Terminal, the majority of which are located past the security checkpoints. A coffee shop and a full-service restaurant, are located outside of the secure areas of Lindbergh Terminal and are available to all visitors to the Airport, ticketed passengers and non-ticketed passengers.

The majority of international arrivals and departures at the Airport are conducted from the IAF on the G Concourse. The facility contains dual-purpose domestic-international gates that provide ten aircraft loading positions (at nine gates) with international arrival capability. The total processing capacity of this IAF is estimated to be approximately 800 passengers per hour.

The Humphrey Terminal is a two-story structure opened in May 2001 consisting of approximately 400,000 square feet of space, providing 10 gates. Four of the ten gates consist of international arrival facility gates. The Commission has designated the Humphrey Terminal as a common use facility. The three main Air Carriers operating out of the Humphrey Terminal are Air Tran, Southwest and Sun Country. Air Tran, Southwest and Sun Country operate primarily from one, two and two to four gates, respectively. Currently, due to demand, Air Tran, Southwest and Sun Country are also using, on a common use basis, the other gates in the Humphrey Terminal. See "CAPITAL IMPROVEMENT PROGRAM—Demand Driven CIP Projects" for additional information concerning the proposed expansion of the Humphrey Terminal.

Parking Facilities. Parking facilities located at the Airport provide approximately 22,510 public automobile parking spaces. The on-Airport parking options include a valet garage, short-term and long-term parking located adjacent to and below the Lindbergh Terminal, and short-term and long-term parking located adjacent to the Humphrey Terminal.

The public parking facilities located adjacent to and below the Lindbergh Terminal provide 13,257 of the 22,510 public parking spaces. The valet garage located beneath the Lindbergh Terminal provides 386 parking spaces, with the remaining 12,871 parking spaces contained in two seven-level parking garages and two nine-level parking garages that are connected to the Lindbergh Terminal and the G Concourse via an enclosed skyway and a surface parking lot located adjacent to the parking garages. The parking garages can also be accessed via the ground transportation center. Thirty percent of the two nine-level parking garages are utilized by the six on-Airport rental car companies and the remaining 70% is utilized for public parking. The Commission also provides approximately 242 employee parking spaces at several surface lots near the Lindbergh Terminal.

As a result of the FAA security restrictions imposed at the Airport following the terrorist attacks on September 11, 2001 (the "September 11 Events"), the Commission was required to restrict the use of approximately 7,500 parking spaces located adjacent to and below the Lindbergh Terminal. Subsequently, the FAA gave the Commission clearance to use all parking spaces previously restricted. In the event the Department of Homeland Security raises the national threat level to "Severe Risk of Terrorist Attacks" or "Level Red," the Commission will be required to perform searches on all vehicles entering the parking ramp located adjacent to the Humphrey Terminal and the valet garage located beneath the Lindbergh Terminal.

The public parking facilities located adjacent to the Humphrey Terminal provide the remaining 9,253 public parking spaces which are contained in an eight-level parking ramp and surface lots. The Commission also provides approximately 1,800 employee parking spaces at several surface lots near the Humphrey Terminal.

Four off-Airport private parking facilities serve passengers of the Airport and provide an estimated additional 5,450 automobile parking spaces.

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Aviation Activity

Airport Enplanements. The Airport is classified by the FAA as one of the large hub airports in the United States. According to ACI statistics, in calendar year 2009 the Airport was the 15th busiest airport in the nation in terms of passenger volume and the 24th busiest airport in the nation in terms of total cargo. The following table sets forth total enplaned and deplaned passengers and cargo information for 2009 for the Airport as compared to other airports in the United States.

TABLE 11
2009 Ranking of U.S. Airports
(for the 12 months ended December 31, 2009)

Total Passengers [1] (in thousands)			Total Cargo [1] (freight and mail, in thousands of metric tons)		
Rank	**Airport**	**Passengers**	**Rank**	**Airport**	**Cargo**
1	Atlanta	88,032	1	Memphis	3,697.1
2	Chicago	64,158	2	Anchorage	1,994.6
3	Los Angeles	56,521	3	Louisville	1,949.5
-	-	-	-	-	-
-	-	-	-	-	-
11	Charlotte	34,537	20	Boston	247.8
12	Miami	33,886	21	Toledo	241.5
13	Orlando	33,694	22	Denver	224.4
14	Newark	33,399	23	Phoenix	223.7
15	**Minneapolis-St. Paul**	**32,379**	**24**	**Minneapolis-St. Paul**	**189.7**
16	Detroit	31,357	25	Portland	178.7
17	Seattle	31,228	26	Detroit	161.9
18	Philadelphia	30,670	27	Orlando	137.2
19	Boston	25,512	28	Salt Lake City	135.6

[1] Sum of enplaned and deplaned volume.
Source: ACI, *2009 North American Traffic Report.* Released by ACI in June 2010.

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The following table sets forth historical enplanement information for the Airport for the years ended December 31, 2005 through 2009 and for the first three months of 2009 and 2010. The table categorizes enplanement information into origin and destination ("O&D") enplanements and connecting enplanements.

TABLE 12
Minneapolis-St. Paul International Airport
O&D and Connecting Passengers[1]

	O&D		Connecting			% Change
Year[2]	Enplaned Passengers	% of Total	Enplaned Passengers	% of Total	Total	from Previous Year
2005	8,692,000	47.8%	9,498,000	52.2%	18,189,000	3.2%
2006	8,704,000	50.0	8,687,000	50.0	17,390,000	(4.4)
2007	8,922,000	52.1	8,203,000	47.9	17,125,000	(1.5)
2008	8,263,000	50.0	8,256,000	50.0	16,519,000	(3.5)
2009	8,103,000	51.6	7,603,000	48.4	15,706,000	(4.9)
First 3 Months[3]						
2009	2,016,000	54.1	1,712,000	45.9	3,728,000	—
2010 [4]	2,081,000	56.9	1,576,000	43.1	3,657,000	(1.9)

[1] Passenger figures are rounded to the nearest thousand and may differ from statistics reported by the Air Carriers to the Commission. Includes revenue passengers only.
[2] Year ended December 31.
[3] January 1 through March 31.
[4] International enplanement numbers for February 2010 are incomplete because Delta was not able to send final numbers to the Commission as a result of difficulties incurred by Delta integrating the systems of Northwest and Delta.
Sources: U.S. DOT, Schedules T100 and T3; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Jacobs Consultancy; Metropolitan Airports Commission.

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Airport Operations. The following table sets forth information regarding aircraft operations at the Airport for the years ended December 31, 2005 through 2009 and for the first three months of 2009 and 2010.

TABLE 13
Minneapolis-St. Paul International Airport
Historical Aircraft Operations

Year[1]	Air Carrier Operations	Commuter Operations	Cargo Operations	Total Commercial Operations[3]	Percent Commercial Operations[3]	General Aviation Operations	Military Operations	Total Operations
2005	329,956	146,400	17,182	493,538	92.73%	36,472	2,230	532,240
2006	283,844	135,286	16,355	435,485	91.63	37,473	2,040	474,998
2007	263,816	141,013	15,292	420,121	92.75	30,562	2,289	452,972
2008	226,646	176,237	14,361	417,244	92.71	30,685	2,115	450,044
2009	211,085	183,911	11,146	406,142	93.93	24,361	1,892	432,395
First 3 Months[2]								
2009	50,699	47,464	2,856	101,019	94.0	5,929	472	107,420
2010	49,133	43,049	2,949	95,131	93.0	6,662	456	102,249

1 Year ended December 31.
2 January 1 through March 31.
3 Total Commercial Operations equal Air Carrier Operations (including charters), Commuter Operations and Cargo Operations.
Source: Metropolitan Airports Commission.

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Landed Weight. The following table sets forth landed weight information for the Airport for the years ended December 31, 2005 through 2009 and for the first three months of 2009 and 2010.

TABLE 14
Minneapolis-St. Paul International Airport
Trends in Aircraft Landed Weight
(in thousands of pounds)

Year[1]	Type of Air Carrier: Passenger	Type of Air Carrier: All Cargo	Total Landed Weight
2005	24,814,080	1,217,143	26,031,223
2006	22,462,015	1,240,238	23,702,253
2007	21,991,657	1,236,885	23,228,542
2008	21,177,817	1,123,707	22,301,524
2009 [2]	20,319,892	950,908	21,270,800
First 3 Months[3]			
2009	4,977,313	243,956	5,221,269
2010	4,717,486	235,639	4,953,125

1 Year ended December 31.
2 During 2009, Delta's and Northwest's operations represented 72% of Total Landed Weight of Signatory Airlines at the Airport.
3 January 1 through March 31.
Source: Metropolitan Airports Commission.

[Remainder of page intentionally left blank.]

Air Carriers Serving the Airport

General. As of January 1, 2010, the Airport was served by 36 Air Carriers, including 25 U.S.-flag carriers providing scheduled service, 1 U.S.-flag carrier providing charter service, 3 foreign-flag carriers and 7 all-cargo service carriers. The following table sets forth the Air Carriers providing service at the Airport as of January 1, 2010.

TABLE 15
Minneapolis-St. Paul International Airport
Air Carriers Serving the Airport [1]
(As of January 1, 2010)

U.S.-Flag Carriers

Scheduled Service

Air Tran[*]	Continental Express[5]	Republic Airlines[*2,7]
Air Wisconsin[2]	Delta[**6]	Shuttle America[3,8]
Alaska[*]	Frontier[*]	SkyWest[*3,7]
American[*]	Mesa[2]	Southwest[*]
Atlantic Southeast[**3]	Mesaba[** 3]	Sun Country[*9]
Chautauqua[** 4]	Midwest Airlines[**]	Trans States[10]
Comair[** 3]	Northwest[**6]	United[*]
Compass[**3]	Pinnacle[**3]	US Airways[*]
Continental[*]		

Non-scheduled (Charter) Service

Omni International[*]

Foreign-Flag Carriers

Air Canada Jazz[**]	Icelandair[*]	Aeromexico

All-Cargo Service

ATI[**11]	FedEx[**]	Omni Air Express[**]
ABX Air[**12]	Mountain Air Cargo	UPS[**]
Bemidji[**]		

[*] Signatory to Airline Lease Agreement that expires on December 31, 2010.
[**] Signatory to Airline Lease Agreement that expires on December 31, 2020.
[1] Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.
[2] Codeshare with US Airways
[3] Codeshare with Delta.
[4] Codeshare with American and Continental.
[5] Codeshare with Continental.
[6] In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle, and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand.
[7] Codeshare with Midwest Airlines.
[8] Codeshare with United.
[9] Sun Country filed for bankruptcy protection in October 2008, but continues to operate at the Airport while it reorganizes under bankruptcy protection.
[10] Codeshare with American.
[11] Provides air service to BAX Global.
[12] Provides air service to DHL.
Sources: Metropolitan Airports Commission.

Three branches of the United States Armed Forces are represented at the Airport: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment, and the Naval Air Reserve-Twin Cities Center. Also located at the Airport is the Minnesota Air National Guard 133rd Tactical Airlift Group. At the St. Paul Downtown Airport, the Army maintains a dozen support helicopters and the National Guard bases its Fixed Wing Squadron. Training flights, servicing and simulated emergencies are conducted on a regular basis.

Enplanements by Air Carriers. Enplanements (departing passengers) for the largest Air Carriers operating at the Airport for the years ended December 31, 2005 through 2009 are shown in the following table.

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TABLE 16
Minneapolis-St. Paul International Airport
Air Carrier Market Share
Total Enplaned Passengers [1]
(for the 12 months ended December 31)
(Ranked on 2009 results)

Air Carrier	2005	2005% of Total[2]	2006	2006% of Total[2]	2007	2007% of Total[2]	2008	2008% of Total[2]	2009	2009% of Total[2]
Delta[3]	14,676,461	80.7%	13,882,761	79.8%	13,611,599	79.5%	13,328,777	80.7%	12,368,515	78.7%
Northwest Mainline[3]	*11,860,343*	*65.2*	*11,434,557*	*65.8*	*11,279,067*	*65.9*	*10,079,244*	*61.0*	*8,449,013*	*53.8*
Northwest Airlink[3]	*2,353,142*	*12.9*	*2,011,831*	*11.6*	*1,931,325*	*11.3*	*2,790,670*	*16.9*	*3,234,544*	*20.6*
Delta Mainline[3]	*267,092*	*1.5*	*151,710*	*0.9*	*167,675*	*1.0*	*193,853*	*1.2*	*530,536*	*3.4*
Delta Connection[3]	*195,884*	*1.1*	*284,663*	*1.6*	*233,532*	*1.4*	*265,010*	*1.6*	*154,422*	*1.0*
American	565,481	3.1	618,655	3.6	656,931	3.8	621,987	3.8	571,074	3.6
Sun Country[4]	727,117	4.0	726,371	4.2	752,582	4.4	632,400	3.8	496,820	3.2
United	523,663	2.9	554,349	3.2	556,865	3.3	489,168	3.0	468,025	3.0
US Airways[5]	424,384	2.3	439,544	2.5	461,267	2.7	435,630	2.6	455,886	2.9
Southwest	–	–	–	–	–	–	–	–	283,796	1.8
Air Tran	148,704	0.8	288,968	1.7	315,040	1.8	253,918	1.5	248,191	1.6
Continental	239,396	1.3	250,699	1.4	247,471	1.4	245,641	1.5	232,200	1.5
Frontier	119,452	0.7	123,658	0.7	132,864	0.8	167,408	1.0	189,588	1.2
Alaska	–	–	115	<0.1	–	–	15,998	0.1	91,122	0.6
Midwest	43,656	0.2	84,748	0.5	70,898	0.4	74,891	0.5	81,623	0.5
Icelandair	41,764	0.2	35,084	0.2	35,858	0.2	27,205	0.2	16,519	0.1
Other	679,400	3.7	385,358	2.2	283,843	1.7	225,471	1.4	202,714	1.3
Total	18,189,478	100.0%	17,390,310	100.0%	17,125,218	100.0%	16,518,494	100.0%	15,706,072	100.0%

1 Passenger figures are rounded to the nearest thousand and may differ from the statistics reported by the Air Carriers to the Commission.
2 Percentages may not sum to totals due to rounding.
3 In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand.
4 Sun Country filed for bankruptcy protection in October 2008, but continues to operate from the Airport while it reorganizes under bankruptcy protection.
5 On September 27, 2005, America West and US Airways merged and the combined airline now operates under the US Airways name. 2005 numbers are for both America West and US Airways.

Sources: U.S. DOT, Schedules T100, through November 2009 for domestic passengers and August 2009 for international passengers. Remainder of 2009 is estimated by Jacobs Consultancy on the basis of Commission data.

Enplanements (departing passengers) for the largest Air Carriers operating at the Airport for the first three months of 2009 and 2010 are shown in the following table.

TABLE 17
Minneapolis-St. Paul International Airport
Air Carrier Market Share
Total Enplaned Passengers [1]
(for the 3 months ended March 31)
(Ranked on 2010 results)

Air Carrier	2009	2009% of Total[1]	2010	2010% of Total[1]
Delta[2]	2,986,570	80.1%	2,817,511	77.0%
Northwest Mainline[2]	*2,051,928*	*55.0*	*1,133,764*	*31.0*
Northwest Airlink[2]	*766,500*	*20.6*	*687,124*	*18.8*
Delta Mainline[2]	*138,078*	*3.7*	*910,301*	*24.9*
Delta Connection[2]	*30,064*	*0.8*	*86,322*	*2.4*
Sun Country[3]	164,007	4.4	160,629	4.4
American	117,543	3.2	138,762	3.8
United	117,957	3.2	127,980	3.5
US Airways	135,737	3.6	120,896	3.3
Southwest	20,287	0.5	99,913	2.7
Air Tran	53,354	1.4	60,773	1.7
Continental	52,438	1.4	51,282	1.4
Frontier	39,384	1.1	38,748	1.1
Alaska	18,978	0.5	17,898	0.5
Midwest	18,595	0.5	18,520	0.5
Other	3,150	0.1	4,088	0.1
Total	3,728,000	100.0%	3,657,000	100.0%

[1] Percentages may not sum to totals due to rounding.
[2] In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand.
[3] Sun Country filed for bankruptcy protection in October 2008, but continues to operate from the Airport while it reorganizes under bankruptcy protection.
Sources: Metropolitan Airports Commission.

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Cargo Handled by Air Carriers. The following table presents the total cargo handled (enplaned and deplaned) by the largest Air Carriers operating at the Airport for the years ended December 31, 2005 through 2009.

TABLE 18
Minneapolis-St. Paul International Airport
Air Carrier Market Share
Total Cargo Handled (tons in thousands) [1]
(for the 12 months ended December 31)
(Ranked on 2009 results)

Airline	2005	2006	2007	2008	2009	2009% of Total
FedEx	149.9	149.2	145.4	133.0	105.9	50.5%
UPS	61.2	61.7	59.7	55.5	53.8	25.7
Delta[2]	50.4	46.5	44.3	41.4	32.2	15.3
ATI/BAX Global[3]	9.9	9.6	8.2	4.9	8.1	3.9
United	3.1	1.9	0.8	1.7	2.5	1.2
US Airways[4]	1.8	1.9	1.2	2.0	2.0	0.9
Sun Country[5]	2.8	3.5	3.7	2.6	1.4	0.7
ABX Air[6]	19.6	18.1	14.9	12.4	1.1	0.5
American	2.4	2.6	2.1	2.2	0.9	0.4
Southwest	–	–	–	–	0.8	0.4
Continental	1.1	1.2	0.8	1.0	0.6	0.3
Frontier	0.3	0.3	0.3	0.3	0.2	0.1
Alaska	–	–	–	–	0.1	<0.1
Icelandair	0.2	0.1	0.1	0.1	0.1	<0.1
All Other	9.6	7.1	2.5	0.7	0.1	<0.1
Total	312.4	303.7	284.1	257.8	209.6	100.0%

[1] Sum of enplaned and deplaned cargo. Tonnages and percentages may not sum to totals due to rounding.
[2] In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. Includes cargo handled by Delta, Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass.
[3] ATI provides air service to BAX Global.
[4] On September 27, 2005, America West and US Airways merged and the combined airline now operates under the US Airways name. Includes cargo handled by America West and US Airways.
[5] Sun Country filed for bankruptcy protection in October 2008, but continues to operate from the Airport while it reorganizes under bankruptcy protection.
[6] DHL purchased Airborne Express in 2003. DHL contracted with ABX to provide air service to DHL. In 2008, DHL ceased its U.S. domestic express business. DHL continues to operate its international express business.
Source: Metropolitan Airports Commission.

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The following table presents the total cargo handled (enplaned and deplaned) by the largest Air Carriers operating at the Airport for the first three months of 2009 and 2010.

TABLE 19
Minneapolis-St. Paul International Airport
Air Carrier Market Share
Total Cargo Handled (in metric tons) [1]
(for the 3 months ended March 31)
(Ranked on 2009 Results)

Airline	2009	2009% of Total	2010	2010% of Total
FedEx	25,053	54.0%	22,157	46.5%
UPS/Emery	10,885	23.5	12,018	25.2
Delta[2]	5,961	12.9	6,314	13.2
ATI/BAX Global[3]	1,558	3.4	4,054	8.5
ABX Air[4]	926	2.0	859	1.8
United	559	1.2	847	1.8
US Airways[5]	511	1.1	656	1.4
Southwest	0	0.0	265	0.6
Mountain Cargo	0	0.0	193	0.4
American	393	0.9	90	0.2
Continental	240	0.5	77	0.2
Sun Country[6]	239	0.5	71	0.2
Frontier	41	0.1	67	0.1
Alaska	15	<0.1	13	<0.1
All Other	8	<0.1	0	0.0
Total	46,391	100.0	47,681	100.0

[1] Sum of enplaned and deplaned cargo. Tonnages and percentages may not sum to totals due to rounding.
[2] In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. Includes cargo handled by Delta, Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass.
[3] ATI provides air service to BAX Global.
[4] DHL purchased Airborne Express in 2003. DHL contracted with ABX to provide air service to DHL. In 2008, DHL ceased its U.S. domestic express business. DHL continues to operate its international express business.
[5] On September 27, 2005, America West and US Airways merged and the combined airline now operates under the US Airways name.
[6] Sun Country filed for bankruptcy protection in October 2008, but continues to operate from the Airport while it reorganizes under bankruptcy protection.
Source: Metropolitan Airports Commission.

Air Trade Area

The air trade area served by the Airport consists primarily of the MSA. The Airport is currently the only large hub airport in the MSA serving scheduled air commerce. See “THE COMMISSION—The Airport System.” Following is some selected information on population, per capita personal income and unemployment with respect to the air trade area. For a more complete discussion of the air trade area, see “APPENDIX A—REPORT OF THE AIRPORT CONSULTANT.”

TABLE 20
Population[1]
(in thousands)

Year	United States	United States % Change	Minnesota	Minnesota % Change	MSA	MSA % Change
2005	295,753	0.9%	5,107	0.5%	3,133	0.8%
2006	298,593	1.0	5,148	0.8	3,168	1.1
2007	301,580	1.0	5,191	0.8	3,204	1.1
2008	304,375	0.9	5,231	0.8	3,238	1.1
2009	307,007	0.9	5,266	0.7	3,270	1.0

[1] Estimated by the U.S. Department of Commerce, Bureau of Census.
Source: U.S. Department of Commerce, Bureau of the Census website.

TABLE 21
Per Capita Personal Income

Year	United States	Minnesota	MSA
2005	$35,424	$37,978	$42,721
2006	37,698	39,975	44,975
2007	39,392	41,693	46,870
2008	40,166	42,953	47,653
2009	39,138	41,552	n.a.

Source: U.S. Department of Commerce, Bureau of Economic Analysis website.

TABLE 22
Civilian Unemployment Rate[1]

Year	United States	Minnesota	MSA
2005	5.1%	4.2%	3.9%
2006	4.6	4.1	3.8
2007	4.6	4.6	4.3
2008	5.8	5.4	5.1
2009	9.3	8.0	7.8
2010 [1]	9.7	8.1	7.7

[1] 2010 data represents the average for January-March 2010.
Source: U.S. Department of Labor, Bureau of Labor Statistics website.

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THE AIRPORT AGREEMENTS

General

The Commission has entered into, and receives payments under, different agreements with various airlines and other parties, including lease agreements relating to landing fees and the leasing of space in terminal buildings, leases with Delta, leases relating to cargo and miscellaneous hangar facilities, concession agreements relating to the sale of goods and services at the Airport, and other leases relating to the construction of buildings and facilities for specific tenants.

Airline Lease Agreements

General. The Commission has entered into Airline Lease Agreements with Delta and most of the other airlines operating at the Airport. As of July 1, 2010, 28 Air Carriers operating at the Airport, including Delta, had approved and signed Airline Lease Agreements. In addition to covering the lease of certain portions of the passenger terminal complex, including the apron, the Airline Lease Agreements cover the use of and rate-setting mechanisms for the airfield facilities. The original Airline Lease Agreements have an effective date of January 1, 1999. In connection with amending the Airline Lease Agreements in 2007 pursuant to the Third Amendment to Airline Operating Agreement and Terminal Building Lease – Minneapolis-St. Paul International Airport (the "Third Amendment to the Airline Lease Agreements"), the Commission provided an option to each of the Signatory Airlines to extend their respective Airline Lease Agreements to December 31, 2020 (the majority of the Airline Lease Agreements previously had expiration dates of December 31, 2010, while four Airline Lease Agreements (including the Airline Lease Agreement entered into by Northwest and Delta) had expiration dates of December 31, 2015). As of July 1, 2010, 15 of the Signatory Airlines (including Delta) had elected to extend their respective Airline Lease Agreements to December 31, 2020; and 13 of the Signatory Airlines elected to keep the expiration date of their respective Airline Lease Agreements at December 31, 2010. In early June 2010, the Commission sent proposed amendments to the Signatory Airlines that are a party to the Airline Lease Agreements that expire on December 31, 2010, extending the expiration date of such Airline Lease Agreements to December 31, 2014. At this time, the Commission cannot predict how many of these Signatory Airlines will execute the amendments.

The Airline Lease Agreements provide for, among other things, the use of the airfield and apron areas of the Airport and the lease of certain space in the terminal buildings. The Airline Lease Agreements also establish, among other things, procedures for the annual calculation of rents, fees and charges for the use of the Airport. Included in the rates and charges under the Airline Lease Agreements are the required deposits under the Senior Indenture and the Subordinate Indenture, including deposits to any debt service reserve funds established for the Senior Bonds or the Subordinate Obligations, the Maintenance and Operation Reserve Account and the Coverage Account. Although the Airline Lease Agreements allow the Commission to include required deposits, such as amounts to any debt service reserve funds established for the Senior Bonds and the Subordinate Obligations, in the calculation of rates, fees and charges, the Commission has agreed that it will not include deposits to the Maintenance and Operation Reserve Account and Coverage Account in the calculation of rates, fees and charges, except for such amounts which are necessary to be deposited to the Coverage Account in order to meet the rate covenant requirements under the Senior Indenture. The Airline Lease Agreements do not provide for the deposits to the Coverage Account necessary in order for the Commission to meet the rate covenant requirements under the Subordinate Indenture, and therefore, such deposits are not included in the calculation of rates, fees and charges.

Additionally, the Airline Lease Agreements provide that the Commission will utilize; (i) all PFCs collected through 2010 for the funding of projects in the 2010 Plan (as defined herein), including the payment of debt service on Senior Bonds and Subordinate Obligations issued to finance projects in the 2010 Plan, and (ii) PFCs actually collected from the lesser of 90% of originating passengers or 45% of enplaned passengers from 2011 through 2030, for the funding of projects in the 2010 Plan, including the payment of debt service on Senior Bonds and Subordinate Obligations issued to finance projects in the 2010 Plan, before being applied in any other manner. In addition to the provisions of the Airline Lease Agreements, the Commission has agreed to apply PFCs to the fullest extent of eligibility, to pay debt service on the Senior Bonds and the Subordinate Obligations issued to finance airfield projects, including Runway 17/35. Additionally, the Airline Lease Agreement originally entered into by Northwest and assumed by Delta on January 31, 2010, as amended (the "Delta Lease Agreement") contains the following additional terms, (i) Delta will make available one wide-body gate on an as-needed basis, (ii) Delta has exclusive use of the G Concourse through December 31, 2015, with the exception of gates 1-9 which constitute the IAF and (iii) Delta is not required to provide the Commission with a performance bond or security deposit. See "—Additional Leases with Delta" below for further information on the G Concourse provisions. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE LEASE AGREEMENTS" for further information on the Airline Lease Agreements.

For the year ended December 31, 2009, the Commission reported revenues of $81,999,000 collected from the Signatory Airlines pursuant to the terms of the Airline Lease Agreements.

Rates, Fees and Charges. The rates, fees and charges under the Airline Lease Agreements are calculated on a compensatory rate-setting methodology for the terminal building and a cost-center residual rate-setting methodology for the airfield. The Airline Lease Agreements define 13 cost centers (including, but not limited to, the airfield, the Lindbergh Terminal, the Humphrey Terminal, and the IAF) to be used in accounting for revenues and expenses and for calculating rents, fees and charges. "Recoverable Costs" allocated to these cost centers include: direct and indirect operation and maintenance expenses; annual debt service costs, plus reasonable amortization of commercial paper for rate-base related projects (including capital equipment); and the required deposits pursuant to the Senior Indenture and the Subordinate Indenture, including amounts required to be deposited to any debt service reserve funds established for the Senior Bonds and the Subordinate Obligations, but excluding amounts which may be deposited in the Coverage Account and the Maintenance and Operation Reserve Account outlined in the Senior Indenture, except for such amounts which are necessary to be deposited in the Coverage Account in order for the Commission to meet the rate covenant requirements of the Senior Indenture.

In addition to Recoverable Costs, the Signatory Airlines are charged annually, among certain airline cost centers, $15 million (for 2006, escalated by 3% per year beginning in 2007) which is deposited to a repair and replacement account (the "Repair and Replacement Account") within the Commission Construction Fund for major maintenance and minor (less than $2 million) capital projects, except for parking facilities and roadways.

Following is a summary of several of the rate setting methodologies provided for in the Airline Lease Agreements. See also "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE LEASE AGREEMENTS—Rents, Fees and Charges" for further information on the rate setting methodology. Pursuant to the Airline Lease Agreements, the landing fee rates at the Airport per 1,000 pounds of aircraft weight are calculated by dividing the net airfield cost by the total landed weight of the Signatory Airlines. The net airfield cost is calculated as Recoverable Costs, plus, (a) the landing fee repair and replacement amount (68% of the amount deposited to the Repair and Replacement Account each year), (b) $79,535.16 annually (representing the costs of Runway 17/35 not yet charged to the Signatory Airlines), and (c) certain fines, assessments, judgments, settlements or extraordinary charges, less certain revenues including: service fees from the military; general aviation and nonsignatory landing fees; and debt service on capital costs, if any, disapproved by a Majority-In-Interest of the Signatory Airlines.

Air Carriers that are not Signatory Airlines are charged a landing fee rate as established from time to time by the Commission. In September 2002, the Commission adopted Ordinance No. 96, which, among other things, set the landing fee rate to be paid by Air Carriers that are not Signatory Airlines at the greater of 125% of the Signatory Airline landing fee rate or $53.

Rental rates at the Lindbergh Terminal are calculated on the basis of dividing the net terminal building cost by total rentable space, excluding rentable space in the G Concourse. The net terminal building cost is calculated as Recoverable Costs, plus $2,910,547.40 annually (representing the costs of Concourses A, B, C and D not yet charged to the Signatory Airlines), less certain reimbursed expenses for steam and chilled water on the G Concourse, carrousel and conveyor costs, ground power, loading dock and consortium utilities, and janitorial operation and maintenance expenses.

The IAF use fee is charged for use of the IAF on the G Concourse and is calculated as the sum of certain costs associated with the IAF divided by total international passengers arriving at the IAF. A gate use fee per aircraft operation is also charged for the use of gates, ramps and loading bridges on the IAF. The gate use fee per operation is $400, $800 and $1,200 for propeller aircraft, narrowbody jet aircraft, and widebody jet aircraft, respectively. The Commission imposes certain other fees and charges for the use of the Airport, including, among others, the terminal apron fees and a carrousel and conveyor charge.

The use and occupancy of the Humphrey Terminal are not subject to the Airline Lease Agreements. The Commission establishes the rents, fees and charges and the terms for the common-use of the Humphrey Terminal by ordinance.

The Airline Lease Agreements provide that: (a) except as otherwise provided in the Airline Lease Agreements, no capital projects are subject to approval by a Majority-in-Interest of the Signatory Airlines except for airfield projects costing in excess of $1 million; (b) the Commission cannot charge the airlines for the cost of improvements to the airfield if a Majority-in-Interest of the Signatory Airlines have disapproved the project, provided that such improvements are subject to the approval of a Majority-in-Interest of the Signatory Airlines; and (c) identified projects in the 2010 Plan totaling approximately $2.68 billion are deemed approved by the Majority-in-Interest of the Signatory Airlines and thus their costs can be included in the calculation of rates, charges and fees to the extent provided in the Airline Lease Agreements. See "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects." The Airline Lease Agreements allow the Commission to establish a Contingency Fund in the amount of $50 million per year beginning in 2010 and continuing through 2020 to be funded from excess revenues and used for capital projects, including projects in the airfield cost center, to be determined by the Commission. Any projects funded from the Contingency Fund will not require Majority-In-Interest approval. The Airline Lease Agreements define "Majority-in-Interest" as the Signatory Airlines who (a) represent no less than 50% in number of the Signatory Airlines operating at the time of the voting action and (b) paid no less than 40% of landing fees incurred by Signatory Airlines during the preceding Fiscal Year. Included in such rates and charges would be amounts sufficient to cover the Commission's costs of the capital improvements to the airfield, terminal and runways at the Airport. No Majority-in-Interest approval is required for the Series 2010 Projects.

If, during the course of the year, the Commission believes significant variances exist in budgeted or estimated expense amounts that were used to calculate rents, fees, and charges for the then current Fiscal Year, the Commission may after notice to the Signatory Airlines adjust the rents, fees, and charges for future monthly billing to reflect current estimated expenditure amounts.

As soon as practical following the close of each Fiscal Year, but in no event later than July 1, the Commission is required to furnish to each Signatory Airline an accounting of the costs actually incurred and revenues and credits actually realized during the previous Fiscal Year with respect to each of the components of the calculation of the rents, fees, and charges broken down by rate making cost center. In the event a Signatory Airline's rents, fees, and charges billed during the previous Fiscal Year exceed the amount of such Signatory Airline's rents, fees, and charges required (as recalculated based on actual costs and revenues), such excess is refunded or credited to the Signatory Airline. In the event such Signatory Airline's rents, fees, and charges billed during the previous Fiscal Year are less than the amount of such Signatory Airline's rents, fees, and charges required (as recalculated based on actual costs and revenues), such deficiency is charged to the Signatory Airline in a supplemental billing. For Fiscal Year 2008, the Commission collected an excess of approximately $942,000 from the Signatory Airlines, which excess was credited back to the Signatory Airlines during Fiscal Year 2009. For Fiscal Year 2009, the Commission collected an excess of approximately $1,644,000 from the Signatory Airlines, which excess will be credited back to the Signatory Airlines during Fiscal Year 2010.

Food and beverage, merchandise and auto-rental annual gross concession revenues ("Selected Concession Revenues") are shared with the Signatory Airlines that provide passenger service at the Airport (the "Passenger Signatory Airlines") (allocated among the Passenger Signatory Airlines based upon their proportionate share of enplanements at the Airport for the applicable Fiscal Year) pursuant to the following schedule (all dollar amounts are for 2006 and are escalated for future years at an approximate annual average of 4.3%) (the "Shared Concession Revenues"):

Annual Selected Concession Revenues[1,2]	Percent Shared with Passenger Signatory Airlines
Greater than $32,299,999	25% up to $32,299,999 and 50% for amounts above $32,299,999
$25,000,000 to $32,299,999	25%
$24,000,000 to $24,999,999	20
$23,000,000 to $23,999,999	15
$22,000,000 to $22,999,999	10
$21,000,000 to $21,999,999	5
Less than $21,000,000	0

[1] Dollar amounts are for 2006 and are escalated each year at an approximate annual average of 4.3%.

[2] Selected Concession Revenues were $34,955,262 for Fiscal Year 2009, resulting in Shared Concession Revenues of $8,738,815.

The total amount of Shared Concession Revenues is structured as a credit against terminal rates and charges payable by the Passenger Signatory Airlines in the subsequent Fiscal Year. Notwithstanding the above schedule, the amount of Shared Concession Revenues will be reduced to the extent necessary so that Net Revenues, after subtracting the Shared Concession Revenues, will not be less than 1.25 times the total annual debt service on Senior Parity Bonds, Subordinate Obligations and other debt obligations of the Commission. In the event that the Shared Concession Revenues are reduced in any year, such reduction will be deferred until the next Fiscal Year and will be credited against the rates and charges payable by the Passenger Signatory Airlines in the next Fiscal Year to the extent that Net Revenues, after subtracting the applicable Shared Concession Revenues, are not less than 1.25 times the total annual debt service on Senior Parity Bonds, Subordinate Obligations and other debt obligations of the Commission.

The Airline Lease Agreements provide that, in the event any Signatory Airline is not in compliance with its payment obligations under any agreement with the Commission, during the period following any applicable notice and cure period under such agreement and continuing until payment of any such amounts (the “Payment Default Period”), the Commission would have the right, upon written notice to such Signatory Airline (provided that if such Signatory Airline is in bankruptcy, no notice would be required for the effectiveness of the following although invoices would reference the additional amounts due and the applicable rate that applies), to: (i) have such Signatory Airline’s payment obligations under their applicable Airline Lease Agreement during the Payment Default Period revert to the rate structure in effect prior to the effective date of the Third Amendment to the Airline Lease Agreement Previous Rate Structure, and (ii) apply the amount of any accrued and unpaid Shared Concession Revenues credits, if any, due to such Signatory Airline for such period against any amounts owed by such Signatory Airline to the Commission to the extent necessary to cure such payment defaults.

In addition to the terms of the Airline Lease Agreements discussed above, the Delta Lease Agreement includes the following provisions:

Delta has covenanted that it and the regional affiliate airlines of Delta will maintain an annual average of 360 daily departing flights from the Airport (not less than 250 of such daily flights being serviced with jet aircraft with 70 or more passenger seats) and that at least 30% of enplaned passengers of Delta and the regional affiliate airlines of Delta at the Airport would be connecting passengers (the “Hubbing Covenant”). Delta will be allowed to reduce the daily flights below the limits set forth in the Hubbing Covenant, without violating the Hubbing Covenant, if such reduction is in connection with a system-wide reduction of flights by Delta. The Hubbing Covenant is also in the agreements entered into by Delta with respect to the Series 15 Bonds.

In the event the Hubbing Covenant is breached, Delta’s credit from the Shared Concession Revenues would be eliminated for such year the Hubbing Covenant is violated and if violation of the Hubbing Covenant continues for three consecutive years, or if the Hubbing Covenant is determined to be unenforceable, Delta’s credit from the

Shared Concession Revenues would be eliminated permanently. See "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta."

Additional Leases with Delta

The Delta Lease Agreement grants Delta the exclusive use of the G Concourse, with the exception of gates 1-9 which constitute the IAF. The provisions of the Delta Lease Agreement relating to the leased space on the G Concourse expire on December 31, 2015. The Delta Lease Agreement provides for, among other things, the payment of rent for use of space in the G Concourse and for Delta to retain 85% of concession revenues generated on the G Concourse. Pursuant to the Delta Lease Agreement, the Commission and Delta have agreed to discuss the extension of the G Concourse lease to December 31, 2020 at the time certain of the Demand Driven CIP Projects (as defined herein) (including, but not limited to the expansion of the Humphrey Terminal and the G Concourse) are constructed and incorporated into the Delta Lease Agreement. However, the Commission and Delta agreed that the Commission will assume operational control and maintenance of the G Concourse in 2016. See also "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta—Role at the Airport."

Delta also is a party to certain leases in relation to the facilities financed with the proceeds of the Commission's $270,000,000 Taxable General Obligation Revenue Bonds, Series 9 (the "Series 9 Bonds"). The Series 9 Bonds were refunded in January 2002 with the proceeds of the Commission's $287,825,000 aggregate principal amount of Taxable General Obligation Revenue Refunding Bonds Series 15 (the "Series 15 Bonds"). The leases entered into in connection with the Series 15 Bonds are categorized by the Commission as Self-Liquidating Leases (as defined below). See "—Self-Liquidating Leases" below. For further information regarding the Series 15 Bonds and the associated leases, see "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta—Role at the Airport—Series 15 Bonds."

Additionally, the Commission and Delta have entered into additional leases for certain facilities utilized by Delta for maintenance and overhaul and a facility utilized by Delta as an operational headquarters.

Other Building and Miscellaneous Leases

The Commission and certain parties have entered into certain leases which relate to rentals and other fees associated with the Humphrey Terminal, Delta's maintenance hangar, miscellaneous hangar facilities, office rentals for tenants located in the west terminal area, non-airline tenants in the Lindbergh Terminal, cargo facilities and military facilities. For the year ended December 31, 2009, the aggregate annual rentals under these leases were approximately $21,988,000.

Self-Liquidating Leases

The Commission has constructed various buildings and facilities for specific tenants including a fueling facility for Signature Flight Support, hangars and office space for Delta, Mesaba and Champion Air and cargo facilities for FedEx. As part of its agreement to construct these facilities, the Commission entered into certain leases ("Self-Liquidating Leases") which relate to the use of these buildings and facilities. For the year ended December 31, 2009, the aggregate lease payments paid to the Commission under Self-Liquidating Leases were approximately $38,430,000. The receipt of payments of imputed interest with respect to the Self-Liquidating Leases is treated as non-operating revenues of the Commission.

Debt Financed Self-Liquidating Leases. If the construction of a facility subject to a self-liquidating lease is financed with bonds issued by the Commission, the lessee is required to pay annual lease payments equal to the debt service requirements due in the following year on the bonds issued to construct such facility. The lease remains in effect until the total debt service on the bonds has been paid. Proceeds from the issuance of certain bonds were used to finance certain facilities subject to self-liquidating leases for Delta, FedEx and a new hangar for Mesaba to replace its then existing hangar that was torn down as part of the construction of Runway 17/35. As part of its reorganization under bankruptcy, Mesaba rejected its lease of the hangar. The Commission has leased the hangar to Paragon Aviation, which uses the hanger for aircraft sales and its charter business.

Commission Funded Self-Liquidating Leases. If the construction of a facility subject to a self-liquidating lease is financed from funds the Commission has on hand, the lessee is required to make lease payments equal to the debt service requirements which would have been required if bond funds were used. Commission funds were used to finance certain facilities subject to self-liquidating leases for Signature Flight Support, Mesaba, Champion Air and certain Delta facilities, including the extension of the G Concourse and hangar and office space for Mesaba. Champion Airlines ceased operations on May 31, 2008 and vacated the hangar financed by the Commission. The Commission has leased the hangar to Mesaba.

Concession Agreements - Terminal Buildings

The Commission has entered into separate concession agreements with various firms (including, among others, Host International, Inc., Creative Host Services, Inc., Anton Airfood, Inc. (which is now part of Host International, Inc.), Minnesota Retail Partners, Theisen Vending, Inc., Delaware North, Inc. and Project Horizon Inc) to operate concessions inside the terminal buildings at the Airport, including, among others, food and beverage services, newsstands-gifts, advertising, amusements/games, insurance, personal service shops, catering and telephones. The term of each agreement ranges from 1 to 9 years, with options to extend. Each of the agreements also contain provisions for rental payments, which are for a certain percentage of the revenues generated by such concession, and minimum annual guarantees. For the year ended December 31, 2009, revenues from concessions totaled approximately $24,911,000. See "—Airline Lease Agreement—Rates, Fees and Charges."

Parking Agreement

The public automobile parking facilities at the Airport are operated for the Commission by AMPCO System Parking ("AMPCO") under a management contract. The Commission receives all revenues and pays all costs of operation and maintenance of the facilities plus a management fee. The on-Airport parking options include a valet garage, short-term and long-term parking located at the Lindbergh Terminal, and short-term and long-term parking at a parking ramp located adjacent to the Humphrey Terminal. See "MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT—Current Airport Facilities—Parking Facilities." The management contract with AMPCO became effective on August 1, 2004 and has a term of two years with three additional two-year extension periods at the Commission's option, for a possible total term of eight years. On August 1, 2006, the Commission extended AMPCO's contract for two years and on August 1, 2008, the Commission extended AMPCO's contract for an additional two years. The Commission has executed an additional two-year extension of AMPCO's contract, that will become effective on August 1, 2010. In 2011, the Commission plans to issue a new request for proposals for management services of the public automobile parking facilities at the Airport. For the year ended December 31, 2009, revenues from parking totaled approximately $61,546,000.

Rental Car Agreements

The Commission has entered into concession agreements with six on-Airport rental car companies (Avis, Budget, Dollar, Enterprise, Hertz and Vanguard (which operates as Alamo Rent-A-Car and National Car Rental at the Airport) to operate at the Airport. The Commission has also issued permits authorizing two off-Airport rental car companies (Americar and Thrifty) to operate at the Airport. Pursuant to an ordinance of the Commission, the off-Airport companies operate through a permit only, while the on-Airport companies operate through a concession agreement for terminal counter space and a ground lease for maintenance facilities. The agreements with the on-Airport rental car companies have terms of four years (beginning August, 2000) with 2 one-year extension options at the Commission's discretion. The Commission approved the first one-year extension, which expired on May 31, 2005, and approved the second one-year extension, which expired on May 31, 2006. Since May 31, 2006, the on-Airport rental car companies have been operating under month-to-month leases pursuant to substantially the same terms and conditions as the expired agreements. The on-Airport companies currently pay the Commission 10% of their gross revenue collected at the Airport. The on-Airport rental car companies also pay rent for exclusive-use space in the Lindbergh Terminal and rent for the use of ready/return car parking positions. The on-Airport rental car companies have guaranteed a minimum payment to the Commission on an annual basis, which equals 85% of the previous year's gross revenue paid to the Commission by the applicable rental car company. The Commission and the on-Airport rental car companies are currently negotiating a new agreement, which is expected to be finalized and executed in the latter part of the second quarter of 2010 or in the third quarter of 2010.

Recently, Hertz Global Holdings Inc. and Avis Budget Group Inc. both announced plans to acquire Dollar Thrifty Automotive Group. The Commission cannot predict if either Hertz or Avis will eventually acquire Dollar/Thrifty or what impact such an acquisition, if completed, would have on Hertz's, Avis' and/or Dollar/Thrifty's operations at the Airport.

Additionally, with respect to the on-Airport rental car companies only, a customer facility charge per transaction day is being assessed by the Commission to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to the Lindbergh Terminal and certain agreed upon maintenance items. Such customer facility charge is $3.25 per transaction day for 2010. The customer facility charge is not included in the calculation of the Shared Concession Revenues.

The off-Airport rental car companies operate under a permit, which is renewed on an annual basis and requires the off-Airport rental car companies to pay a privilege fee equal to a percentage of gross receipts. The percentage with respect to the privilege fee is the same as the percentage charged to the on-Airport rental car companies and can be adjusted at such time as the percentage charged to on-Airport rental car companies is adjusted.

For the year ended December 31, 2009, revenues from on-Airport and off-Airport rental car companies, including the customer facility charge, totaled approximately $24,519,000. See "—Airline Lease Agreements—Rates, Fees and Charges."

Reliever Airport Leases and Agreements

In addition to the above agreements, the Commission has entered into various other leases and agreements with tenants at the Reliever Airports. These include reliever airport tenant leases, fuel flowage fees, hangar rentals, storage lots, commercial fees and other miscellaneous amounts. For the year ended December 31, 2009, the revenues from these agreements totaled approximately $4,905,000.

Miscellaneous—Off-Airport Concession Leases and Ground Transportation Fees

The Commission has entered into certain leases with off-Airport concessionaires which provide off-Airport advertising and auto services. Additionally, the Commission charges fees for permits and licenses to operate shuttles, vans, buses and taxis at the Airport. Such fees are set by Commission ordinances. For the year ended December 31, 2009, the Commission received approximately $7,370,000 in off-Airport leases and ground transportation fees.

Miscellaneous Revenues

In addition to the above agreements, the Commission has entered into various other leases and agreements and collects certain miscellaneous revenues, including, among other things, utility charges, ground space rentals, office rentals for commuter airlines and concessionaires, commuter and general aviation fees, employee parking/shuttle bus fees, loading dock consortium/utility fees and other miscellaneous amounts. For the year ended December 31, 2009, the Commission collected approximately $13,637,000 in other miscellaneous revenues.

FINANCIAL INFORMATION

General Information

The Commission maintains its financial records on a calendar year basis, using the accrual method of accounting. Financial statements are audited annually by a firm of independent auditors. Financial statements for the years ended December 31, 2009 and 2008 are included in this Official Statement as set forth in Appendix B.

Summary of Financial Operations

The Commission's financial report, attached as Appendix B, includes three financial statements: the Balance Sheets, the Statements of Revenues and Expenses and Changes in Net Assets and the Statements of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board ("GASB"). The following table summarizes the financial results from operations for the Commission for the years ended December 31, 2005 through 2009.

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TABLE 23
Metropolitan Airports Commission
Summary of Statements of Revenues, Expenses and Changes in Net Assets
($000s)

	2005	2006	2007	2008[1]	2009
Operating Revenues					
Airline rates and charges – gross	$ 83,856	$ 71,181	$ 77,187	$ 81,581	$ 83,857
Concessions	99,582	108,381	113,794	109,942	107,382
Other revenues					
Utilities	2,515	2,350	2,473	2,528	2,315
Other building rentals	15,255	11,526	12,927	11,552	12,390
Other	27,268	30,689	31,870	35,951	34,931
Total Operating Revenues	$ 228,476	$ 224,127	$ 238,251	$ 241,554	$ 240,875
Operating Expenses					
Personnel	$ 59,049	$ 54,258	$ 56,278	$ 59,811	$ 59,304
Administrative	1,179	1,240	1,538	1,298	1,301
Professional services	3,359	4,091	4,474	4,161	4,004
Utilities	14,444	14,820	16,466	18,089	16,553
Operating services	12,492	14,485	15,437	17,540	16,043
Maintenance	18,944	19,417	21,527	22,140	23,718
Depreciation	93,566	111,429	115,329	117,999	123,060
Other	3,758	3,323	8,922	3,696	2,510
Total Operating Expenses	$ 206,791	$ 223,063	$ 239,971	$ 244,734	$ 246,493
Operating Income (Loss)	$ 21,685	$ 1,064	$ (1,720)	$ (3,180)	$ (5,618)
Nonoperating Revenues (Expenses)					
Investment income	$ 40,646	$ 52,895	$ 62,271	$ 49,938	$ 30,625
Passenger facility charges	69,944	67,573	66,662	54,682	67,481
Gain/(Loss) on disposal of assets	(209)	(828)	(70)	5,178	205
Bond interest expense	(76,777)	(94,069)	(95,556)	(88,722)	(84,198)
Part 150 home insulation expenses[2]	(8,419)	(5,395)	(2,308)	–	–
Total Nonoperating Revenues/ (Expenses)	$ 25,185	$ 20,176	$ 30,999	$ 21,076	$ 14,113
Income Before Capital Contributions and Grants	46,870	21,240	29,279	17,896	8,495
Capital contributions and grants	25,137	34,276	22,805	30,149	26,918
Change in Net Assets	72,007	55,516	52,084	48,045	35,413
Net Assets – Beginning of Year	1,224,655	1,296,662	1,352,178	1,412,574	1,523,530
Prior period adjustments	–	–	–	62,911	–
Net Assets – Beginning of Year, as restated	–	–	–	1,475,485	1,523,530
Net Assets – End of Year	$1,296,662	$1,352,178	$1,404,262	$1,523,530	$1,558,943

[1] The financial statements of the Commission as of and for the Fiscal Year ended December 31, 2008, were restated for the matters discussed in "Note T – Restatement" in "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008." Additionally, during Fiscal Year 2009, the Commission changed its method of accounting with respect to Part 150 home insulation costs, depreciation related to land purchased for Runway 17/35, and amortization of bond and commercial paper costs. The Commission's financial statements for the Fiscal Year ended December 31, 2008, were retroactively restated to reflect these changes in accounting principles. See "Note A – Nature of Organization and Summary of Significant Accounting Policies – Changes in Accounting Principles" in "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008." See also "—Management Discussion of Commission Finances—2008(restated) vs. 2007" below.

[2] Includes Part 150 home insulation expenses financed with PFCs and/or federal grants. Beginning with the Commission's restated financial statements for Fiscal Year 2008, Part 150 home insulation expenses financed with PFCs and/or federal grants are no longer recorded as a nonoperating expense but are recorded as an intangible asset and depreciated over a ten-year period.

Source: Basic Financial statements of the Metropolitan Airports Commission.

Management Discussion of Airport Finances

2009 vs. 2008. Change in net assets for the year ended December 31, 2009 was $35,413,000 as compared to $48,045,000 (a $12.6 million decrease) for the year ended December 31, 2008, restated. Operating loss for the year ended December 31, 2009 increased by $2.4 million. Operating revenues decreased by $679,000. Factors affecting operating revenues included: (a) a $2.3 million increase in airline rates and charges mainly attributed to an increase in debt service relating to equipment financing (in 2009 the Commission retired debt that was used to finance equipment which had a large balloon payment at maturity); (b) concessions decreased $2.6 million primarily due to a reduction in public parking, lower passenger counts as well as shorter length of stays; and (c) other revenues decreased $396,000 due to lower ground rent and lower customer facility charges collected from auto rental firms, lower reliever airports revenue, lower utility rates and lower general aviation landing and airside fees due to lower traffic. Operating expenses increased by $1.8 million. All categories of operating expense decreased with the exception of maintenance and depreciation. The increase in maintenance was in the contract cleaning and mechanical areas. Contract cleaning increased as a result of an increase in the frequency of cleaning certain areas of the terminal building as well as a general rate increase. Mechanical areas increased due to increased prices on the automated people mover and escalator maintenance contracts. Depreciation increased $5.1 million as a result of a parking ramp addition at the Humphrey Terminal, which became fully operational in February 2009, as well as incurring a full years' depreciation on projects that were closed in 2008. The remaining operating expense categories decreased due to lower spending, wage and hiring freezes and decreases in utility rates. Non-operating revenues decreased $11.5 million due to lower cash balances and interest rates earned on the Commission's investments. Additionally, in 2008 the Commission received $3.2 million from Mesaba with respect to its emergence from bankruptcy and $2.0 million from the gain on a sale of a hangar to 3M Corporation. PFC revenues increased by $12.8 million in 2009 as a result of how the Commission recognizes PFC revenues. In 2009, the Commission reversed the policy adopted in 2008 with respect to the timing of the recognition of PFC revenues. In 2008, the Commission changed its accounting policy on PFC revenue recognition from a basis of tickets sold to that of enplaned passengers. In 2009, the Commission and its auditors determined that the previous policy of recognizing PFC revenue based upon when a ticket is sold rather than when a passenger is actually enplaned was preferable. Non operating expenses decreased $4.5 million primarily due to refunding and retiring debt. See also "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008—MANAGEMENT'S DISCUSSION AND ANALYSIS."

2008 (restated) vs. 2007. Subsequent to the issuance of its financial statements for the year ended December 31, 2008, the Commission determined that it incorrectly recorded certain transactions. The Commission's financial statements for the year ended December 31, 2008 were restated to correctly record these transactions. The corrections by the Commission included, among others, recognizing grant revenue when the allowable expenditures were incurred. Historically, the Commission had recognized grant revenue when a qualifying capital expenditure was submitted for reimbursement to the FAA or such other granting agency. This restatement resulted in an $8,311,000 increase in the January 1, 2008 net asset balance, an $11,130,000 increase to the capital contribution balance within the Statement of Revenues, Expenses and Changes in Net Assets, and a $19,441,000 increase in December 31, 2008 government grants in aid of construction receivable balance within the Balance Sheet. This restatement had no effect on the Net Revenues reported for the fiscal year ended December 31, 2008. See "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008—NOTES TO THE FINANCIAL STATEMENTS—NOTE T—Restatement" for additional information with respect to the restatement of the Commission's financial statements for the year ended December 31, 2008.

Additionally, during Fiscal Year 2009, the Commission changed its method of accounting with respect to Part 150 home insulation costs, depreciation related to land purchased for Runway 17/35, and amortization of bond and commercial paper costs. The Commission's financial statements for the year ended December 31, 2008 (as restated) were retroactively restated to reflect these changes in accounting principles. These changes in accounting principles included capitalizing Part 150 sound insulation costs that were reimbursed with PFCs and/or federal grants, eliminating prior depreciation expense recognized on land acquired in connection with the construction of Runway 17/35, and adjusting the estimated bond and commercial paper issuance costs. These restatements resulted in an increase of $60.5 million to Net Assets for the fiscal year ended December 31, 2008. These restatements had no effect on the Net Revenues reported for the fiscal year ended December 31, 2008. See "APPENDIX B—

AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008—NOTES TO THE FINANCIAL STATEMENTS—NOTE A—NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Changes in Accounting Principles."

Change in Net Assets for the year ended December 31, 2008 was $48,045,000 as compared to $52,084,000 for the year ended December 31, 2007 (a $4 million decrease). Operating loss for the year ended December 31, 2008 increased by $1.5 million. Operating revenues increased by $3.3 million. Factors affecting operating revenues included: (a) a $4.4 million increase in airlines rates and charges mainly attributed to an increase in terminal building rentals which was a result of increases in utilities, building maintenance and cleaning expenses; (b) concessions decreased $3.9 million primarily due a reduction in public parking, lower passenger counts as well as shorter length of stays contributed to this decrease; and (c) other revenue increased $2.7 million due to higher customer facility charges collected from the auto rental firms due to a higher level of activity. Operating expenses increased $4.8 million. Factors affecting operating expenses included: (i) an increase in personnel expenses of $3.5 million as a result of general wage adjustments, additional headcount as well as overtime costs associated with snow events; (ii) administrative expenses decreased $240,000 as a result of reduced spending; (iii) professional services decreased $313,000 due to lower legal fees incurred offset partially by an increase in airport planning fees; (iv) utilities increased $1.6 million due to an increase in rates for electricity, natural gas and sewer; (v) operating services increased $2.1 million due to an increase in computer service agreements, increases in parking management expenses, storm water monitoring due to an increase in snow events in 2008 and the cost of hosting national conventions; (vi) maintenance increased $613,000 due to the increase on the frequency of cleaning certain areas in the terminal building as well as increases in contract prices for the people mover and escalator contracts; (vii) depreciation increased due to capital improvement projects that were placed into service during 2007 and 2008. Non-operating revenues decreased $19.1 million as a result of lower cash balances in construction and operating funds as well as lower interest rates earned on Commission investments which amounted to a $12.3 million decrease and PFC's were $12.0 million lower in 2008. In 2008, the Commission changed its accounting policy on PFC revenue recognition from a basis of tickets sold to that of enplaned passengers. These decreases in interest income and PFC's were offset by a $3.2 million bankruptcy claim received from Mesaba as well as a $2.0 million gain on a sale of a hangar to 3M Corporation. Non-operating expenses decreased by $11.2 million. Interest expense decreased $9.1 million due to refunding and retiring debt in 2007 and 2008; noise mitigation program expenses decreased $2.1 million due to lower levels of spending from the previous year as the program nears completion.

2007 vs. 2006. Change in Net Assets for the year ended December 31, 2007 was $52,084,000 as compared to $55,516,000 for the year ended December 31, 2006 (a $3.4 million decrease). Operating losses for the year ended December 31, 2007 increased by $2.8 million. Operating revenues increased $14.1 million. Factors affecting operating revenues included: (a) airline rates and charges increased $6.0 million as a result of higher snow removal costs as well as higher debt service costs; (b) concessions increased $5.4 million due to an increase in the utilization of public parking, higher food, beverage and merchandise revenue due to a new agreement and higher minimum rents and increased activity from auto rentals; (c) other revenues increased $2.7 million due to higher rents collected at the Humphrey Terminal as well as an increase in revenue from customer facility charges collected from the auto rental firms based on a higher number of transactions. Operating expenses increased $16.9 million. Factors affecting operating expenses included: (i) personnel expenses increased $2.0 million due to a general wage adjustment for Commission employees as well as additional overtime incurred due to snow events in 2007; (ii) utilities increased $1.6 million due to the increase in electricity rates as well as new facilities that were placed into service in 2006 and 2007; (iii) operating services increased $952,000 due to an increase in parking advertising, additional security personnel due to a higher security level and an increase in the cost of operating a shuttle bus between the Humphrey and Lindbergh Terminals; (iv) maintenance expenses increased $2.1 million due to additional areas subject to contract cleaning, higher snow removal costs due to snow events that occurred in 2007 and an increase in contract prices for the people mover; (iv) depreciation increased $3.9 million due to capital improvement projects that were placed into service in 2006 and 2007; (v) other expenses increased $5.6 million, resulting from a write-down of a lease receivable on the Building B lease with Northwest. Non-operating revenues increased $8.5 million primarily due to an increase in investment income earned as a result of larger cash balance along with higher interest rates and market value increases on investments. Non-operating expense decreased $2.4 million due to a reduction in spending on the noise mitigation program expenses partially offset by an increase in interest expense as a result of a decrease in capitalized interest.

2006 vs. 2005. Change in Net Assets for the year ended December 31, 2006 was $55,516,000 as compared to $72,007,000 for the year ended December 31, 2005 (a $16.5 million decrease). Operating income for the year ended December 31, 2006 decreased by $20.6 million. Operating revenues decreased by $4.3 million. Factors affecting operating revenues included: (a) a $12.7 million decrease in airlines rates and charges mainly due to the recognition of the adjustments to the rates and charges that were required when the Third Amendment to Airline Lease Agreement became effective; (b) a $8.8 million increase in concession revenues primarily in parking ($4.0 million increase) and food, beverage and merchandise concessions ($4.2 million increase); and (c) other buildings rentals decreased $3.7 million. Revenue increases in the Humphrey Terminal and other cargo areas were offset by rental decreases for Northwest's leasing of Buildings B and C. Operating expenses increased $16.3 million. Factors affecting operating expenses included: (i) a decrease in personnel expenses as a result of a lower liability for employees covered under the Minneapolis Employees Retirement Fund ("MERF") of $6.6 million; offset partially by additional headcount and wage/contract adjustments; (ii) an increase of $2.0 million in operating services, consisting of a full years' operation of managing the loading dock at the Airport, plus the expense of promoting and advertising the terminal concessions and services; and (iii) an increase of $17.8 million in depreciation expense associated with a full years' depreciation on Runway 17/35. Non-operating revenues increased $9.9 million as a result of larger cash balances in construction and operating funds as well as higher interest rates earned on Commission investments. The increase in interest income of $12.2 million was partially offset by lower PFC revenues ($2.4 million decrease) as a result of lower passenger enplanements at the Airport during 2006. Non-operating expenses increased by $14.9 million. Factors affecting this increase include: lower capitalized interest costs as a result of the opening of Runway 17/35, additional interest expense as a result of additional debt issued in 2005 and the write-down on the value of a hangar leased by Mesaba, which it rejected as part of its bankruptcy proceedings. The increases in non-operating expenses were partially offset by a decrease in Part 150 home insulation expenses which reflected a lower level of spending during 2006.

2005 vs. 2004. Change in Net Assets for the year ended December 31, 2005 was $72,007,000 as compared to $58,809,000 for the year ended December 31, 2004 (an increase of $13.2 million). Operating income for the year ended December 31, 2005 increased $10.6 million. Operating revenues increased $32.3 million. Factors affecting operating revenues included: (a) a $10.6 million increase in airline rates and charges mainly due to the Commission's decision to not increase airline rates and charges in 2002, 2003, and 2004. The 2005 airline rates and charges were calculated per the Airline Lease Agreements and as a result increased; (b) a $13.6 million increase in concession revenues primarily in the areas of parking ($9.7 million increase due to increases in rates and number of passengers) and food, beverage and retail ($3.0 million increase due to new concessions contracts); and (c) a $8.1 million increase in other revenue attributable to Humphrey Terminal rate and activity increases, southwest cargo area leases were effective for a full year (Champion Air, Mesaba, and Sun Country), revenue associated with the new loading dock began in May 2005, and new rates implemented at the reliever airports. Operating expenses increased $21.7 million. Factors affecting operating expenses include: (i) a $8.6 million increase in personnel costs associated with salaries, wages and headcount for new facilities (primarily Runway 17/35) and additional costs for MERF due to a greater number of employees retiring than were anticipated; (ii) a $1.8 million increase in utilities due to rate and consumption increases from new facilities; (iii) maintenance increased $1.7 million because of the cost of gas, new people mover for the A-D Concourses and snow removal materials; and (iv) depreciation increased $10.3 million due to the completion of various Airport improvements, including Runway 17/35. Non-operating revenues and capital contributions increased $6.1 million due to investment income (investment rates increased). Non-operating expenses increased $3.5 million due to additional debt issued in 2005.

Airline Revenues

During 2009, operations of Northwest, Delta, Mesaba, Pinnacle and Compass represented 63% of the total takeoffs and landings at the Airport. The following table sets forth total operating revenue of the Commission and total revenue of the Air Carriers and that portion of each derived from payments made by Northwest in 2005 through 2007 and by Northwest and Delta in 2008 and 2009.

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TABLE 24
Minneapolis-St. Paul International Airport
Airline Revenue (Unaudited)
($000s)

	Year Ended December 31				
	2005	2006	2007	2008	2009
Commission Revenues Attributable to Northwest/Delta[3]					
Total Commission Operating Revenue	$228,476	$224,127	$238,251	$241,554	$240,874
Commission Funded & Bond Funded Self-Liquidating Revenue (Principal & Interest)	35,319	37,014	36,246	36,277	38,430
Interest Income – Commission Funds[1]	14,426	24,474	31,628	21,318	5,194
Total Commission Revenue	$278,221	$285,615	$306,125	$299,149	$284,498
Northwest/Delta's Portion of Operating Revenue[3]	$60,004	$52,265	$55,080	$62,970	$66,503
Northwest/Delta's Portion of Commission Funded Bond & Self-Liquidating Revenue (Principal & Interest)[2,3]	30,890	31,301	31,605	31,875	32,127
Total Northwest/Delta Portion of Revenue[3]	$90,894	$83,566	$86,685	$94,845	$98,630
Northwest/Delta's Percentage of Total Commission Revenue[3]	32.67%	29.26%	28.32%	31.70%	34.67%
Total Commission Revenue	$278,221	$285,615	$306,125	$299,149	$284,498
Less: Northwest/Delta's Self-Liquidating Lease Payments due with respect to the Series 15 Bonds[2,3]	24,648	24,931	25,222	25,413	25,721
Total Adjusted Commission Revenue	$253,573	$260,684	$280,903	$273,736	$258,777
Total Northwest/Delta's Portion of Revenue Less Northwest/Delta's Self-Liquidating Lease Payments due with respect to the Series 15 Bonds[2,3]	66,246	58,635	61,463	69,432	72,909
Northwest/Delta's Percentage of Total Adjusted Commission Revenue[3]	26.13%	22.49%	21.88%	25.36%	28.17%
Total Airline Revenues Attributable to Northwest/Delta[3]					
Total Air Carrier Operating Revenue	$82,720	$70,544	$76,131	$81,015	$83,052
Total Air Carrier Commission Funded Self-Liquidating Revenue	33,678	34,364	34,231	34,262	36,188
Total Air Carrier Revenue	$116,398	$104,908	$110,362	$115,277	$119,240
Northwest/Delta's Portion of Air Carrier Revenue[3]	$90,894	$83,566	$86,685	$94,845	98,630
Northwest/Delta's Percentage of Total Air Carrier Revenue[3]	78.09%	79.66%	78.55%	82.28%	82.72%
Total Air Carrier Operating Revenue	$116,398	$104,908	$110,362	$115,277	$119,240
Less: Northwest/Delta's Self-Liquidating Lease Payments due with respect to the Series 15 Bonds[2,3]	24,648	24,931	25,222	25,413	25,721
Total Adjusted Air Carrier Revenue	$91,750	$79,977	$85,140	$89,864	$93,519
Total Northwest/Delta's Portion of Revenue Less Northwest Airlines' Self-Liquidating Lease Payments due with respect to the Series 15 Bonds[2,3]	66,246	58,635	61,463	69,432	72,909
Northwest/Delta's Percentage of Total Adjusted Air Carrier Revenue[3]	72.20%	73.31%	72.19%	77.26%	77.96%

1 Does not include interest income earned on PFCs.
2 Northwest/Delta's obligation to make payments to the Commission sufficient to meet debt service on the Series 15 Bonds is collateralized pursuant to the Collateral Agreement (as defined herein). In January 2002, the Commission issued the Series 15 Bonds to refund the Commission's previously issued Series 9 Bonds. See "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta—Role at the Airport—Series 15 Bonds."
3 For the years ended December 31, 2005 through 2007 includes revenues for Northwest. For the years ended December 31, 2008 and 2009 includes revenues for Northwest and Delta.
Source: Metropolitan Airports Commission.

Operating Revenue Diversity

The following tables set forth the top ten operating revenue providers and top ten revenue sources for the Commission for the year ended December 31, 2009.

TABLE 25
Metropolitan Airports Commission
Top Ten Operating Revenue Providers
(for the year ended December 31, 2009)

1. Northwest and Delta
2. HMS Host
3. Minnesota Retail Partners
4. Hertz
5. Vanguard[1]
6. Avis Rent A Car
7. Sun Country Airlines[2]
8. Enterprise Rent A Car
9. United Airlines
10. American Airlines

[1] Includes Alamo Rent-A-Car and National Car Rental.
[2] Sun Country filed for bankruptcy protection in October 2008, but continues to operate from the Airport while it reorganizes under bankruptcy protection.
Source: Metropolitan Airports Commission.

TABLE 26
Metropolitan Airports Commission
Top Ten Operating Revenue Sources
(for the year ended December 31, 2009)

	Source	Revenue
1.	Parking	$61,546,000
2.	Landing Fees	49,455,000
3.	Terminal Rent-Airlines	32,774,000
4.	Auto Rental (on- and off-Airport)[1,2]	15,808,000
5.	Other Building Rent	15,800,000
6.	Food and Beverages[2]	13,052,000
7.	Ground Rent[2]	9,177,000
8.	News/Retail	8,082,000
9.	Ramp Fees	6,531,000
10.	Ground Transportation Fee	3,951,000

[1] Excludes the customer facility charge imposed on the on-Airport rental car companies, of which the Commission collected $8,710,000 in 2009. See "THE AIRPORT AGREEMENTS—Rental Car Agreements."
[2] See "THE AIRPORT AGREEMENTS—Airline Lease Agreements."
Source: Metropolitan Airports Commission.

Budgeting Process

Operating Budget. The budget for the Commission is prepared on an accrual basis. Work on the budget begins in April of each Fiscal Year. During April, the Finance Department prepares historical information for each service center. In late May, the Finance, Development and Environment Committee provides direction to staff regarding growth and allocation of funds and budget targets. These targets are typically focused around revenue growth, expense growth, debt coverage and airline rates and charges. The direction provided by the Finance, Development and Environment Committee is communicated to staff at various informational meetings and included in their budget packages.

Budget packages are distributed to each service center in June. All service centers have four weeks to complete their budget. The Finance Department reviews all packages and summarizes information. The staffing matrix is the first item reviewed by senior staff. The Executive Director requests preliminary approval for additional positions, if any, from the Finance, Development and Environment Committee. This preliminary approval provides the basis for more accurate projections.

During August, staff compiles summary reports and completes, on a preliminary basis, the revenue budget, the expense budget and the schedule of airline rates and charges. During September, presentations and supporting documents are prepared for the Finance, Development and Environment Committee, senior staff and the Air Carriers. A draft of the budget is also provided to the Minnesota State Legislature. The month of October is reserved for presentations to the Finance, Development and Environment Committee and revisions prior to requesting final approval.

The Finance, Development and Environment Committee receives updates from staff during October and November. The recommendation from the Finance, Development and Environment Committee for final approval is typically requested at the December Commission meeting. Final approval of the operating budget is given at the December Commission meeting. Rate changes are provided at the beginning of December based upon final draft information.

For the year ended December 31, 2010, the Commission has budgeted operating revenues of approximately \$236,625,000 and total operating expenses of approximately \$252,178,000 (including approximately \$123,000,000 of depreciation and amortization). For the five months ended May 31, 2010, the Commission's operating revenues for Fiscal Year 2010 were approximately 0.31% under budget and the Commission's operating expenses, not including depreciation and amortization, for Fiscal Year 2010 were approximately 2.46% under budget. Results for the first five months of Fiscal Year 2010 may not be indicative of results for the full Fiscal Year. Actual results for the full Fiscal Year may vary from budgeted figures and such variations may be material.

Capital Budget. Each year, the Commission reviews, revises and approves capital projects that will start within the next 12 months, and adopts a Capital Improvement Program ("CIP") which covers all projects which are to be started during the second calendar year. In addition, a CIP which covers an additional five years is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. The Commission's policy is to include in the CIP projects which enable the Commission to maximize federal aid and enhance safety and those that are customer service oriented. Certain projects which have a metropolitan significance are also submitted to the Metropolitan Council for review and approval. The Metropolitan Council is a regional planning agency responsible for coordinating and planning certain governmental services for the metropolitan area.

Commission staff has developed a set of project priority categories to use as a guide in determining the projects to be included in the CIP. Commission approval authorizes staff to proceed with plans and specifications and to obtain bids for contract award by the Commission. These priority categories in order of importance include (a) projects which the Commission has made a commitment to complete; (b) projects that enhance or ensure continued safety at each of the airports in the Airport System; (c) projects that cannot be accomplished by Commission maintenance crews, but are essential for reasons of economics or continued operation; (d) projects that are necessitated by regulatory requirements, such as FAA regulations and local, state or federal laws; (e) projects which address various environmental issues ranging from asbestos abatement to wetland mitigation; (f) projects constituting preventative maintenance; (g) projects which improve customer service and/or convenience; and (h) projects which have been identified as improving various operational aspects of the Airport System, whether applicable to aircraft, tenants, Commission staff or off-airport service providers.

On December 21, 2009, the Commission adopted a \$235.8 million CIP for 2010-11 (the "2010-11 CIP"), that includes projects in the 2010 Plan and certain of the Other Capital Projects, construction of which are scheduled to begin during calendar years 2010 and 2011. See “CAPITAL IMPROVEMENT PROGRAM” for additional information on the 2010-11 CIP.

Pension and Retirement Plans

PERF and PEPFF. All full-time and certain part-time employees of the Commission hired after June 30, 1978 are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (“PERA”). PERA administers the Public Employees Retirement Fund (“PERF”) and the Public Employees Police and Fire Fund (“PEPFF”) which are cost-sharing, multiple-employer retirement plans. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by PEPFF. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERF members belong to the Coordinated Plan, which incorporates Social Security. PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon the death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member’s average salary for any five successive years of allowable service, age and years of credit at termination of service. See “APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008” for additional information on PERF and PEPFF.

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. The Commission makes annual contributions to PERF and PEPFF equal to the amounts required by State law.

For Fiscal Year 2009, the Commission was required to contribute the following amounts to PERF and PEPFF: 6.75% of annual covered payroll or $1,989,000 for PERF members and 12.9% of annual covered payroll or $1,421,000 for PEPFF members. For Fiscal Year 2009, the covered employees of the Commission were required to contribute the following amounts to PERF and PEPFF: 6.0% of annual covered payroll or $1,768,000 for PERF members and 9.4% of annual covered payroll or $1,035,000 for PEPFF members.

For Fiscal Year 2010, the Commission budgeted the following amounts to PERF and PEPFF: 7.0% of annual covered payroll or $2,185,000 for PERF members and 14.1% of annual covered payroll or $1,464,000 for PEPFF members. For Fiscal Year 2010, the covered employees contribution rates will be the following amounts to PERF and PEPFF: 6.0% of annual covered payroll or an estimated $1,887,000 for PERF members and 9.4% of annual covered payroll or an estimated $976,000 for PEPFF members. The Commission cannot predict the levels of funding that will be required in the future.

Pursuant to an actuarial valuation of PERF as of July 1, 2009 PERF had an unfunded actuarial accrued liability of $5.6 billion (a funding ratio of 70.0%). Pursuant to an actuarial valuation of PEPFF as of July 1, 2009, PEPFF had an unfunded actuarial accrued liability of $1.1 billion (a funding ratio of 83.2%). Since these liabilities have not been broken down for each participating entity in PERF and PEPFF, it is not possible to determine the Commission’s share of these liabilities.

MERF. All full-time and certain part-time employees of the Commission hired before July 1, 1978 are covered by a defined benefit pension plan administered by MERF. MERF is a cost-sharing, multiple-employer retirement plan. MERF has two accounts, one for active employees and one for retired employees. The Commission funds the active employee portion and when the employee retires the actuarially required balance is transferred to the retired account, for which MERF is responsible. There are currently 4 active employees of the Commission that are part of MERF. See “APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008” for additional information on MERF.

Pursuant to an actuarial valuation of MERF completed by Gabriel Roeder Smith & Company (the “MERF Actuary”), as of July 1, 2009, MERF had an unfunded actuarial accrued liability of $694.9 million (a funding ratio of 55.9%). Since these liabilities have not been broken down for each participating entity in MERF, it is not possible to determine the Commission’s share of these liabilities. In its actuarial report dated September 29, 2009, the MERF Actuary stated that “The Fund is experiencing a serious funding deficiency. In the absence of significant improvements to funding, the Fund will be depleted before it meets its benefit obligations.”

In May 2010, the Minnesota State Legislature passed and the Governor of the State signed an omnibus retirement bill (the "2010 Retirement Bill") that, among other things, makes MERF a division of PERF as of July 1, 2010, and, in order to substantially reduce the unfunded actuarial accrued liability of MERF, requires increased contributions to be made by the members of MERF, including the Commission. The Commission contributed $393,000 to MERF to meet 100% of its required contribution for Fiscal Year 2009. As a result of the passage of the 2010 Retirement Bill, the Commission expects that its future required contributions to MERF will increase. For Fiscal Year 2010, the Commission budgeted $510,000 for its required contribution to MERF. The Commission expects that beginning in Fiscal Year 2011 its required contribution to MERF will increase to $525,000 and that its required annual contributions to MERF between Fiscal Years 2012 and 2031 will average approximately $1.7 million per Fiscal Year. The Commission cannot predict if its required contributions to MERF will be greater than these expected contributions. The Commission funds its MERF obligations with unrestricted revenues of the Commission.

Post-Retirement Health Benefits. In addition to the contributions to PERF, PEPFF and MERF, the Commission provides health insurance benefits for certain of its retired employees (the "Post-Retirement Health Benefits Program"). Active employees (hired before August 17, 2006) who retire from the Commission and who have become vested in either PERA or MERF, and who do not participate in any other health benefits program providing coverage similar to that offered by the Commission, are eligible to continue receiving coverage with respect to both themselves and their eligible dependants under the Post-Retirement Health Benefits Program. Employees of the Commission hired after August 17, 2006 are not eligible for the Post-Retirement Health Benefits Program. The Commission's post-retirement health benefits expense for Fiscal Year 2009 was $5,555,000 and is expected to be $5,558,000 in 2010. See "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008—NOTES TO THE FINANCIAL STATEMENTS—NOTE K-POST RETIREMENT BENEFITS" for additional information on the post-retirement benefits offered by the Commission to its employees.

As a result of the adoption of GASB Statement No. 45, an actuarial valuation of the Post-Retirement Health Benefits Program was completed by Van Iwaarden Associates in March 2010 (the "OPEB Actuarial Report"). According to the OPEB Actuarial Report, as of January 1, 2010, the Post-Retirement Health Benefits Program had an actuarial accrued liability of $81,785,746. As of December 31, 2008 and 2009, the Commission held $43,169,000 and $45,229,000, respectively, in designated cash that was reserved against the Commission's actuarial accrued liability to the Post-Retirement Health Benefits Program. As of December 31, 2010, the Commission expects to hold approximately $46,500,000 in designated cash that will be reserved against the Commission's actuarial accrued liability to the Post-Retirement Health Benefits Program. However, since such designated cash has not been irrevocably deposited in trust for the benefit of the Post-Retirement Health Benefits Program, the OPEB Actuarial Report stated that 100% of the actuarial accrued liability of the Post-Retirement Health Benefits Program was unfunded. The OPEB Actuarial Report assumed an amortization period of 30 years for contributions to be made by the Commission to the Post-Retirement Health Benefits Program, a discount rate of 4%, and health care cost increases of 8% in 2010 decreasing to 5% in 2016 and remaining at 5% through 2039. Based upon these assumptions and the current level of Commission contributions to the Post-Retirement Health Benefits Program, the OPEB Actuarial Report projected that the actuarial accrued liability of the Post-Retirement Health Benefits Program would increase to $83,923,000 as of December 31, 2010.

Risk Management and Insurance

The Senior Indenture does not specify any minimum amount of insurance coverage. Instead, the Senior Indenture requires the Commission to maintain insurance or qualified self-insurance against such risks at the Airport as are usually insured at other major airports. The Senior Indenture also does not require that the Commission carry insurance against losses due to seismic activity.

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As of July 1, 2010, the Commission maintained the following insurance coverages:

Insurer	Expiration	Coverage	Policy Limits (Thousands of Dollars)
ACE/IUSA[1]	1/1/11	General aviation liability including personal injury	$500,000
Driver Alliant	7/1/11	Blanket fire & extended coverage on building and contents. Boiler and machinery	$1,000,000
Self-insured [2]	Continuous	Statutory workers' compensation	Excess of $450,000
Great American Insurance Group	6/1/11	Comprehensive crime employee/police	$3,000
Minnesota Risk Management Fund	7/1/11	Auto liability (licensed vehicles), physical damage, hired automobiles, valet parking, inland marine and garage keepers	Physical Damage; Other (MN State Tort Cap)
Minnesota Risk Management Fund	7/1/11	Non-aviation liability	MN State Tort Cap.

[1] Prior to the September 11 Events, war risk/terrorism insurance was provided as a free rider to the Commission's general liability insurance policy for the Airport. After the September 11 Events, the rider was cancelled by the insurer and such insurance was unavailable for a period of time. War risk/terrorism insurance has again been made available to the Commission, although at a cost which the Commission has determined to be prohibitive and not cost-effective. The Commission continues to evaluate its options of obtaining war risk/terrorism insurance.

[2] Funded from current operating revenues of the Commission. Administered by Berkley Risk Services, Inc.

Investment Policy

Minnesota Statutes require that all Commission deposits be protected by insurance, a surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or surety bonds (140% for mortgage notes pledged). Authorized collateral includes allowable investments as discussed below, certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral.

The Commission invests funds as authorized by Minnesota Statutes in direct obligations or obligations guaranteed by the United States or its agencies, general obligations of the State or any other state or any of its municipalities, commercial paper rated in the highest category by at least two nationally recognized rating agencies, bankers acceptances of United States banks eligible for purchase by the Federal Reserve System, certificates of deposit issued by official depositories of the Commission, shares of investment companies registered under the Investment Company Act of 1940, as amended, and whose only investments are in direct obligations or obligations guaranteed by the United States or its agencies, and repurchase agreements with financial institutions. See "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008—NOTES TO FINAICIAL STATEMENTS—NOTE B—DEPOSITS AND INVESTMENTS—Investments" for additional discussion on the Commission's investment polices and the Commission's investments as of December 31, 2009.

Derivatives Policy

In November 2003, the Commission adopted a derivatives policy which provides guidelines to be used by the Commission when entering into derivative financial products, including, but not limited to, interest rate swaps, swaptions, municipal warrants and interest rate caps. As of the date of this Official Statement, the Commission has not entered into any derivative financial products.

CAPITAL IMPROVEMENT PROGRAM

The Commission has an ongoing capital improvement program at the Airport and the Reliever Airports, which includes projects set forth in its 2010 Plan and certain other capital projects at the Airport and the Reliever

Airports. The Commission also has certain demand driven projects in its capital improvement program that will be only undertaken if the Commission determines that sufficient demand exists for such projects.

Planned CIP Projects

In order to modernize the Airport System, in the 1990's, the legislature of the State directed the Commission to develop and implement a long-term capital improvement program for the Airport System. In response to this directive, the Commission created a long-term capital improvement program, known as the 2010 Long Term Comprehensive Plan (the "2010 Plan"). The principal features of the 2010 Plan include, among other things, the construction of a new 8,000 foot north-south runway on the west side of the Airport (Runway 17/35), expansion of the Lindbergh Terminal (including expansion of the C Concourse, construction of a new commuter terminal consisting of Concourses A and B, an automated people mover along Concourses A, C and D, upgrades to Concourses E and F, and concession area development), construction of a new auto rental/public parking facility adjacent to the Lindbergh Terminal, a new multi-level econolot/employee parking structure adjacent to the Humphrey Terminal, construction of a new Humphrey Terminal, and certain improvements to the Reliever Airports. As of July 1, 2010, the total capital cost of the 2010 Plan was estimated to be approximately $2.90 billion (in actual and inflated dollars); and as of July 1, 2010, the majority of the projects under the 2010 Plan had been completed and $2.82 billion of the costs of the 2010 Plan had been incurred.

In addition to the remaining projects to be constructed under the 2010 Plan, the Commission has plans to construct certain additional capital projects at the Airport and the Reliever Airports, including, runway and airfield rehabilitation, security and terminal improvements, various landside improvements and certain Reliever Airport improvements (collectively, the "Other Capital Projects"). Between 2010 and 2016 the Commission expects to incur approximately $446 million of costs for the Other Capital Projects.

The remaining projects to be constructed under the 2010 Plan and the Other Capital Projects are collectively referred to herein as the "Planned CIP Projects." The Series 2010 Projects are included in the Planned CIP Projects. As of July 1, 2010, the Planned CIP Projects had an estimated capital cost of approximately $528 million (in actual and inflated dollars). The Commission anticipates constructing, equipping and funding the Planned CIP Projects between 2010 and 2016. The Planned CIP Projects include, among other things, airfield and runway rehabilitation at the Airport, noise mitigation programs (including the noise mitigation required pursuant to the Consent Decree (as defined herein)), rehabilitation and improvements to the Lindbergh Terminal and the Humphrey Terminal, and various projects at the reliever airports.

Demand Driven CIP Projects

In addition to the Planned CIP Projects, the Commission has included certain demand driven projects in its capital improvement program (the "Demand Driven CIP Projects") that will only be undertaken if demand exists for such projects. The Demand Driven CIP Projects include, among other projects, expanding the Humphrey Terminal (including modifying the existing baggage sorting system to provide for in-line explosive detection systems capabilities) in connection with moving all airlines, other than Delta, Mesaba, Pinnacle and Compass, to the Humphrey Terminal; modifying and expanding the E Concourse and the ticket lobby in the Lindbergh Terminal; equipping a new tram system for the G Concourse and the potential H Concourse (an extension of the G Concourse); and construction of new parking facilities at the Humphrey Terminal. As of July 1, 2010, the Demand Driven CIP Projects had a total estimated capital cost of approximately $577 million.

In the event the Commission approves any of the Demand Driven CIP Projects, such projects will not require the approval of the Majority-in-Interest of the Signatory Airlines and such related construction costs will be included in the calculation of rates and charges under the Airline Lease Agreements. See "THE AIRPORT AGREEMENTS—Airline Lease Agreements—Rates, Fees and Charges."

2010-11 Capital Improvement Program-Planned CIP Projects

In order to determine funding and operational planning requirements, the Commission annually reviews, revises and approves capital projects that are scheduled to begin during the next two calendar years. See

“FINANCIAL INFORMATION—Budgeting Process—Capital Budget.” The Commission approved a two-year capital program, the 2010-11 CIP, on December 21, 2009, which includes the projects that the Commission expects to start constructing during the period from January 1, 2010 through December 31, 2011. The 2010-11 CIP includes $235.8 million of Planned CIP Projects, as set forth in the following table. Future two-year CIPs could reflect project revisions and additional projects could be added to the 2010-11 CIP, including, but not limited to, one or more of the Demand Driven CIP Projects.

TABLE 27
Metropolitan Airports Commission
2010-11 Capital Improvement Program
Planned CIP Projects

Projects	2010	2011
Noise Mitigation Program[1]	$ 43,300,000	$ 1,000,000
Taxiway C/D Complex Construction	6,000,000	0
Lindbergh Terminal Rehabilitation and Repair	53,000,000	53,650,000
Energy Management Center	2,000,000	2,500,000
Landside Rehabilitation & Repair Program	6,600,000	100,000
Parking Facilities	900,000	5,500,000
Airfield and Runway Rehabilitation Program	2,900,000	20,100,000
Humphrey Terminal Rehabilitation and Repair	1,600,000	4,000,000
Police and Fire	2,850,000	7,750,000
Reliever Airport Program	4,100,000	7,050,000
Other	3,000,000	7,930,000
Total	$126,250,000	$109,580,000

[1] Includes amounts expected to be spent by the Commission in compliance with the Consent Decree.

Source: Metropolitan Airports Commission.

2012-16 Capital Improvement Program-Planned CIP Projects

For longer range funding and planning decisions in addition to the two-year CIP, the Commission also adopts a capital improvement plan that covers an additional five-year period. In addition to the 2010-11 CIP, on December 21, 2009, the Commission adopted a CIP for the period between 2012 through 2016 (the “2012-16 CIP”). The 2012-16 CIP includes $291.9 million of Planned CIP Projects, construction of which are expected to begin between 2012 and 2016. Future CIPs could reflect project revisions and additional projects could be added to the 2012-16 CIP, including, but not limited to, one or more of the Demand Driven CIP Projects. The following table sets forth the Planned CIP Projects included in the 2012-16 CIP.

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TABLE 28
Metropolitan Airports Commission
2012-16 Capital Improvement Program
Planned CIP Projects

Projects	2012	2013	2014	2015	2016
Noise Mitigation Program[1]	$16,000,000	$1,400,000	$4,000,000	$ 0	$ 0
Lindbergh Terminal Rehabilitation & Repair	40,100,000	9,375,000	15,000,000	15,400,000	6,200,000
Energy Management Center	3,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Landside Rehabilitation and Repair	500,000	100,000	100,000	100,000	100,000
Parking Facilities	3,500,000	6,850,000	4,000,000	4,000,000	4,000,000
Airfield and Runway Rehabilitation	4,360,000	9,300,000	1,400,000	1,400,000	1,400,000
Humphrey Terminal Rehabilitation & Repair	64,000,000	0	0	0	0
Police and Fire	19,450,000	3,350,000	2,850,000	0	0
Reliever Airport Program	4,900,000	5,200,000	5,050,000	5,100,000	12,300,000
Other	400,000	6,200,000	400,000	400,000	400,000
Total	$156,710,000	$44,275,000	$35,300,000	$28,900,000	$26,900,000

[1] Includes amounts expected to be spent by the Commission in compliance with the Consent Decree.
Source: Metropolitan Airports Commission.

Funding Sources for the Planned CIP Projects

General. The Commission anticipates financing the Planned CIP Projects in the 2010-11 CIP and the 2012-16 CIP with a combination of proceeds of the Senior Series 2010 Bonds (approximately $101.5 million); PFCs (approximately $64.1 million; either on a pay-as-you-go basis or PFC secured bonds); federal and State grants (approximately $135.2 million); other available revenues of the Commission (approximately $212.2 million, including $91.0 million from the Repair and Replacement Account); and moneys contributed by private 3rd parties (approximately $15 million).

Senior Series 2010 Bond Proceeds. The Commission expects to use approximately $101.5 million of the proceeds of the Senior Series 2010 Bonds to finance a portion of the costs of the Planned CIP Projects in the 2010-12 CIP and the 2012-16 CIP.

Passenger Facility Charges. The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 PFC with certain qualifying airports permitted to charge a maximum PFC of $4.50. Regardless of the number of PFC applications which have been approved by the FAA, an airport can only collect a maximum of $4.50 on each enplaning passenger. Public agencies wishing to impose and use these PFCs must apply to the FAA for such authority and satisfy the requirements of the PFC Act. In addition, an application for the imposition of PFCs by certain public agencies (including the Commission) will not be approved by the FAA after October 1, 2000, unless such applying public agency has submitted a competition plan acceptable to the FAA. See "—Competition Plan" below.

The purpose of the PFC is to develop an additional capital funding source to provide for the expansion of the national airport system. Under the PFC Act, the proceeds from PFCs are required to be used to finance eligible airport-related projects that serve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among Air Carriers. See "CERTAIN INVESTMENT CONSIDERATIONS—Availability of Funding for the Capital Improvement Program."

The Commission has received approval from the FAA, pursuant to ten separate applications (eight of which were later amended by the Commission, with the approval of the FAA), to collect a PFC on each enplaning passenger at the Airport totaling approximately $1,596,368,000. The Commission has closed PFC Applications 1 through 5. These applications have been fully funded and the projects they financed have been completed. Additionally, the Commission expects to close PFC Application 9 in the fourth quarter of 2010. In the fourth quarter of 2010, the Commission plans to file an amendment to PFC Application 10 with the FAA for the purpose of reducing the approved collection amount under PFC Application 10 from $128,448,000 to $99,233,000. Additionally, the Commission plans to file an 11th PFC application in the fourth quarter of 2010 with the FAA for the purpose of collecting $56.0 million of PFCs for costs associated with the 2010 Plan.

The Commission first began collecting a $3.00 PFC in 1992. In 2001 the Commission received approval from the FAA to collect an additional $1.50 on each enplaning passenger resulting in a $4.50 PFC now being collected on each enplaning passenger at the Airport. Such PFCs have been approved by the FAA to be used to finance all or a portion of certain capital improvements at the Airport, including, among other things, the automated people mover system which was constructed as part of the auto rental/public parking garage located adjacent to the Lindbergh Terminal, noise mitigation projects, primarily the Part 150 Residential Insulation Program which applied to homes within the FAA-certified 65 or greater Day Night Level ("DNL") noise contours, the Humphrey Terminal, portions of the Runway 17/35 project, Concourses A and B of the Lindbergh Terminal, and expansion of Concourse C of the Lindbergh Terminal.

Under the Airline Lease Agreement, the Commission has agreed to use (a) all PFCs collected through 2010 for the funding of projects in the 2010 Plan or debt service on obligations issued to fund projects in the 2010 Plan, and (b) PFCs actually collected from the lesser of 90% of originating passengers or 45% of enplaned passengers from 2011 through 2030, for the funding of projects in the 2010 Plan including debt service on obligations issued to fund projects in the 2010 Plan, before being applied in any other manner. The Commission has also agreed to use PFCs to the fullest extent of eligibility, to pay the debt service on PFC Eligible Bonds issued to finance airfield projects, including Runway 17/35. See "THE AIRPORT AGREEMENTS—Airline Lease Agreements." See also "SECURITY AND SOURCES OF PAYMENT OF THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service."

Significant changes to the PFC program are being considered by Congress. The Commission cannot predict when or whether Congress will adopt new legislation or the scope of such legislation. If authorized by Congress, future increases in PFCs may be applied for by the Commission and approved by the FAA. In such event, PFCs may be collected faster than anticipated. See "CERTAIN INVESTMENT CONSIDERATIONS—Availability of Funding for the Capital Improvement Program."

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The following table sets forth a summary of the Commission's approved PFC applications and the total amount of PFCs received by the Commission under each application through July 1, 2010.

TABLE 29
Metropolitan Airports Commission
Approved PFC Applications[1]

PFC Application	Approval Date	Initial Approval Amount	Amended Approval Amount	Total Amount Received as of July 1, 2010[2]
1	June 1992	$ 66,356,000	$ 92,714,000	$ 92,714,000
2	August 1994	113,064,000	140,779,000	140,779,000
3	December 1995	32,700,000	36,377,000	36,377,000
4	December 1998	55,460,000	55,472,000	55,472,000
5	January 2000	106,874,000	122,874,000	122,874,000
6	January 2003	1,161,479,000	793,254,000	284,230,000
7	June 2005	26,411,000	26,411,000	1,855,000
8	May 2005	191,380,000	191,380,000	125,876,000
9	November 2005	7,316,000	8,659,000	0
10	May 2008	128,448,000 [3]	128,448,000 [3]	63,700,000
Total		$1,889,488,000	$1,596,368,000	$923,877,000

[1] PFC Applications 1 through 5 were originally approved for the collection of a $3.00 PFC on each enplaning passenger. The Commission subsequently amended its PFC Application 5, which was subsequently approved by the FAA, authorizing the Commission to collect an additional $1.50 PFC per enplaning passenger. PFC Applications 6 through 10 have been approved at the collection rate of $4.50 per enplaning passenger.
[2] Authorization to collect PFCs under all of the applications and amendments expires on September 1, 2020, however, such authorization to collect PFCs could expire earlier if the total authorized amount is collected prior to September 1, 2020.
[3] In the fourth quarter of 2010, the Commission plans to file an amendment to PFC Application 10 with the FAA for the purpose of reducing the approved collection amount from $128,448,000 to $99,233,000.
Source: Metropolitan Airports Commission.

The following table sets forth the amount of PFCs collected in 2005 through 2009.

TABLE 30
Metropolitan Airports Commission
Annual Collections of PFCs[1]

Year	PFCs Collected
2005	$69,796,000
2006	67,535,000
2007	66,865,000
2008	64,126,000
2009	57,638,000

[1] The information in this table is presented on a cash basis.
Source: Metropolitan Airports Commission.

***Federal and State Grants*.**

Airport Improvement Program Grants. The Commission receives federal grant money from the FAA each year. The Airport and Airway Improvement Act of 1982, as amended, created the Airport Improvement Program

(“AIP”), which is administered by the FAA. Grants are available to airport operators in the form of entitlement funds and discretionary funds and are payable on a reimbursement basis. Entitlement funds are apportioned annually based upon the number of enplaned passengers and the aggregate landed weight of all-cargo aircraft; discretionary funds are available at the discretion of the FAA based upon a national priority system. See “CERTAIN INVESTMENT CONSIDERATIONS—Availability of Funding for the Capital Improvement Program.”

The Commission expects to receive approximately $24.7 million of AIP entitlement/discretionary grants to finance Planned CIP Projects in the 2010-11 CIP and the 2012-16 CIP. There can be no assurance as to the amount of such funding to the Commission in the future. See “CERTAIN INVESTMENT CONSIDERATIONS—Availability of Funding for the Capital Improvement Program.” Additionally, pursuant to the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (“AIR 21”), no AIP grants will be approved by the FAA after October 1, 2000 for certain airports (including the Airport), unless such applying airport has submitted a competition plan acceptable to the FAA. See “—Competition Plan” below.

In March, 1999, the FAA approved a $95 million Letter of Intent AIP discretionary grant to be paid to the Commission in payments of $5-13 million each year commencing in 1999 for a period of ten to twelve years. As of December 31, 2009, the Commission had received $90 million of the $95 million of Letter of Intent AIP discretionary grant moneys. The yearly payments under the letter of intent AIP discretionary grant are subject each year to the prior appropriation by the federal government. See “AIRPORT SYSTEM ENVIRONMENTAL MATTERS.”

As described above, the FAA has granted the Commission approval to collect PFCs at the Airport. In accordance with the PFC Act and the PFC Regulations, since the Commission collects a $4.50 PFC the amount of AIP entitlement grants which the Commission is permitted to receive annually may be reduced up to 75%. However, as a result of the increased funding of AIP entitlement grants pursuant to AIR 21, the Commission has not experienced a material reduction from its previous level of AIP entitlement grants since it began collecting a $4.50 PFC.

The Commission’s financial plan for funding its Planned CIP Projects assumes that AIP entitlement and discretionary grant funds will be available to fund the grant-eligible portion of certain projects. In the event that AIP grants to the Airport are lower than those made in recent years, the Commission would either elect to delay or not undertake certain projects or seek alternative sources of funding, including the possible issuance of additional debt. See “CERTAIN INVESTMENT CONSIDERATIONS—Availability of Funding for the Capital Improvement Program.”

Transportation Security Administration Grants. The Commission has received a grant from the Transportation Security Administration (“TSA”) in the amount of $30.2 million for phase 1 of the in-line baggage screening program at the Lindbergh Terminal. The Commission also is in the process of applying for two additional grants from the TSA; one for $25.2 million for phase 2 of the in-line baggage screening program at the Lindbergh Terminal, and one grant for $49.5 million for an explosive detection system/baggage sorting system at the Humphrey Terminal. If approved by the TSA, the Commission expects to receive $25.2 million in 2011 for phase 2 of the in-line baggage screening program at the Lindbergh Terminal, and $49.5 million in 2012 for the explosive detection system/baggage sorting system at the Humphrey Terminal. The Commission does not plan to move forward with phase 2 of the in-line baggage screening program at the Lindbergh Terminal until it receives approval from the TSA for the applied grant. Likewise, the Commission does not plan to move forward with the explosive detection system/baggage sorting system at the Humphrey Terminal until it receives approval from the TSA for the applied grant.

MNDOT Grants. In the past, the Commission has received grants from the Minnesota Department of Transportation (“MNDOT”) that are used to fund projects at the Airport. The Commission currently expects to receive approximately $5.6 million of MNDOT grants between 2013 and 2016.

Internally Generated Commission Funds. The Commission also intends to use certain amounts it generates from operations after the payment of all of its operating expenses, debt service and other payment obligations to pay for costs of the Planned CIP Projects. The Commission expects that approximately

$212.2 million of such funds (including $91.0 million to come from the Repair and Replacement Account) will be available to fund Planned CIP Projects in the 2010-11 CIP and the 2012-16 CIP.

Projects to be Funded by 3rd Parties. Certain of the Planned CIP Projects, totaling approximately $15 million, are to be funded with contributions from Airport tenants or other third parties. These projects will only move forward when the Commission receives a firm commitment for funding from the applicable Airport tenant or such other third parties.

Competition Plan

Pursuant to the AIR 21, certain covered airports, including the Airport, are required to file a competition plan with the FAA in order to receive further AIP entitlement grants after October 1, 2000 and in order to receive approval of PFC applications submitted after October 1, 2000. The airports that are required to comply with these provisions of AIR 21, include airports that board more than 0.25% of all passengers throughout the United States and at which one or two Air Carriers control more than 50% of the passenger boardings at such airport. The Airport meets both of these criteria and therefore must comply. AIR 21 states that the competition plan should include information on the availability of airport gates and related facilities, leasing and sub-leasing arrangements, gate-use requirements, patterns of air service, gate-assignment policy, financial constraints, airport controls over air- and ground-side capacity, whether the airport intends to build or acquire gates that would be used as common facilities, and airfare levels compared to other large airports.

The Commission filed an update to its competition plan with the FAA in the fall of 2001, which the FAA subsequently accepted. The Commission filed a new update to its competition plan in 2008, which was also accepted by the FAA.

AIRLINE AND AIRLINE INDUSTRY INFORMATION

Availability of Information Concerning Individual Airlines

Certain of the airlines or their parent corporations operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements can be inspected and copies obtained at prescribed rates in the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, DC 20549, and at the SEC's regional offices at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 2511 and 233 Broadway, New York, New York 10279. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the DOT. Such reports can be inspected at the following location: Department of Transportation, Research and Special Programs Administration, Office of Aviation Information Management, Data Requirements and Public Reports Division, at Room 4125, 400 7th Street, SW, Washington, DC 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

The Commission undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT as discussed in the preceding paragraphs, including, but not limited to, updates of such information on the SEC's website or links to other Internet sites accessed through the SEC's website.

See also "CERTAIN INVESTMENT CONSIDERATIONS" for discussions regarding the financial condition of the airlines and the effects of airline bankruptcies on the Commission.

Delta

General. Delta Air Line Inc.'s SEC filings provide comprehensive financial, operational and other information concerning Delta and prospective investors are encouraged to review such filings prior to making an investment decision.

Role at the Airport. In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. On January 31, 2010, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Commission.

The Airport serves as a domestic hub in the route system of Delta. Delta also maintains domestic hubs at Atlanta, Cincinnati, Detroit, Memphis, New York-JFK and Salt Lake City. Delta is the dominant Air Carrier operating at the Airport. Delta and Northwest, together with its affiliated Air Carriers (Mesaba, Pinnacle and Compass) accounted for approximately 78.7% of passenger enplanements at the Airport in 2009 and approximately 78.0% of the airline rentals, fees and charges component of the Airport System's operating revenues. Additionally, Delta leases 104 of the 117 full service jet gates in the Lindbergh Terminal. See "CERTAIN INVESTMENT CONSIDERATIONS—Dominance of Delta at the Airport" and "—Factors Affecting the Airline Industry."

Series 15 Bonds. Delta's obligations to the Commission include making payments to the Commission sufficient to satisfy the Commission's obligations with respect to the Series 15 Bonds. The proceeds of the Series 15 Bonds were used to refund the Series 9 Bonds, the proceeds of which were used by the Commission to acquire and lease back to Delta's predecessors (a) a flight training center in Eagan, Minnesota, consisting of land, a building, flight simulators, and related equipment and (b) certain leasehold interests of Delta, and (c) certain additional properties located at the Airport (collectively "the Leased Facilities"). The lease obligations are secured by the Leased Facilities, by guaranties of Delta, and by a pledge of certain additional collateral consisting of, among other things, airframes, aircraft engines, aircraft engine parts, certain revenues generated by concessions on the G Concourse, and Delta's share of the Shared Concession Revenues. During the term of the Series 15 Bonds, Delta is required to maintain collateral, as determined by periodic independent appraisals, which has an orderly liquidation value of at least 125% of the sum of the principal amount of outstanding Series 15 Bonds and certain other amounts described in the collateral agreement (entered into in connection with the Series 15 Bonds), as amended (the "Collateral Agreement"), among the Commission and Delta. Pursuant to the Collateral Agreement, the collateral consisting of real property or fixtures will be appraised every three years on the anniversary of April 1, 2008 and the collateral consisting of personal property will be appraised every two years on the anniversary of April 1, 2008. Delta is currently in compliance with the collateral value requirements. These transactions were accounted for as a capital lease. See "CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Bankruptcies."

In connection with the acquisition of Northwest by Delta, additional amendments to the leases entered into with respect to the Series 15 Bonds and the Collateral Agreement were agreed to by the Commission, Northwest and Delta. These amendments include, among others, Delta's agreement to prepay all lease payments under the leases entered into with respect to the Series 15 Bonds by August 10, 2016 (upon receipt of the prepayment the Commission will redeem all of the outstanding Series 15 Bonds by September 30, 2016), and the substitution of certain pledged collateral upon the certain events happening with respect to the acquisition of Northwest by Delta. Delta also delivered a guaranty to the Commission, which guarantees all of the obligations of Northwest under the leases entered into with respect to the Series 15 Bonds and the Collateral Agreement. Additionally, the leases entered into with respect to the Series 15 Bonds, among other things, require Delta to comply with the Hubbing Covenant, require Delta to maintain certain levels of employment in the State (approximately 10,000 persons) and require the headquarters of Compass and Mesaba to be located in the State.

AIRPORT SYSTEM ENVIRONMENTAL MATTERS

There are several significant environmental matters which have direct and indirect impacts on the Commission and the Airport. These include aircraft noise reduction and the discharge of storm water runoff.

Airport Noise Control Program

65 or Greater DNL Noise Contours. The Commission's plans for mitigating noise in homes near the Airport have changed in recent years. The Commission's previously approved Part 150 Residential Insulation Program, which applied only to homes within the FAA-certified DNL noise contours of 65 decibels or greater, was designed to reduce the average internal noise level in habitable rooms directly exposed to aircraft noise to a level equal to a home located in the 45 DNL noise contours or by an average of 5 decibels. Once a home in the 65 or greater DNL noise contours was designated for sound insulation, its degree of sound insulation modifications depended on the existing conditions of the home's windows, doors, insulation levels, and mechanical systems. Residents within the 65 or greater DNL noise contours received a five decibel reduction package, which included some, or all, of the following items: reconditioning or replacement of existing windows; addition of exterior acoustical storm windows; reconditioning or replacement of existing prime doors; addition of exterior acoustical storm doors; baffling of attic and roof vents; addition of wall and attic insulation; and addition of central air conditioning (if not existing). Insulation modification to the 7,846 homes eligible to receive such modifications within the 65 or greater DNL noise contours have been completed at a total cost of approximately $229.5 million.

60 to 64 DNL Noise Contours. In addition to insulating homes within the 65 or greater DNL noise contours, the Commission has received Majority-In-Interest approval from the Signatory Airlines to spend up to $150 million for noise mitigation within the 60 to 64 DNL noise contours (the "60 to 64 DNL Noise Contours"). In early 2001, the Commission planned to spend the $150 million on noise mitigation for homes within the 60 to 64 DNL Noise Contours. It had been estimated in 2001 that providing the five decibel reduction mitigation package to all of the homes located in the 60 to 64 DNL Noise Contours would cost approximately $450 million (in the 2004 update to the Commission's 150 Residential Insulation Program the cost was estimated to be approximately $331.5 million), and therefore, the Commission's plan to spend $150 million would not have been sufficient. In November 2001, the Commission submitted a proposal to the FAA regarding, among other things, noise mitigation in the 60 to 64 DNL Noise Contours. On December 17, 2001, the Commission decided to reevaluate the best and most efficient use of the $150 million for noise mitigation within the 60 to 64 DNL Noise Contours. Additionally, in 2002 the Commission withdrew its November 2001 submittal to the FAA in order to develop revised noise contours for 2007. The Commission submitted revised noise contours to the FAA in November 2004 for review and approval. These revised noise contours took into account recent changes in the aviation industry but did not represent current conditions.

In 2004, the Commission proposed a $48 million noise mitigation plan for the 60 to 64 DNL Noise Contours, whereby the Commission would spend $28 million (down from the $150 million plan) and the homeowners would spend $20 million of their own money. The plan would include the installation of a mechanical package (including, among other things air conditioning) to the affected homes.

On April 6, 2005, the City of Minneapolis, the Minneapolis Public Housing Authority in and for the City of Minneapolis, the City of Eagan and the City of Richfield (collectively, the "Noise Plaintiffs") filed a lawsuit in Minnesota State District Court, Fourth Judicial District (the "District Court"), against the Commission, alleging, among other things, that the Commission has violated and will likely continue to violate certain noise pollution provisions of the Minnesota Environmental Rights Act ("MERA") and other laws of the State. The Noise Plaintiffs requested the court, among other things, to order the Commission to cease violating the noise pollution provisions of MERA and other laws of the State and to provide a five decibel reduction package to all homes within the 60 to 64 DNL Noise Contours, at no cost to the homeowners. The Commission estimated that the cost of providing a five decibel reduction package to all homes within the 60 to 64 DNL Noise Contours would be approximately $331.5 million; however, the Commission estimated that the cost could be approximately $450 million if it was required to provide the five decibel reduction mitigation package to all of the homes located in the 60 to 64 DNL Noise Contours in effect in 2001. On January 25, 2007, the court granted the Noise Plaintiffs' motion for summary judgment, holding that the Commission created an environmental quality standard under MERA that required the Commission to provide a five decibel reduction package to all homes within the 60 to 64 DNL Noise Contours and that the Commission violated that standard. In February 2007, the district court held a five-day trial on the issue of whether the Commission's failure to provide a five decibel reduction package violated MERA by materially adversely affecting the environment, and on the issue of an appropriate remedy under MERA.

On September 1, 2005, David B. Wiencke, et. al., on behalf of themselves and all others similarly situated, filed a lawsuit in Minnesota State District Court, Fourth Judicial District, against the Commission seeking a declaratory judgment and monetary relief for the Commission's failure to implement a five decibel reduction package to all homes within the 60 to 64 DNL Noise Contours. On August 3, 2006, the court issued an order certifying a class action of all individuals owning homes or other buildings within the boundaries of the City of Minneapolis and the City of Richfield within the 60 to 64 DNL Noise Contours as projected for 2005 by the Commission in its 1996 DNL Noise Contour Maps. The complaint, as amended, alleged breach of express contract, breach of implied contract, breach of contract on the grounds of promissory estoppel and sought declaratory relief. Although the legal claims were different than those raised by the Noise Plaintiffs discussed in the previous paragraph, the underlying facts and general claims for relief were substantially similar.

Consent Decree On October 19, 2007, the District Court approved a Consent Decree (the "Consent Decree") negotiated by the Commission, the Noise Plaintiffs and David B. Wiencke, et. al. Under the Consent Decree, the Commission will provide mitigation to homes in the 60 to 64 DNL Noise Contours. Mitigation activities will vary based on noise contour, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multi-family dwellings (those with more than three living units) will receive less extensive mitigation than single-family homes. The total cost to the Commission is uncertain until the program is complete, but the Commission estimates that the program will cost as much as $127 million to implement (approximately $47 million of which will be funded from amounts on deposit in the Repair and Replacement Account and approximately $80 million of which will be funded from Airport revenues generated from sources other than the rates, charges and payments received from the Air Carriers).

Four separate residential noise mitigation programs are included in the Consent Decree. Costs depicted in each of the four programs are in 2007 dollars and will be adjusted annually for inflation according to the Consumer Price Index:

(1) Single-Family Homes in the Projected 2007 Mitigated 63-64 DNL Noise Contours - The approximately 432 homes in the most noise-impacted contours will be eligible to receive the same level of noise mitigation provided in the 65 or greater DNL noise contours. The program is designed to achieve five decibels of noise reduction on average. Depending on the improvements needed to reduce interior noise sufficiently, modifications could include: central air conditioning; exterior and storm window repair or replacement; prime door and storm door repair or replacement; wall and attic insulation; baffling of roof vents and chimney treatment. This phase of construction was substantially completed in March 2010.

(2) Single-Family Homes in the Projected 2007 Mitigated 60-62 Noise Contours - Owners of the approximately 5,344 homes in less noise-impacted areas will be eligible for one of two mitigation packages: (1) the estimated 3,421 homes that did not have central air conditioning as of September 1, 2007 may receive it, and additionally, homeowners would get up to $4,000 (including installation costs) in other noise mitigation products and services to be chosen from a menu provided by the Commission; and (2) owners of homes that already had central air conditioning installed as of September 1, 2007 or who choose not to receive central air conditioning would be eligible for up to $14,000 (including installation costs) of noise mitigation products and services to be chosen from a menu provided by the Commission. Categories of products on the menu to be provided by the Commission will include: exterior and storm window repair or replacement; prime door and storm door repair or replacement; wall and attic insulation; baffling of roof vents and chimney treatment. This noise mitigation program will be substantially completed by December 31, 2010.

(3) Multi-family homes in the Projected 2007 Mitigated 60-64 DNL Noise Contours - Any of the approximately 1,931 multi-family units in the projected 2007 mitigated 60-64 DNL noise contours that do not have air conditioning will receive through-the-wall or equivalent permanently installed air conditioners. The Commission will also install an acoustical cover for each air conditioner in the multi-family units. Installation is expected to be completed by December 1, 2010.

(4) $7 Million Total for Opt-Out and 2005 Mitigated Single-Family Homes - Single-family homes whose owners originally opted out of the already completed Commission noise-mitigation program within the 65 or greater DNL noise contours, but that now have new owners, will be eligible to "opt in" and receive noise mitigation. If the total cost to the Commission of opt-in mitigation is less than $7 million, any remaining moneys would be used

to reimburse owners of approximately 2,352 single-family homes in the 2005 Mitigated 60-64 DNL noise contours for purchase and installation of products included on a menu to be provided by the Commission. The amount each homeowner receives will be determined by subtracting dollars spent for the opt-in program from the total $7 million budget and dividing the remainder among the total number of single-family homes within the 2005 Mitigated 60-64 DNL noise contours. The Commission began issuing reimbursements in March 2010 and expects to complete such reimbursement by July 31, 2014. The Commission's monetary obligation with respect to the opt-out and 2005 Mitigated 60-64 DNL program is capped at $7 million.

Owners of single-family homes participating in the program who sell their home within two years of receiving mitigation will be required to reimburse the Commission for twenty-five percent of the cost of providing the mitigation, up to a maximum of $3,500 per home.

Federal Aviation Administration Approval. On November 30, 2007 the FAA issued a determination that the settlement agreement with the Noise Plaintiffs and the Wiencke plaintiffs is an appropriate use of Airport revenues and is consistent with federal grant obligations.

State Legislation. From time to time, there have been bills introduced in the Minnesota State Legislature that addressed noise mitigation with respect to communities surrounding the Airport. To date, none of these bills has been passed by the Minnesota State Legislature and signed by the Governor; however, the Commission cannot predict if additional bills will be introduced in the future that may impose restrictions or obligations on the Commission with respect to noise mitigation or, if introduced and ultimately adopted by the Minnesota State Legislature and signed by the Governor, what effect, if any, such restrictions or obligations might have on the Commission.

Discharge Permit

Under the Clean Water Act and Environmental Protection Agency Regulations, the Airport is required to obtain a National Pollutant Discharge Elimination System/State Disposal System permit from the MPCA. The permit authorizes the discharge of the Airport's storm water runoff, subject to certain requirements and conditions. The Airport's storm water discharge is impacted primarily from the use of airline deicing chemicals. The permit contains limitations on the total amount of a pollutant, known as biological oxygen demand ("BOD"), that the Airport may discharge on an annual basis. BOD is associated with the use of deicing chemicals at the Airport and is carried by storm water to the points of discharge regulated by the permit. The current permit was issued in 1993. A reapplication was made by the Commission in 1995 (six months prior to expiration date), as required by the permit. The Commission continues to operate under the 1993 permit and certain modifications that were made to the permit in 2004. The Commission and MPCA are currently in discussions with respect to MPCA issuing a new permit.

The Commission has, with the exception of the 2000-01 and the 2001-02 deicing seasons, always been in compliance with the permit regulations and limitations. In August 2004, the Commission entered into a stipulation agreement (the "Stipulation Agreement") with the MPCA regarding the violation of certain regulations concerning the discharge of glycol at the Airport during the 2000-01 and the 2001-02 deicing seasons. The Commission has completed all elements of the Stipulation Agreement.

REPORT OF THE AIRPORT CONSULTANT

General

The Commission has retained Jacobs Consultancy, which is recognized as an expert in its field, to prepare a report in connection with the Senior Series 2010 Bonds. The Report of the Airport Consultant is included as Appendix A hereto, with the Airport Consultant's consent. The information regarding the analyses and conclusions contained in the Report of the Airport Consultant is included in the Official Statement in reliance upon the expertise of the Airport Consultant. The Report of the Airport Consultant should be read in its entirety for an understanding of the assumptions and rationale underlying the financial forecasts contained therein and the key factors impacting such forecasts. The Report of the Airport Consultant has not been revised subsequent to the date of such report to reflect the final terms of the Senior Series 2010 Bonds.

The financial forecasts in the Report of the Airport Consultant are based on certain information and assumptions that were provided by, or reviewed and agreed to by, the Commission's management. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts.

The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that these or any of the other assumptions contained in the Report of the Airport Consultant will occur. As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also "INTRODUCTION—Forward-Looking Statements," and "CERTAIN INVESTMENT CONSIDERATIONS—Assumptions in the Report of the Airport Consultant."

Forecast of Senior Debt Service Coverage

The following table sets forth the projected Net Revenues, debt service requirements for the Senior Parity Bonds and the coverage of such debt service requirements based upon the Net Revenues, as forecast by the Airport Consultant, for the years 2010 through 2016.

The Debt Service Requirement numbers in the following table exclude the debt service on the Senior Bonds to be paid with PFCs. For a discussion of the calculation of debt service on the Senior Bonds paid with PFCs, see "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service."

The forecasted financial information in the following table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forecasted financial information, but, in the view of the Commission's management, was prepared on a reasonable basis, to reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Commission. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information.

Neither the Commission's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted financial information.

The assumptions and estimates underlying the forecasted financial information are inherently uncertain and, though considered reasonable by the management of the Commission as of the date hereof, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecasted financial information, including, among others, the risks and uncertainties described under "CERTAIN INVESTMENT CONSIDERATIONS" above. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of the Commission or that actual results will not be materially higher or lower than those contained in the forecasted financial information. Inclusion of the forecasted financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

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TABLE 31
Metropolitan Airports Commission
Forecasted Senior Debt Service Coverage
(dollars in thousands)

Year	Net Revenues	Senior Parity Debt Service Requirement [1, 2]	Senior Parity Debt Service Coverage [3]
2010	$158,205	$74,875	211%
2011	157,179	77,482	203
2012	159,735	79,769	200
2013	163,308	85,812	190
2014	164,989	84,093	196
2015	162,902	84,347	193
2016	164,527	83,082	198

[1] Includes aggregate annual debt service on the Senior Bonds (including the Senior Series 2010 Bonds) and the General Obligation Revenue Bonds.
[2] The Senior Parity Debt Service Requirement numbers exclude the debt service on Senior Bonds which the Commission expects to pay with PFCs. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service."
[3] Does not include Transfer.
Source: Jacobs Consultancy.

Sensitivity Analysis

Given that approximately 50% of the passenger traffic at the Airport is connecting traffic, a pro forma sensitivity analysis was performed as part of the Report of the Airport Consultant. The sensitivity analysis analyzes the effect on airline costs per enplaned passenger and debt service coverage during the forecast period. The sensitivity analysis makes certain assumptions, including: (a) beginning in 2011, passenger traffic at the Airport would consist only of the forecasted O&D passengers plus 25% of the forecasted connecting passengers, (b) 50% of the airline rentable space in the Lindbergh Terminal would be vacant, (c) forecasted Maintenance and Operation Expenses would not change, (d) the forecasted occupancy and rentals from the Humphrey Terminal would not change, and (e) the Planned CIP Projects would be financed and constructed as forecasted. Under the sensitivity analysis and based on the assumptions made therein, for the years 2011 to 2016, debt service coverage on the Senior Parity Bonds was projected to range from 157% to 168% (not including Transfer). This coverage would be lower than the results otherwise forecast in the Report of the Airport Consultant, but still higher than the coverage required to be maintained under the rate covenant under the Senior Indenture. It should be noted however, that in the event there was a large decrease in the Airport's connecting traffic, the Commission would most likely take one or more of the following steps to mitigate the level of decreased debt service coverage that would occur as a result of the decreased connecting traffic: (i) begin immediate discussions with airlines to lease any vacated terminal space; (ii) close any portion of the Lindbergh or Humphrey Terminals that was not being used; (iii) stop construction of any of the Planned CIP Projects (provided such construction could be halted); (iv) reduce Commission staffing; and (v) reduce all expenses, except for those that are essential to the operation of the Airport. See "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—FINANCIAL ANALYSIS—SENSITIVITY ANALYSIS."

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Senior Series 2010 Bonds involve investment risk and may not be suitable for all investors. The factors set forth below, among others, may affect the security of the Senior Series 2010 Bonds.

The Senior Series 2010 Bonds are Limited Obligations

The Senior Series 2010 Bonds are limited obligations of the Commission, payable solely from and secured by a pledge of Net Revenues, other amounts payable under the Senior Indenture and certain funds and accounts held under the Senior Indenture, as described in this Official Statement. None of the properties of the Airport System are subject to any mortgage or other lien (except for the lien created by the Senior Indenture on the Net Revenues) for the benefit of the owners of the Senior Series 2010 Bonds. Neither the full faith and credit nor the taxing power of the Commission, the City of Minneapolis, the City of St. Paul, the State or any political subdivision or public agency of the State, other than the Commission, to the extent of the Net Revenues, is pledged to the payment of the principal of or interest on the Senior Series 2010 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS."

Dominance of Delta at the Airport

Delta is the dominant Air Carrier operating at the Airport, which serves as a primary hub in Delta's route system. Delta currently leases 104 of the existing 117 full service jet gates in the Lindbergh Terminal. In 2009, Delta and Northwest, together with its affiliated Air Carriers (Mesaba, Pinnacle and Compass) accounted for approximately 78.7% of passenger enplanements at the Airport, and approximately 78.0% of the airline rentals, fees and charges component of the Airport System's operating revenues. No other airline accounted for more than 3.6% of passenger enplanements at the Airport in 2009 or accounted for over 3.8% of the airline rentals, fees and charges component of the Airport System's operating revenues in 2009.

The Commission has no information regarding the financial condition of Delta other than from SEC filings and press releases made by Delta. See "AIRLINE AND AIRLINE INDUSTRY INFORMATION—Delta." No assurances can be given concerning the present or future financial viability of Delta.

Although the Report of the Airport Consultant assumes that, as a result of the Airport's geographic location, facilities and capabilities and Delta's investment in the Airport, the Airport is likely to remain a system hub for Delta, no assurance can be given that the Airport will continue as a system hub for Delta, regardless of Delta's financial condition. In the event Delta discontinues or reduces its hubbing operations at the Airport, Delta's current level of activity may not be replaced by other carriers, thereby resulting in reduced revenue collections by the Commission. See "—Factors Affecting the Airline Industry—Airline Consolidation and Mergers" below.

Any significant financial or operational difficulties incurred by Delta may have a material adverse effect on the Commission's revenues and the Airport, although financial or operational difficulties by any of the other Air Carriers also may, whether directly or indirectly, have an adverse impact on the Commission's revenues and the Airport, the effect of which may be material.

Given the uncertainties and financial condition of the airline industry, a sensitivity analysis was conducted as part of the Report of the Airport Consultant. The sensitivity analysis evaluates the potential effects of certain passenger traffic reductions and the relinquishment of certain terminal facilities and the resulting vacancy of such terminal facilities on airline costs per enplaned passenger, Net Revenues, PFC revenues and debt service coverage during the forecast period. See "REPORT OF AIRPORT CONSULTANT" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT."

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Senior Series 2010 Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport and competition from other airports for connecting traffic; and business travel substitutes, including teleconferencing, videoconferencing and web-casting. If aviation and enplaned passenger traffic at the Airport do not meet forecast levels, a corresponding reduction could occur in forecasted Revenues and expenses.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the September 11 Events.

Growing competition from low-cost, low-fare carriers (such as Southwest) has forced legacy carriers (such as Delta) to implement route rationalization, including route transfers to regional partners and the reduction, or elimination, of service to unprofitable markets. Airlines have reduced schedules, simplified fleets, deferred new aircraft delivery, implemented pay cuts, and reduced workforces. In addition, legacy carriers have shown increasing flexibility in adjusting fares to match discount fares offered by low-cost carriers. Airlines have also introduced innovations in passenger service and convenience – notably the expanded use of the Internet and self-service kiosks- which have greatly reduced waiting lines for boarding passes.

Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, international conflicts and threats of terrorism and structural changes in the travel market. See also "—Aviation Security Concerns" below for additional discussion on the costs of security.

Regional and National Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. In addition, traffic at the Airport will depend in part on the economic conditions in the State and local service area. The recession that began in late 2007, combined with reduced discretionary income, contributed to reduced airline travel demand in 2008 and 2009. The continuing weakness in the national, state and/or local economy may have an adverse effect on the air transportation industry, and on the Airport System.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to the Air Transport Association, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. According to the Air Transport Association, a one-dollar increase in the price of oil per barrel equates to approximately $425 million in annual additional expense for U.S. airlines. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

International Conflict and the Threat of Terrorism. The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Commission cannot predict the likelihood of future incidents similar to the September 11 Events, the likelihood of future air transportation disruptions or the impact on the Commission or the airlines operating at the Airport from such incidents or disruptions.

Structural Changes in the Travel Market. Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

Effect of Airline Bankruptcies

General. Since December 2000, numerous airlines have filed for bankruptcy protection including, among others, Northwest (filed for bankruptcy protection on September 14, 2005 and emerged from bankruptcy protection on May 31, 2007); Mesaba Airlines (filed for bankruptcy protection on October 13, 2005 and emerged from bankruptcy protection on April 24, 2007, at which time Mesaba was acquired by Northwest and, as a result of the acquisition of Northwest by Delta, now operates as a wholly-owned subsidiary of Delta); Delta, including its subsidiary Comair (filed for bankruptcy protection on September 14, 2005 and emerged from bankruptcy protection on April 30, 2007); Trans World Airlines ("TWA") (which was integrated into American after substantially all of TWA's assets and certain liabilities were purchased by American); Sun Country (which first filed for bankruptcy protection in December 2001 and whose assets and name were purchased by an investor group in April 2002, and filed for bankruptcy protection a second time in October 2008 and continues to operate from the Airport while it reorganizes under bankruptcy protection); US Airways (which first filed for bankruptcy protection in August 2002 and emerged from this bankruptcy protection on March 31, 2003 but filed for bankruptcy protection a second time on September 12, 2004 and in September 2005 emerged from bankruptcy protection and merged with America West Airlines); UAL Corporation, the parent of United, (filed for bankruptcy protection in December 2002 and emerged from bankruptcy protection in February 2006); ATA Holdings Corp., along with its affiliates, ATA Airlines, Inc. ("ATA") (which ceased operating passenger service at the Airport in December 2005); Air Canada (which emerged from bankruptcy protection in September 2004); and Frontier Airlines (filed for bankruptcy protection in April 2008 and emerged from bankruptcy protection on October 1, 2009).

Assumption or Rejection of Agreements. An airline that has executed an Airline Lease Agreement or other executory contract with the Commission and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its Airline Lease Agreement within 120 days after the bankruptcy filing (subject to court approval, a one-time 90-day extension is allowed (further extensions are subject to the consent of the Commission)), and (b) its other executory contracts with the Commission prior to the confirmation of a plan of reorganization.

In the event of assumption and/or assignment of any agreement to a third party, the airline would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable Airline Lease Agreement or other agreements.

Rejection of an Airline Lease Agreement or other agreement or executory contract will give rise to an unsecured claim of the Commission for damages, the amount of which in the case of an Airline Lease Agreement or other agreement is limited by the United States Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an Airline Lease Agreement or other agreement could be considerably less than the maximum amounts allowed under the United States Bankruptcy Code. Certain amounts unpaid as a result of a rejection of an Airline Lease Agreement or other agreement in connection with an airline in bankruptcy, such as airfield, terminal, concourse and ramp costs would be passed on to the remaining airlines under their respective Airline Lease Agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs. In addition, payments made by an airline in bankruptcy (or by its surety) within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy, in particular if the debtor posts collateral with its surety. In general, risks associated with bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the Commission may not be able to enforce any of its remedies under the agreements with a bankrupt airline

Northwest, Mesaba, Delta, Comair, TWA, Sun Country, US Airways, United, Air Canada, ATA and Frontier were each operating at the Airport under an Airline Lease Agreement at the time of their respective filings for bankruptcy protection. TWA's Airline Lease Agreement was assigned over and assumed by American. During its first bankruptcy proceedings Sun Country rejected its Airline Lease Agreement, however the investor group that purchased the assets of the defunct Sun Country signed an Airline Lease Agreement. The Commission expects Sun

County to accept its Airline Lease Agreement as part of its current ongoing reorganization under bankruptcy protection. US Airways, which emerged from its second bankruptcy filing on September 27, 2005, assumed its Airline Lease Agreement. Air Canada assumed its Airline Lease Agreement. United, which emerged from bankruptcy protection on February 1, 2006, assumed its Airline Lease Agreement. Delta and Comair, which emerged from bankruptcy protection on April 30, 2007, assumed their respective Airline Lease Agreements. ATA rejected its Airline Lease Agreement. Mesaba, which emerged from bankruptcy protection on April 24, 2007, assumed its Airline Lease Agreement. Northwest, which emerged from bankruptcy protection on May 31, 2007, assumed its Airline Lease Agreement. Frontier, which emerged from bankruptcy protection on October 1, 2009, assumed its Airline Lease Agreement. See also "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Special Facility Obligations" and "THE AIRPORT AGREEMENTS."

With respect to an airline in bankruptcy proceedings in a foreign country, the Commission is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Pre-Petition Obligations. During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Commission on account of goods and services provided prior to the bankruptcy. Thus, the Commission's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees. All of the pre-petition obligations of TWA, US Airways, United, Air Canada, ATA, Northwest, Mesaba, Delta, Comair, Frontier and Sun Country (with respect to its second bankruptcy filing) were paid in full. A portion of Mesaba's pre-petition obligations were paid from Mesaba's security deposit made to the Commission. At the time of Sun Country's first bankruptcy filing, it owed the Commission approximately $570,000 in pre-petition obligations; approximately $72,000 of such obligations was recovered from the other Air Carriers operating at the Airport through increased landing fees, approximately $46,000 of such obligations was recovered from an Air Carrier which leased a hangar previously leased by Sun Country, and $451,392 of such obligations was written off as bad debt and was not recoverable.

PFCs. Pursuant to the PFC Act, the FAA has approved the Commission's applications to require the airlines to collect and remit to the Commission a $4.50 PFC on each enplaning revenue passenger at the Airport. See "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects—Passenger Facility Charges."

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Commission) imposing the PFCs, except for any handling fee (which currently is $0.11 per PFC) or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFC collections with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Commission cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the Airport. The PFC Act requires an airline in bankruptcy protection to segregate PFC collections from all of its other revenues.

It is possible that the Commission could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Commission cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFCs owed to the Commission or whether the bankruptcy estate would have sufficient moneys to pay the Commission in full for the PFCs owed by such airline. All of the airlines that were operating at the Airport at the time of their respective filings for bankruptcy protection and during the time they operated at the Airport while under bankruptcy protection submitted to the Commission all of the PFCs collected by them. PFCs are not pledged to the repayment of the Senior Bonds (including the Senior Series 2010 Bonds), the General Obligation Revenue Bonds or the Subordinate Obligations, however, see "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service" for a discussion of the Commission's irrevocable commitment of a portion of PFCs received by the Commission to pay debt service on the Eligible PFC Bonds.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks, increased threat levels declared by the Department of Homeland Security and world health concerns such as the Severe Acute Respiratory Syndrome ("SARS") outbreak in 2003 and the current outbreak of H1N1 influenza ("swine flu"), may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Because of the implementation of the Congressional mandate, effective January 1, 2003, for the screening of all checked baggage for explosives, as well as the impact on airport operations of procedures mandated under "Level Yellow" (elevated), "Level Orange" (high) and "Level Red" (severe) national threat levels declared by the Department of Homeland Security under the Homeland Security Advisory System, there is the potential for significantly increased inconvenience and delays at many airports. Since its inception the threat level has never been below Level Yellow nor above Level Orange (except that between August 10, 2006 and August 13, 2006 the threat level was raised to Level Red for flights originating in the United Kingdom and bound for the United States). Historically, only minor delays have been experienced at the Airport as a result of the security procedures; however, this may change as a result of increased passenger traffic or other factors such as requirements for additional forms of screening or reductions of the TSA workforce.

The Commission cannot predict whether the Airport or any of the Reliever Airports will be targets of terrorists in the future. After the September 11 Events, the United States government launched a military offensive against Afghanistan and in March 2003 against Iraq, and has warned that these hostilities may continue for years. The Commission cannot predict the duration of the effects of these hostilities on the air transportation system, the likelihood of any retaliation or the likelihood of any future terrorists attacks. Any such action could directly or indirectly reduce passenger traffic and depress airline industry revenues and Revenues. The Commission cannot predict the effect of any future government-required security measures on passenger activity at the Airport.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Lease Agreements, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the September 11 Events, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security and Airport management.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Commission, or whether such restrictions or legislation or regulations would adversely affect Revenues. See "—Aviation Security Concerns" above, "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects—Passenger Facility Charges" and "—Federal Grants."

Ability to Meet Rate Covenant

As discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Rate Covenant," the Commission has covenanted in the Master Senior Indenture to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the rate covenant set forth in the Master Senior Indenture is met. In addition to Net Revenues, the Commission expects to use $13.4 million to $15.1 million of PFCs each Fiscal Year between Fiscal Years 2010 and 2016, respectively, to pay a portion (approximately 19-23%) of the debt service on the Senior Bonds. If PFCs have been irrevocably committed or are otherwise used to pay principal of and/or interest on the Senior Bonds, the principal and/or interest on such Senior Bonds may be excluded from the calculation of Aggregate Annual Debt Service; thus decreasing Aggregate Annual Debt Service and increasing debt service coverage for purposes of the rate covenant under the Master Senior Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service." Also see "—Availability of PFCs" below.

If Net Revenues (and PFCs expected to be used to pay debt service) were to fall below the levels necessary to meet the rate covenant, the Master Senior Indenture provides for procedures under which the Commission would retain and direct a Consultant to make recommendations as to the revision of the Commission's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Commission in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Commission is required to take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Commission in connection with the Airport System is subject to contractual, statutory and regulatory restrictions (see "—Regulations and Restrictions Affecting the Airport" above). Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines (including using the Airport for hubbing activities), concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport. Notwithstanding this potential detrimental impact, the Airline Lease Agreements acknowledge the existence of the rate covenant under the Senior Indenture (which includes the payment of debt service on the Subordinate Obligations) and include an agreement by the Signatory Airlines to pay such rentals, rates, fees and charges. The Airline Lease Agreements do not address the rate covenant under the Master Subordinate Indenture.

Availability of PFCs

In addition to the use of Net Revenues, the Commission expects to use $13.4 million to $15.1 million of PFCs each Fiscal Year between Fiscal Years 2010 and 2016, respectively, to pay a portion (approximately 19-23%) of the debt service on the Senior Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS—Use of PFCs to Pay Debt Service" and "—Ability to Meet Rate Covenant" above. Additionally, the Commission expects to use approximately $64 million of PFCs to finance a portion of the costs of the Planned CIP Projects, and the Commission expects to use $12.8 million to $18.7 million of PFCs each Fiscal Year between Fiscal Years 2010 and 2016, respectively, to pay a portion (approximately 26-36%) of the debt service on the Subordinate Bonds.

The amount of PFC revenue received by the Commission in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. See "—Factors Affecting the Airline Industry" above. See also "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects—Passenger Facility Charges" and "—Ability to Meet Rate Covenant" above. Additionally, the FAA may terminate the Commission's authority to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the PFC Regulations, or (b) the Commission otherwise violates the PFC Act or the PFC Regulations. The Commission's authority to impose a PFC may also be terminated if the Commission violates certain provisions of the Airport Noise and Capacity Act of 1990 (the "ANCA") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Commission's authority to impose a PFC would not be summarily terminated. No assurance can be given that the Commission's authority to impose a PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Commission or that the Commission will not seek to decrease the amount of PFCs to be collected, provided such decrease does not violate the Commission's covenant in the PFC Resolution. A shortfall in PFC revenues may cause the Commission to increase rates and charges at the Airport to meet the debt service requirements on the Senior Bonds and the Subordinate Obligations that the Commission plans to pay from PFCs, and/or require the Commission to identify other sources of funding for its capital program, including issuing additional Senior Bonds and/or Subordinate Obligations, to finance the pay-as-you-go projects currently expected to be paid with PFC revenues.

The PFC Act also provides that for certain classes of airports, including the Airport, federal AIP entitlement funds will be reduced by 50% following the imposition of a PFC of $3.00 or less and will be reduced by 75% following the imposition of a PFC greater than $3.00. The Commission currently collects a PFC of $4.50.

Availability of Funding for the Capital Improvement Program

In addition to a portion of the proceeds of the Senior Series 2010 Bonds, the Commission's plan of finance assumes that PFC revenues on a pay-as-you-go basis, federal and State grants, other available revenues of the Commission (including certain amounts to be on deposit in the Repair and Replacement Account), and certain moneys to be contributed by third parties will be received by the Commission in certain amounts and at certain times to pay the costs of the Planned CIP Projects. See "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects." No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed. See "—Availability of PFCs" above.

See also "CAPITAL IMPROVEMENT PROGRAM—Funding Sources for the Planned CIP Projects—Federal Grants," for a discussion of the assumptions with respect to entitlement and discretionary funding. Although the Commission considers these assumptions to be reasonable, assumptions are inherently subject to certain uncertainties and contingencies. Actual entitlement and/or discretionary funding levels and timing may vary and such differences may be material. In 2003, Congress passed a four-year $60 billion FAA reauthorization bill that expired on September 30, 2007. Reauthorization and funding are now being considered by Congress. Among the proposals now being considered are revisions to most of the regulatory, funding and financing mechanisms for airports, including the substitution of a higher PFC for much of the funding the FAA currently receives from excise taxes. The Commission cannot predict whether or when new legislation will be enacted, the amount or type of funding for the FAA that will be approved, or the effect of such legislation on the FAA's funding, the timing or amount of FAA grants to the Commission, the requirements the Commission must satisfy as a condition to receipt of FAA funding or to the imposition and use of PFCs or the FAA's regulations of airport rates, charges and long-term planning and development.

To the extent that any portion of the funding assumed in the plan of finance for the Planned CIP Projects is not available as anticipated, the Commission may be required to defer or remove certain of the Planned CIP Projects or issue additional Senior Bonds and/or Subordinate Obligations to pay the costs of such Planned CIP Projects.

No Acceleration

Events of Default under the Senior Indenture and related remedies are described herein under "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Defaults and Remedies" The occurrence of an Event of Default does not grant any right to accelerate payment of the Senior Series 2010 Bonds. Since Net Revenues are Revenues net of all amounts needed to pay Maintenance and Operation Expenses, and the Commission is not subject to involuntary bankruptcy proceedings, the Commission may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport even if an Event of Default has occurred and no payments are being made on the Senior Series 2010 Bonds.

Assumptions in the Report of the Airport Consultant

The Report of the Airport Consultant incorporates numerous assumptions as to the utilization of the Airport and other matters and states that any forecast is subject to uncertainties. The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the assumptions contained in the Report of the Airport Consultant will occur. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. Additionally, the Report of the Airport Consultant has not been revised subsequent to the date of such report to reflect the final terms of the Senior Series 2010 Bonds. See "REPORT OF AIRPORT CONSULTANT" and "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT." For a discussion of the key factors affecting future airline traffic at the Airport as discussed in the Report of the Airport Consultant see "APPENDIX A—REPORT OF THE AIRPORT CONSULTANT—Key Factors Affecting Future Airline Traffic."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See "INTRODUCTION—Forward-Looking Statements."

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Commission's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Commission's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Commission's independent auditors assume no responsibility for its content.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Senior Series 2010 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Senior Series 2010B Bond for any period during which such Senior Series 2010B Bond is held by a "substantial user" of the facilities financed or refinanced by the Senior Series 2010B Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Senior Series 2010 Bonds is not a specific preference item nor included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on individuals and corporations.

The opinions described in the preceding paragraph assume the accuracy of certain representations and compliance by the Commission with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Senior Series 2010 Bonds. Failure to comply with such requirements could cause interest on the Senior Series 2010 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Senior Series 2010 Bonds. The Commission will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Senior Series 2010 Bonds.

In the opinion of Bond Counsel, interest on the Senior Series 2010 Bonds is not includible in the taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, but is includable in the calculation of taxable income of corporations and financial institutions for State of Minnesota franchise tax purposes.

The accrual or receipt of interest on the Senior Series 2010 Bonds may otherwise affect the federal income tax liability of the owners of the Senior Series 2010 Bonds. The extent of these other tax consequences will depend upon such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Senior Series 2010 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Senior Series 2010 Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Senior Series 2010 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Senior Series 2010 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend federal and state tax matters referred to above or adversely affect the market value of the Senior Series 2010 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Senior Series 2010 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Senior Series 2010 Bonds or the market value thereof would be impacted thereby. Purchasers of the Senior Series 2010 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Senior Series 2010 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Discount

The Senior Series 2010A Bonds maturing on January 1, 2028 and bearing interest at 4.00%, the Senior Series 2010A Bonds maturing on January 1, 2029 and bearing interest at 4.00%, the Senior Series 2010A Bonds maturing on January 1, 2030 and bearing interest at 4.125%, the Senior Series 2010B Bonds maturing on January 1, 2027 and the Senior Series 2010B Bonds maturing on January 1, 2028 (collectively, the "Discount Bonds") are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under "—General" above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Tax Treatment of Original Issue Premium

The Senior Series 2010A Bonds maturing on January 1, 2028 and bearing interest at 5.00%, the Senior Series 2010A Bonds maturing on January 1, 2029 and bearing interest at 5.00%, the Senior Series 2010A Bonds maturing on January 1, 2030 and bearing interest at 5.00%, the Senior Series 2010A Bonds maturing on January 1, 2035, and the Senior Series 2010B Bonds maturing on January 1, 2012 through, and including, January 1, 2026 (collectively, the "Premium Bonds") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Although the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

LITIGATION

No Litigation Relating to the Senior Series 2010 Bonds

There is no litigation now pending or, to the best of the Commission's knowledge, threatened which seeks to restrain or enjoin the sale, execution, issuance or delivery of the Senior Series 2010 Bonds or in any way contests the validity of the Senior Series 2010 Bonds or any proceedings of the Commission taken with respect to the authorization, sale or issuance of the Senior Series 2010 Bonds, or the pledge or application of any moneys provided for the payment of or security for the Senior Series 2010 Bonds.

Litigation Relating to the Commission and the Airport System

There are a number of litigation matters pending against the Commission for incidents at the Airport System. These claims and suits are of a nature usually incident to the operation of the Airport System and, in the aggregate, in the opinion of Airport management, based upon the advice of the General Counsel to the Commission, will not have a material adverse effect on the Net Revenues or financial condition of the Airport System. It should be noted that a portion of the claims relating to personal injuries and property damage are covered by a comprehensive insurance program maintained by the Commission for the Airport System.

There are no material claims or litigation arising out of or challenging any federal grants held by the Commission to date.

RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), and Fitch Ratings ("Fitch") have assigned ratings of "AA-" (stable outlook) and "AA-" (stable outlook), respectively, to the Senior Series 2010 Bonds. Such ratings reflect only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, NY 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings are not a recommendation to buy, sell or hold the Senior Series 2010 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Senior Series 2010 Bonds.

LEGAL MATTERS

The validity of the Senior Series 2010 Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix E hereto. Certain matters will be passed upon for the Commission by Thomas W. Anderson, Esq., General Counsel to the Commission. Certain legal matters will be passed upon for the Commission by Kutak Rock LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Hogan Lovells US LLP. All of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel with regard to the issuance of the Senior Series 2010 Bonds are contingent upon the issuance and delivery of the Senior Series 2010 Bonds.

FINANCIAL ADVISOR

The Commission has retained the services of Jefferies & Company, Inc., New York, New York, as Financial Advisor, in connection with the issuance of the Senior Series 2010 Bonds. The Financial Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Fees of the Financial Advisor with regard to the issuance of the Senior Series 2010 Bonds are contingent upon the issuance and delivery of the Senior Series 2010 Bonds.

CONTINUING DISCLOSURE

The Commission will covenant to provide such annual financial statements and other information in the manner required by Rule 15c2-12 of the SEC (17 C.F.R. § 240.15c2-12) ("Rule 15c2-12"). The Commission will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Senior Series 2010 Bonds to provide certain financial information and operating data concerning the Commission and certain other obligated persons, including Delta, and notices of certain events to the Municipal Securities Rulemaking Board, pursuant to the requirements of section (b)(5)(i) of Rule 15c2-12. See "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein for a description of the Undertaking. A failure by the Commission to provide any information required thereunder will not constitute an Event of Default under the Senior Indenture. The Commission has never failed to comply with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events.

The Commission has entered into an engagement letter with Digital Assurance Certification, L.L.C. ("DAC"), pursuant to which the Commission has engaged DAC to file and disseminate information provided by the Commission in connection with the Commission's continuing disclosure obligations under Rule 15c2-12.

UNDERWRITING

The Senior Series 2010 Bonds will be purchased by Barclays Capital Inc., Piper Jaffray & Co., Citigroup Global Markets Inc, J.P. Morgan Securities Inc., RBC Capital Markets Corporation, and Wells Fargo Bank, National Association (the "Underwriters"), from the Commission at a price of $143,104,182.07 (which is the par amount of the Senior Series 2010 Bonds, plus a net original issue premium of $8,244,230.50, less an underwriters' discount of $825,048.43), subject to the terms of a bond purchase agreement (the "Bond Purchase Agreement"), between Barclays Capital Inc., as representative of the Underwriters, and the Commission. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Senior Series 2010 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Senior Series 2010 Bonds set forth on the inside of the front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Senior Series 2010 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the cover hereof.

Piper Jaffray & Co. has provided the information contained in this paragraph for inclusion in this Official Statement. Piper Jaffray & Co., one of the underwriters of the Senior Series 2010 Bonds, has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. for the distribution of certain municipal securities offerings allocated to Piper Jaffray & Co. at the original offering prices. Under the Distribution Agreement, if applicable to the Senior Series 2010 Bonds, Piper Jaffray & Co. will share with Advisors Asset Management, Inc. a portion of the fee or commission, exclusive of management fees, paid to Piper Jaffray & Co.

Citigroup Global Markets Inc. has provided the information contained in this paragraph for inclusion in this Official Statement. Citigroup Inc., parent company of Citigroup Global Markets Inc., one of the underwriters of the Senior Series 2010 Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Senior Series 2010 Bonds.

J.P. Morgan Securities Inc. ("JPMSI") has provided the information contained in this paragraph for inclusion in this Official Statement. JPMSI, one of the underwriters of the Senior Series 2010 Bonds, has entered into a negotiated dealer agreement (the "Dealer Agreement") with UBS Financial Services Inc. ("UBSFS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Dealer Agreement (if applicable to this transaction), UBSFS will purchase Senior Series 2010 Bonds from JPMSI at the original issue price less a negotiated portion of the selling concession applicable to any Senior Series 2010 Bonds that UBSFS sells.

Wells Fargo Bank, National Association has provided the information contained in this paragraph for inclusion in this Official Statement. Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

INDEPENDENT AUDITORS

The basic financial statements of the Commission as of and for the Fiscal Years ended December 31, 2009 and December 31, 2008 are included as Appendix B attached hereto. The basic financial statements of the Commission as of and for the Fiscal Year ended December 31, 2009 have been audited by BKD, LLP, independent auditors, as stated in their report included in Appendix B hereto dated May 27, 2010, except for the Change in Accounting Principle in Note A and Note T, as to which the date is July 16, 2010, (which report expresses an unqualified opinion on the basic financial statements). The basic financial statements of the Commission as of and for the Fiscal Year ended December 31, 2008, before they were retroactively restated for the matters discussed in "Note A – Nature of Organization and Summary of Significant Accounting Policies – Prior Period Restatements" in "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008," were audited by other accountants whose report dated May 18, 2009 (July 15, 2010, as to the effects of the restatement discussed in "Note T – Restatement in "APPENDIX B—AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008"), expressed an unqualified opinion on those basic financial statements.

RELATED PARTIES

Wells Fargo Bank, National Association is serving as one of the Underwriters and as Senior Trustee for the Senior Series 2010 Bonds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representation of fact. No representation is made that any of the opinions or estimates will be realized.

All references to the Act, the Senior Indenture, the Subordinate Indenture, the Airline Lease Agreements and all other agreements with the airlines and other parties are made subject to the detailed provisions of such documents. Copies of such documents are available for review at the offices of the Metropolitan Airports Commission which are located at 6040 28th Avenue South, Minneapolis, Minnesota 55450. The Commission maintains certain websites, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein and should not be relied upon by the Holders of the Senior Series 2010 Bonds.

AUTHORIZATION

The Commission has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the Executive Director on behalf of the Commission.

METROPOLITAN AIRPORTS COMMISSION

By /s/ Jeffrey W. Hamiel
Executive Director

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION
SENIOR AIRPORT REVENUE BONDS, SERIES 2010A-D

Prepared for

Minneapolis-St. Paul Metropolitan Airports Commission

Prepared by

Jacobs Consultancy

July 20, 2010

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JACOBS
CONSULTANCY

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Cincinnati, Ohio 45202 U.S.A.
1.513.321.6080 Fax: 1.513.321.6125
formerly John F. Brown Company

July 20, 2010

Mr. John Lanners, Chair
Metropolitan Airports Commission
Minneapolis, Minnesota

Re: **Report of the Airport Consultant**
Metropolitan Airports Commission
Senior Airport Revenue Bonds, Series 2010A-D

Dear Mr. Lanners:

Jacobs Consultancy, Inc. is pleased to submit this Report of the Airport Consultant in connection with the plans of the Metropolitan Airports Commission (the Commission) to issue Senior Airport Revenue Bonds, Series 2010A-D (the Senior Series 2010 Bonds) in the original principal amount of $147,495,000*. This letter and the accompanying attachment and exhibits constitute our Report.

The Commission owns and operates Minneapolis-St. Paul International Airport (MSP or the Airport) and six reliever airports—St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake (collectively, the Airport System).

The Senior Series 2010 Bonds are being issued under the Master Trust Indenture, dated June 1, 1998, as amended and supplemented (Master Senior Indenture). Capitalized terms not otherwise defined in the Report shall have the meanings given in the Master Senior Indenture. The Senior Series 2010 Bonds are secured by a pledge of Net Revenues on parity with General Obligation Revenue Bonds and other Senior Parity Bonds (Senior Airport Revenue Bonds). The Commission also has issued Subordinate Obligations (Subordinate Airport Revenue Bonds) under the Master Subordinate Trust Indenture, dated October 1, 2000, as amended and supplemented (Master Subordinate Indenture). Subordinate Airport Revenue Bonds are payable from Net Revenues following payment of debt service and reserve and replenishment requirements on and relating to the Senior Airport Revenue Bonds and the General Obligation Revenue Bonds.

Pursuant to Section 2.11 of the Master Senior Indenture, an Authorized Commission Representative is required to provide a certification as to historical revenues and expenses prior to the issuance of additional debt on parity with the Senior Airport Revenue Bonds and the General Obligation Revenue Bonds. No certification, report, or analysis from the Consultant is required by the Master Senior Indenture for the issuance of the Senior Series 2010 Bonds.

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* Preliminary; subject to change.

The purpose of the Report is to evaluate the ability of the Commission to meet the requirements of the Master Senior Indenture Rate Covenant during the forecast period taking into account the proposed Senior Series 2010 Bonds and the outstanding Senior Airport Revenue Bonds, General Obligation Revenue Bonds, and Subordinate Airport Revenue Bonds. The forecast period is the period Fiscal Year (FY) 2011 through FY 2016. The Fiscal Year of the Commission ends on December 31.

CAPITAL CONSTRUCTION PROGRAM

In the late 1990's, the Commission developed and began implementation of a capital improvement program known as the 2010 Long Term Comprehensive Plan (the 2010 Plan). In 2009, the Commission adopted a capital improvement program for the 2010 through 2016 period. In addition to approximately $82 million of remaining 2010 Plan projects (from a total 2010 Plan cost of approximately $2.9 billion), the Commission identified projects with costs of approximately $446 million. These projects along with the remaining 2010 Plan projects are the Commission's Planned CIP Projects (the Planned CIP Projects) with a total cost of $528 million. Costs of the Planned CIP Projects and the expected funding sources are shown in Exhibit A at the back of the Report. Proceeds of the Senior Series 2010 Bonds constitute the only source of debt funding for the Planned CIP Projects. In addition to the $102 million of funding from the Senior Series 2010 Bonds, other funding sources are federal (including TSA) and State grants ($135 million), Pay-go Passenger Facility Charges ($64 million), contributions from third parties ($15 million), the Airline Repair and Replacement Account ($91 million), and the Commission Construction Fund ($121 million).

As part of a strategic assessment, the Commission identified certain additional projects, primarily terminal and facility expansion projects, which might be developed if growth in demand, especially in connecting traffic, warrants the projects (the Demand Driven CIP Projects). The Demand Driven CIP Projects have an estimated cost of $577 million. Current projections of demand do not show a need for these projects. The potential construction and funding of the Demand Driven CIP Projects is not reflected in the financial analysis of the Report.

MASTER SENIOR INDENTURE

The Senior Series 2010 Bonds are being issued as fixed rate bonds. The estimated uses of Senior Series 2010 Bonds are to: (1) pay a portion of the costs of the Planned CIP Projects, (2) reimburse the Commission for prior expenditures, (3) satisfy the Senior Debt Service Reserve Requirement, (4) pay capitalized interest on a portion of the Senior Series 2010 Bonds, and (5) pay costs of issuing the Senior Series 2010 Bonds.

Rate Covenant

The Commission has covenanted in Section 5.04 of the Master Senior Indenture that so long as any of the Senior Airport Revenue Bonds and General Obligation Revenue Bonds are outstanding, the Commission will establish, fix, prescribe, and collect rates, tolls, fees, rentals, and charges in connection with the Airport System, so that Net Revenues in each Fiscal Year are sufficient to fund the deposits required in Section 5.04 and so that during each Fiscal Year the Net Revenues, together with any Transfer, will be at least equal to 125% of Aggregate Annual Debt Service on the outstanding Senior Airport Revenue Bonds. For purposes of this calculation, the amount of any Transfer shall not exceed 25% of Aggregate Annual Debt Service on the outstanding Senior Airport Revenue Bonds in such Fiscal Year.

AIRLINE AGREEMENT

The Commission has entered into separate but substantially similar agreements (known as the Airline Operating Agreement and Terminal Building Lease) with 15 airlines, including Delta Air Lines, with a term through December 31, 2020 and with 12 airlines with a term through December 31, 2010 (collectively, the Airline Agreements). The Commission is considering offering short-term extensions (three to four years) to the airlines with agreements expiring at the end of 2010.

The Airline Agreements provide for, among other things, the use of the airfield and apron areas of the Airport and the lease of certain space in the Lindbergh Terminal. The Airline Agreements also establish procedures for the annual calculation of rents, fees, and charges for the use of facilities and areas covered by the Airline Agreements. These rents, fees, and charges are calculated based on a compensatory rate-setting methodology for the Lindbergh Terminal and a cost-center residual rate-setting methodology for the airfield.

The use and occupancy of the Humphrey Terminal are not subject to the Airline Agreements. The Commission establishes the rents, fees, and charges and the terms for the common-use of the Humphrey Terminal by ordinance.

SCOPE OF THE REPORT

In preparing the Report, we analyzed:

- Future airline traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the region served, historical trends in airline traffic, the role of the Airport in the route systems of Delta Air Lines and other airlines, and key factors that may affect future airline traffic.

- Estimated sources and uses of funds for the Planned CIP Projects.

- Annual Debt Service on outstanding General Obligation Revenue Bonds, outstanding Senior Airport Revenue Bonds, Subordinate Airport Revenue Bonds, and the proposed Senior Series 2010 Bonds.
- Historical relationships among revenues, expenses, airline traffic, and other factors that may affect future revenues and expenses.
- Historical and future PFC receipts and their planned uses.
- Historical results, the budget and year-to-date results for FY 2010, expected staffing requirements, and other operational considerations.
- Commission policies and contractual arrangements relating to the use and occupancy of the Airport, including the calculation of airline rentals, fees, and charges under the Airline Agreements; the operation of concession privileges; and the leasing of buildings and grounds.

We identified key factors upon which the future financial results of the Commission may depend and formulated assumptions about those factors with Commission staff. On the basis of these assumptions, we assembled the financial forecasts presented in the exhibits at the end of the Report. Estimates of project costs, project financing, Annual Debt Service, and other data were provided by the sources noted in the Report.

Forecast Debt Service Coverage

As shown in Exhibit H and Exhibit H-1, provided at the end of the Report, the Net Revenues of the Commission are projected to be sufficient to meet the Rate Covenant requirements of the Master Senior Indenture and the Master Subordinate Indenture each year of the forecast period. The table below presents calculations showing that Net Revenues, without any Transfer, are forecast to provide coverage on total Annual Debt Service (which is net of amounts paid from PFC receipts) of the proposed Senior Series 2010 Bonds and the outstanding Senior Airport Revenue Bonds and General Obligation Revenue Bonds of 190% or greater in each year of the forecast period.

FORECAST DEBT SERVICE COVERAGE
(dollars in thousands)

Year	Net Revenues [A]	Senior Annual Debt Service [B]	Debt Service Coverage [A/B]
2009(A)	$166,495	$78,684	212%
2010 (E)	$158,205	$74,875	211%
2011	$157,179	$77,482	203%
2012	$159,735	$79,769	200%
2013	$163,308	$85,812	190%
2014	$164,989	$84,093	196%
2015	$162,902	$84,347	193%
2016	$164,527	$83,082	198%

Note: A=Actual; E=Estimated.

The table below presents pro forma calculations showing that Net Revenues, without any Transfer, are forecast to provide coverage on total Annual Debt Service (which is net of amounts paid from PFC receipts) of the proposed Senior Series 2010 Bonds and the outstanding Senior Airport Revenue Bonds, General Obligation Revenue Bonds, and Subordinate Airport Revenue Bonds of 134% or greater in each year of the forecast period.

PRO FORMA DEBT SERVICE COVERAGE
(dollars in thousands)

Year	Net Revenues [A]	Total Annual Debt Service [B]	Debt Service Coverage [A/B]
2009(A)	$166,495	$110,280	151%
2010 (E)	$158,205	$106,413	149%
2011	$157,179	$108,808	144%
2012	$159,735	$117,299	136%
2013	$163,308	$122,095	134%
2014	$164,989	$120,249	137%
2015	$162,902	$120,481	135%
2016	$164,527	$115,729	142%

Note: A=Actual; E=Estimated.

Forecast Payments by Airlines

As shown in Exhibit F-4, airline payments on a per enplaned passenger basis, which are estimated to be $5.93 in FY 2010, are forecast to range from $6.11 to $6.36 over the forecast period.

Sensitivity Test Projections

To test the sensitivity of the financial forecasts, we used hypothetical assumptions for fewer enplaned passengers and reduced airline rented space in the Lindbergh Terminal. The effect was to increase airline payments per enplaned passenger and to reduce Net Revenues in each year of the forecast period. However, Net Revenues, without any Transfer, were projected to provide coverage on total Annual Debt Service of the proposed Senior Series 2010 Bonds and the outstanding Senior Airport Revenue Bonds and General Obligation Revenue Bonds of 157% or greater in each year of the forecast period. And Net Revenues, without any Transfer, were projected to provide coverage on total Annual Debt Service of the proposed Senior Series 2010 Bonds and the outstanding Senior Airport Revenue Bonds, General Obligation Revenue Bonds, and Subordinate Airport Revenue Bonds of 110% or greater in each year of the forecast period. Also, airline payments per enplaned passenger did not exceed $8.57 in any year of the forecast period. The Financial Analysis section of the Report contains additional discussion and information about the sensitivity test, which should be read to understand the results.

Underlying Assumptions

The forecasts are based on information and assumptions that were provided by or reviewed with and agreed to by Commission management. The forecasts reflect Commission management's expected course of action during the forecast period and, in Commission management's judgment, present fairly the expected financial results of the Airport System. Those key factors and assumptions that are significant to the forecasts are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Forecasts." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts. However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material. Neither Jacobs Consultancy nor any person acting on our behalf makes any warranty, expressed or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in the Report. We have no responsibility to update this report to reflect events and circumstances occurring after the date of the Report.

* * * * *

We appreciate the opportunity to serve as Airport Consultant for the Commission's proposed financing.

Respectfully submitted,

Jacobs Consultancy

JACOBS CONSULTANCY

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Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL FORECAST

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION
SENIOR AIRPORT REVENUE BONDS, SERIES 2010A-D

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AIRLINE TRAFFIC ANALYSIS

AIRPORT FACILITIES

Minneapolis-St. Paul International Airport (MSP or the Airport) is owned and operated by the Metropolitan Airports Commission (the Commission or MAC). The Commission, whose purpose is to promote air transportation in the Minneapolis-St. Paul metropolitan area, was created in 1943 as a public corporation pursuant to an act of the Minnesota state legislature. The Commission owns and operates seven airports—MSP, St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake—which service commercial air carriers and general aviation and are referred to herein as the Airport System.

The Airport is located equidistant (approximately nine miles) south and southwest of the central business districts of Minneapolis and St. Paul, respectively. It occupies approximately 3,100 acres.

Airfield Facilities

The Airport has four commercial aircraft runways consisting of two parallel northwest-southeast runways—runway 12L/30R and runway 12R/30L, one north-south runway— runway 17/35, and a crosswind runway—runway 4/22. The parallel runways are 8,200 feet and 10,000 feet long, respectively. The north-south runway is 8,000 feet long; while, the crosswind runway extends 11,000 feet, intersecting the two parallel runways. All eight of the runway approach directions are equipped with instrument landing systems to enable continuous all-weather operations.

Terminal Facilities

Passenger terminal facilities at the Airport are located in two separate buildings: Terminal 1, the Lindbergh Terminal, and Terminal 2, the Humphrey Terminal. International arrivals facilities (IAF) at the Airport are located in both of the passenger terminal facilities. The light rail system that runs between downtown Minneapolis and the Mall of America has stations at both terminals and provides transportation between the two terminals at no charge. Shuttle bus service between the terminals is also available in certain circumstances.

Terminal 1 - Lindbergh Terminal

The Lindbergh Terminal is a three-story structure consisting of approximately 2.8 million square feet of space, of which approximately 1.3 million square feet are considered rentable (see Table 1). The building consists of one terminal (the Main Building) and seven concourses designated with the letters A through G. The Lindbergh Terminal also includes the principal IAF (see below, International Arrivals Facility); the ground transportation center; and a valet parking garage, which is located beneath the Lindbergh Terminal (the primary parking facility is located adjacent to this terminal, see below, Parking Facilities). As of May 1, 2010, the seven concourses, which extend from the Main Building, provided a total of 117 jet aircraft loading positions utilizing passenger loading bridges. Regional airline operations are conducted primarily from Concourse A (14 gates) and Concourse B (16 gates). The jet aircraft loading positions, except for the 12 on Concourse G discussed below, and the associated holdroom areas are leased to airlines on a preferential-use basis. Under specific conditions, the preferential user of an aircraft loading position may be required to accommodate the operations of another airline. In addition, seven positions are designated as “Short Term Gates.” The Commission has retained the right to replace, under certain circumstances, a preferential user of a Short Term Gate with an airline that is providing new service to the Airport.

Within the Lindbergh Terminal are ticketing facilities on the second level in the Main Building; security checkpoint locations on the second level in the Main Building and at the entrance to the G Concourse from the parking ramp skyway; passenger boarding facilities on the second level in each of the concourses; baggage claim and the international arrivals waiting area on the ground or first level; and the ground transportation center, which contains covered space for shuttle and taxi pickup on the ground level. Concessions are located throughout the passenger terminal complex primarily beyond the security checkpoints.

Approximately 269,000 square feet (including both rentable and other) of the total space on the G Concourse and 12 of the jet aircraft loading positions (which excludes the ten positions in the IAF, discussed below) on the G Concourse are under an exclusive lease, which expires in 2015, to Delta Air Lines through its acquisition of Northwest Airlines.

Table 1
Lindbergh Terminal Facilities Profile
Minneapolis-St. Paul International Airport
(as of June 1, 2010)

	Rentable Square Feet	Total Square Feet
Main Building	542,797	1,062,373
G Concourse	247,822	391,855
F Concourse	111,090	177,823
E Concourse	93,980	148,200
C/D Concourses	254,858	620,545
A/B Concourses	41,539	151,126
Other	25,102	282,320
Total	1,317,188	2,838,242

Gate Positions	Number of Gates
G Concourse	22
F Concourse	16
E Concourse	16
C/D Concourses	33
A/B Concourses	30

Source: Metropolitan Airports Commission.

Terminal 2 - Hubert H. Humphrey Terminal

The Commission opened the Humphrey Terminal on May 2, 2001, and transferred all operations to it from the previous facility, which was also named the Humphrey Terminal. The Humphrey Terminal is a two-story structure consisting of approximately 400,000 square feet of space, providing ten gates. The Humphrey Terminal is a common-use facility with four of the ten gates assigned on a priority basis to AirTran Airways, Southwest Airlines, and Sun Country Airlines, which has two gates. The remaining gates are used on a common use basis to accommodate additional activity by these carriers and others including charter carriers. The Humphrey Terminal continues to house one of the IAFs located at the Airport (see below, International Arrivals Facility).

International Arrivals Facilities

In late 1996, the Commission opened the IAF on the G Concourse of the Lindbergh Terminal. This facility is intended for use by regularly scheduled international flights and therefore, the majority of international arrivals and departures at the Airport are conducted from this facility. The facility contains dual-purpose domestic-international gates that provide ten jet aircraft loading positions with international arrival capability. The total processing capacity of this IAF is estimated to be approximately 800 passengers per hour. An additional IAF is contained in the Humphrey Terminal, which is intended for use by the scheduled carriers occupying the facility, international charter flights, and off-schedule international flights.

Parking Facilities

Parking facilities located on the Airport provide 22,510 public automobile parking spaces (see Table 2). The on-Airport parking options include a valet garage located at the Lindbergh Terminal, short-term and long-term parking located in a parking facility adjacent to the Lindbergh Terminal, and short-term and long-term parking at the Humphrey Terminal.

The public parking facilities located adjacent to and below the Lindbergh Terminal provide 13,257 of the public parking spaces. The valet garage located beneath the Lindbergh Terminal provides 386 parking spaces. The remaining 12,871 parking spaces are contained in four parking ramps, including two nine-story structures that have auto rental operations on the first three levels. Included in these spaces are 89 reserved for the ePark® program, which is a credit (debit) card based discount parking option that eliminates the use of tickets and cashiers. The parking ramps are connected to the Lindbergh Terminal and the G Concourse via an enclosed skyway and can also be accessed using an automated people mover from the ground transportation center.

The remaining 9,253 public parking spaces including the “Value Parking” operation are contained in an eight-level parking ramp located adjacent to the Humphrey Terminal. Four off-Airport private parking facilities serve Airport passengers and provide approximately 5,450 additional automobile parking spaces.

Table 2
Public Automobile Parking Facilities
Minneapolis-St. Paul International Airport
(as of May 1, 2010)

Facility	Number of Spaces
Lindbergh Terminal	
Short-term	977
ePark®	89
Long-term	11,902
Valet Garage	386
Total	13,257
Humphrey Terminal	9,253
Total On-Airport Spaces	22,510
Estimated Off-Airport Parking Facilities	5,450

Source: Metropolitan Airports Commission.

Ground Access

Major highways that connect with the rest of the metropolitan area bound the Airport. On the south side of the Airport is I-494 that connects to I-694 forming an interstate highway loop through the metropolitan area around the cities of Minneapolis and St. Paul. Access to I-94 and I 35 is readily available from this loop. To the west of the Airport is State Highway 77 (Cedar Avenue). The Crosstown Highway (State Highway 62) lies to the north of the Airport, while to the east are State Highways 5 and 55.

The Airport is located equidistant (approximately nine miles) south and southwest of the central business districts of Minneapolis and St. Paul, respectively. Connection to the downtown area of Minneapolis is, in addition to various city streets, provided by State Highway 55 and by I 35W, which connects to both I-494 and the Crosstown Highway west of the Airport. Downtown Minneapolis is linked to the Airport by a light-rail system, which continues on to the Mall of America. The St. Paul downtown area is also accessible by various city streets with the primary access being by State Highway 5 and by I-35E, which connects to both Highway 5 and I-494 east of the Airport.

Other Facilities

Several air carrier maintenance facilities are located on the Airport. The largest of these facilities is the Delta Air Lines hangar, which can accommodate five narrowbody, five widebody, and two B-747 aircraft, and includes office space, shops, two engine-testing cells, computer facilities, and storage. The facility occupies approximately 91 acres of land, 1.4 million square feet of floor space, and 1.0 million square feet of apron space. Delta Air Lines also occupies a second hangar at the Airport, which can accommodate six narrowbody, two widebody, and two B-747-400 aircraft, and includes office space and shops. This facility occupies approximately 88 acres of land, 1.1 million square feet of floor space, and 620,000 square feet of apron space.

In addition to the areas described above, there are other areas on the Airport with distinct functions, as follows:

- The Airport rescue and firefighting facility is located between the west ends of the parallel runways. The facility is operated by the Commission and staffed with Commission employees.

- The Commission houses a portion of its administrative offices and buildings for maintenance facilities and equipment on the west side of the Airport along 28th Avenue.

- Various buildings and areas used for cargo operations including facilities for FedEx and UPS.

- The military occupies land along 34th Avenue between runways 12R/30L and 12L/30R and a second area located on the northeast side of the Airport, which is not located on Airport property. The second area does, however, contain taxiway connectors and a small section of apron area.

AIRPORT SERVICE REGION

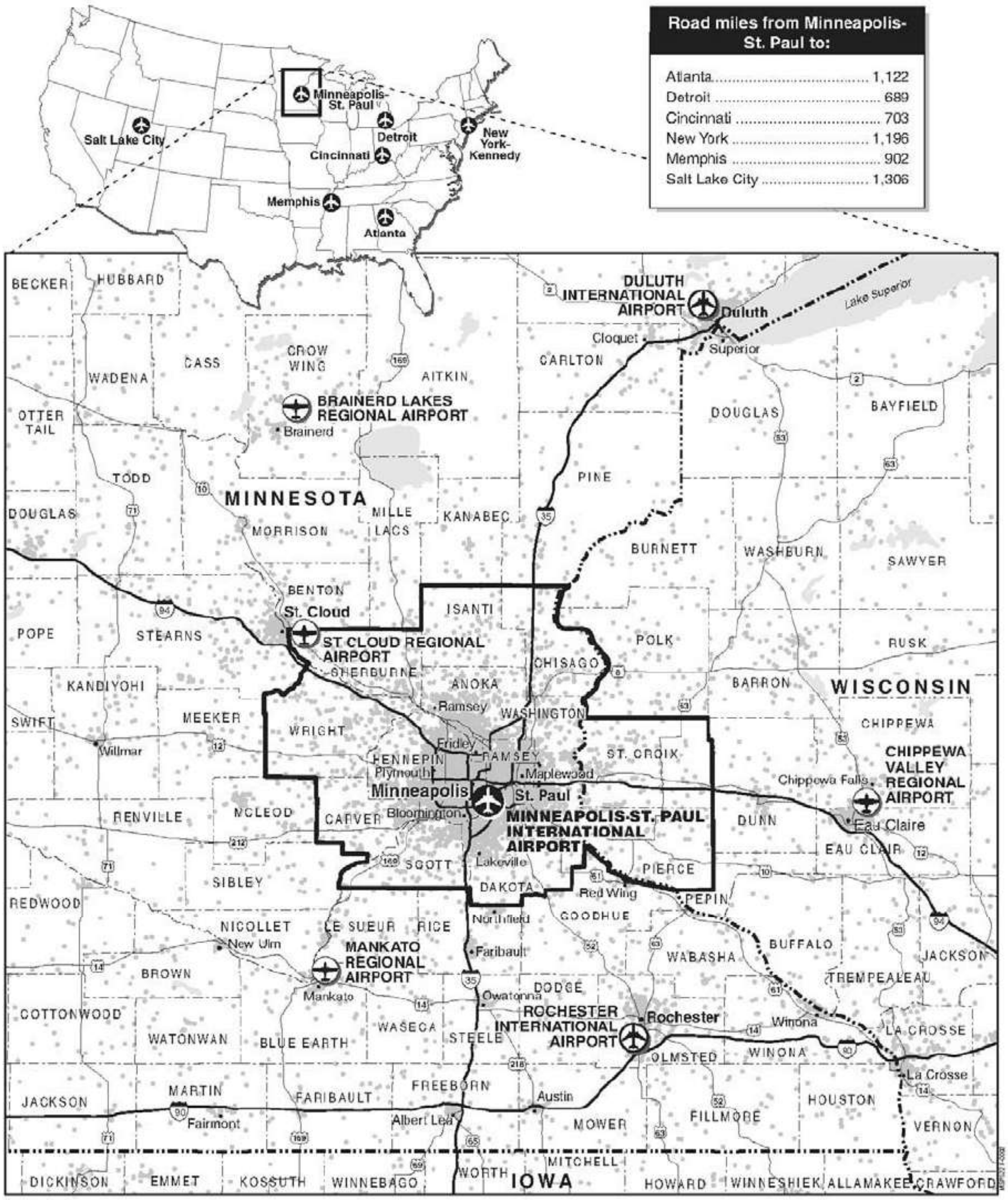
The primary region served by the Airport is the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area (the MSA), a large population center in east-central Minnesota, as shown on Figure 1. Minnesota is located in the upper Midwest region of the continental United States, bordering Canada.

The MSA ranks as the 16th largest in the United States, and the third largest in the Midwest following Chicago and Detroit, with an estimated 2008 population of 3,230,000. The MSA comprises 11 counties in Minnesota (Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright), which together account for 60% of the state's population, and 2 counties in neighboring Wisconsin (Pierce and St. Croix). The MSA contains the cities of Minneapolis and St. Paul, known as the Twin Cities. St Paul is the capital of Minnesota.

Historically, air travel demand to and from the MSA has been generated largely by steady growth in population, employment, and personal income. The MSA's unemployment rate has historically been below the national average, and its per capita personal income has been above the national average. The economy is diversified and not overly dependent on a single large employer or industry sector.

DEMOGRAPHIC AND ECONOMIC PROFILE

Local demographic and economic trends generally reflect the long-term growth of the MSA economy, and a growing economy correlates with increasing volumes of airline passenger traffic. The demographic variables with the strongest influence on airline travel demand are the MSA population, employment, and per capita income.



Road miles from Minneapolis-St. Paul to:

Atlanta	1,122
Detroit	689
Cincinnati	703
New York	1,196
Memphis	902
Salt Lake City	1,306

LEGEND

- Airport service region
- Population density: 1 dot equals 500 people
- Large hub airport
- Other airports with jet service
- General aviation airport
- State boundary
- County boundary

Source: 2000 U.S. Census data.

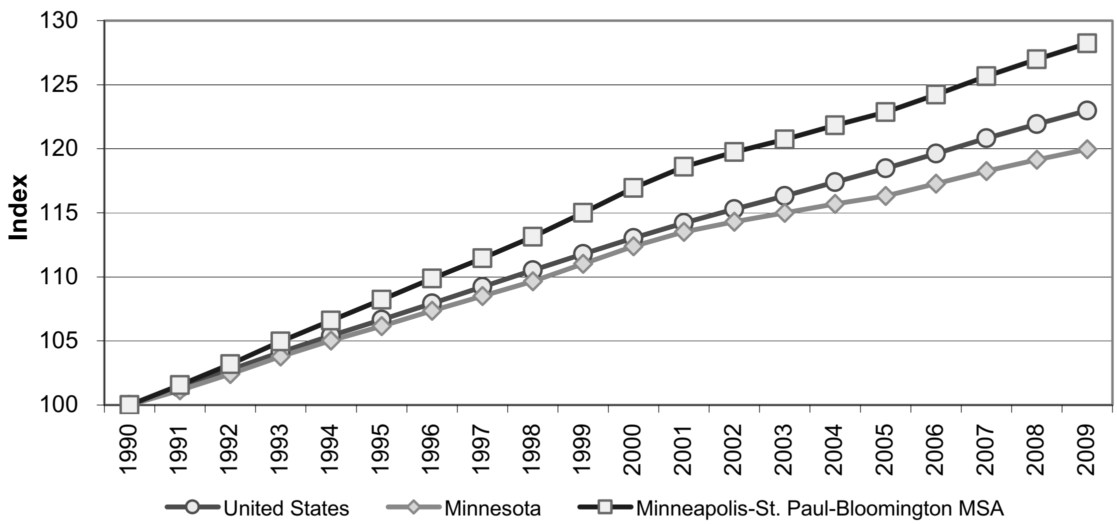
Figure 1
AIRPORT SERVICE REGION
Minneapolis-St. Paul International Airport

JACOBS CONSULTANCY

Population

Population growth is a key factor influencing the demand for airline travel. Between 1990 and 2009, the MSA population increased at a rate slightly greater than that of both Minnesota and the nation. (See Figure 2.)

Figure 2
COMPARATIVE INDEX OF POPULATION TRENDS
(1990 = 100)



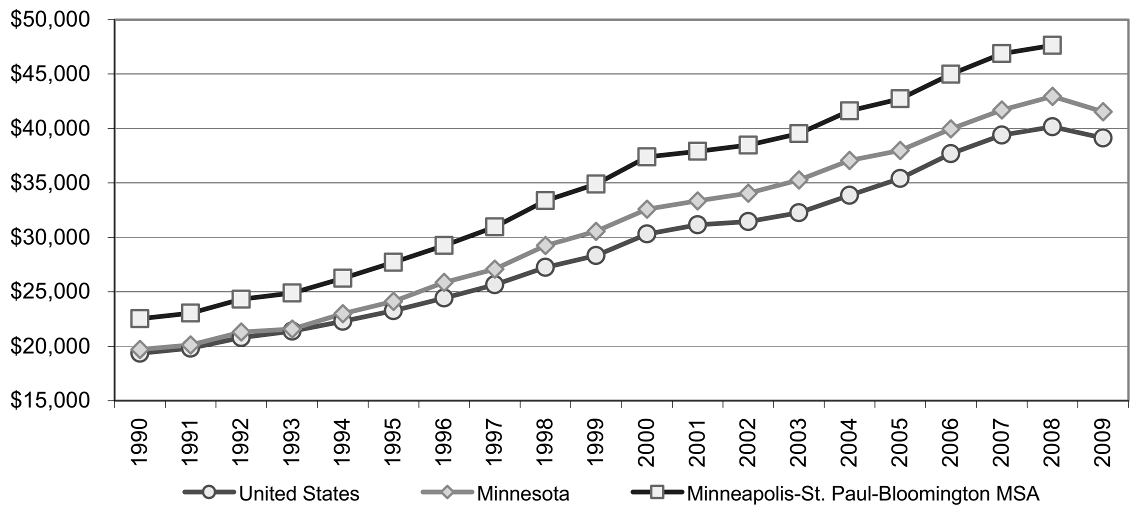
Compound annual growth rate	1990-2000	2000-2009
United States	1.2%	0.9%
Minnesota	1.2	0.7
Minneapolis-St. Paul-Bloomington MSA	1.6	1.0

Source: U.S. Department of Commerce, Bureau of the Census website.

Income

The MSA's per capita personal income in 2008 ($47,700) was higher than both the state average ($43,000) and the national average ($40,200). (See Figure 3.) In fact, the MSA ranks among the highest 10% of metropolitan statistical areas nationwide in terms of per capita personal income. Per capita income growth in the MSA has generally mirrored the pattern of nationwide growth, while remaining at somewhat higher levels over the past two decades.

Figure 3
PER CAPITA PERSONAL INCOME



Compound annual growth rate	1990-2000	2000-2003	2003-2009 *(a)*
United States	4.6%	2.1%	3.3%
Minnesota	5.2	2.7	2.8
Minneapolis-St. Paul-Bloomington MSA	5.2	1.9	3.8

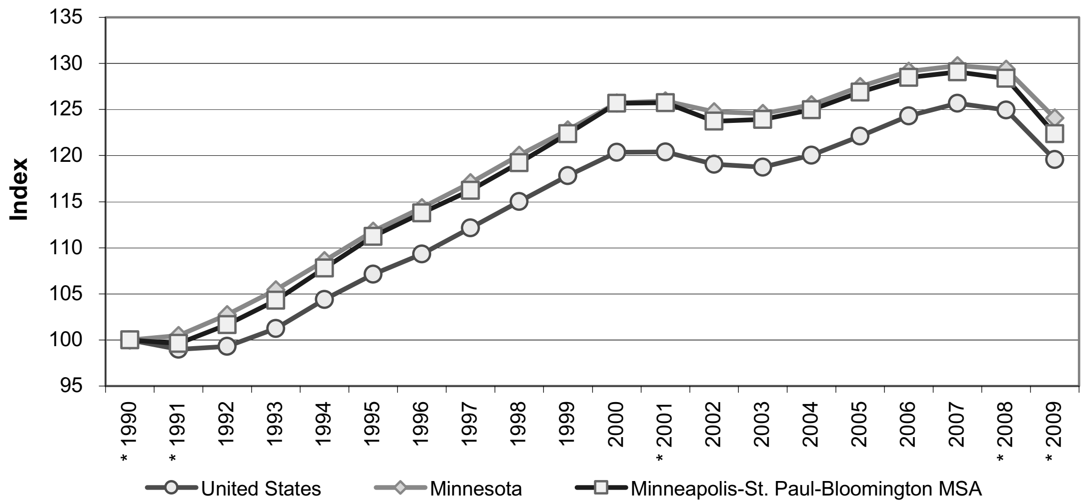
(a) The percentage shown for the Minneapolis-St. Paul-Bloomington MSA is for 2003-2008, the most recent data available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis website.

Employment

Since 1990, employment growth in the MSA has mirrored statewide employment growth. (See Figure 4.) Aside from a relatively quicker recovery from the 1990-91 recession, employment growth in both the MSA and Minnesota has generally followed the nationwide pattern.

Figure 4
COMPARATIVE INDEX OF TOTAL NON-AGRICULTURAL EMPLOYMENT
(1990 = 100)



Compound annual growth rate	1990-2000	2000-2007	2007-2009
United States	1.9%	0.6%	(2.5%)
Minnesota	2.3	0.5	(2.2)
Minneapolis-St. Paul-Bloomington MSA	2.3	0.4	(2.6)

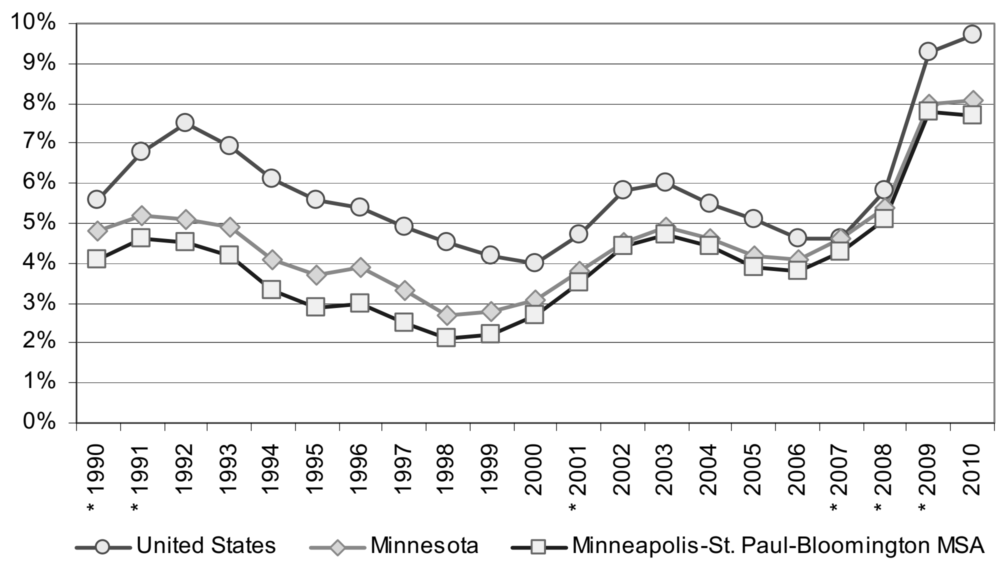
Note: * Indicates national recession during all or part of year, according to the National Bureau of Economic Research.

Source: U.S. Department of Labor, Bureau of Labor Statistics website.

Unemployment Rate

Unemployment rates serve as an indicator of an area's economic health. Unemployment in the MSA has been lower than in the United States and in Minnesota overall in every year since 1990, as shown on Figure 5. In the recent economic recession, unemployment rates increased substantially; the Bureau of Labor Statistics estimates that unemployment in the MSA climbed to 7.7% in the first 3 months of 2010, below both the Minnesota rate (8.1%) and the national rate (9.7%).

Figure 5
CIVILIAN UNEMPLOYMENT RATE
(1990-2010)



Notes: * Indicates national recession during all or part of year, according to the National Bureau of Economic Research.
2010 data represents the average for January-March 2010.

Source: U.S. Department of Labor, Bureau of Labor Statistics website.

Employment by Sector

The major nonagricultural employment sectors are shown in Table 3. Employment growth in the MSA since 1990 has been spread across many industry sectors, resulting in an economy that is diversified and not overly dependent on one industry. The MSA has a higher percentage of jobs in financial activities, professional and business services, and manufacturing than the United States overall, and a lower percentage in government, natural resources, mining, and construction. Although manufacturing employment fell during this period, the decline in the MSA was less than the decline experienced nationally.

Table 3
AVERAGE ANNUAL NONAGRICULTURAL EMPLOYMENT GROWTH, 1990-2009, AND EMPLOYMENT SHARE BY INDUSTRY, 2009

	Compound annual growth rate 1990-2009			2009 Percent of total		
Industry	MSA	Minnesota	United States	MSA	Minnesota	United States
Trade, Transportation, Utilities	0.3%	0.5%	0.5%	18.2%	18.7%	19.1%
Education & Health Services	3.4	3.4	3.0	15.6	17.1	14.7
Professional/ Business Services	1.6	1.9	2.3	14.5	11.6	12.7
Government	1.2	1.0	1.1	14.1	15.7	17.2
Manufacturing	-1.0	-0.7	-2.1	10.4	11.3	9.1
Leisure & Hospitality	1.5	1.5	1.8	9.2	9.0	10.0
Financial Activities	1.5	1.5	0.8	8.0	6.5	5.9
Other Services	1.4	1.2	1.2	4.4	4.4	4.1
Nat. Resources, Mining, Construction	0.6	0.7	0.6	3.3	3.7	5.1
Information	0.2	0.1	0.2	2.3	2.1	2.1
TOTAL	1.1%	1.1%	0.9%	100.0%	100.0%	100.0%

Notes: CAGR=Compound annual growth rate.
Columns may not add to totals shown because of rounding.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Major Employers

The 20 largest private employers in Minnesota (based on the number of employees) are listed in Table 4. Eleven of the 20 companies listed are ranked in the Fortune 500 list of largest U.S. companies, based upon revenues. Delta Air Lines, the tenth-largest employer in the state, is the dominant provider of passenger airline service at the Airport.

Table 4
MAJOR PRIVATE-SECTOR EMPLOYERS IN MINNESOTA
(ranked by number of in-state employees)

Company	Employment	Type of business
Mayo Foundation	37,000	Health services
Target Corp. *(a)*	29,000	Retail trade
Allina Health System	23,818	Health services
Fairview Health Services	21,507	Health services
Wells Fargo *(a)*	20,613	Financial services
Wal-Mart Stores *(a)*	20,230	Retail trade
3M Co. *(a)*	15,000	Manufacturing
HealthPartners	10,322	Health services
U.S. Bancorp *(a)*	10,184	Financial services
Delta Air Lines *(a)*	10,000	Passenger airline
UnitedHealth Group *(a)*	9,967	Health services
Supervalu *(a)*	9,867	Retail trade
Park Nicollet Health Services	8,449	Health services
Medtronic *(a)*	7,992	Services
Hormel Foods *(a)*	7,890	Manufacturing
Best Buy *(a)*	7,601	Retail trade
HealthEast Care System	7,300	Health services
Essentia Health	7,010	Health services
Thomson Reuters Legal	6,600	Services
CentraCare Health System	6,470	Health services

(a) Ranked in 2009 Fortune 500 list of largest U.S. companies (based upon 2008 revenues).
Source: Minneapolis/St. Paul Business Journal, *2010 Book of Lists*.

Additionally, 18 Fortune 500 companies* and 30 Fortune 1000 companies maintain headquarters in the MSA. Corporate headquarters are important generators of airline travel demand due to trips to and from field offices and customer locations, as well as visits from vendors and suppliers.

* UnitedHealth Group, Target, Supervalu, Best Buy, CHS, 3M, U.S. Bancorp, General Mills, Medtronic, Land O'Lakes, Xcel Energy, Mosaic, C.H. Robinson Woldwide, Ameriprise Financial, Ecolab, Thrivent Financial for Lutherans, PepsiAmericas, and Nash-Finch.

Tourism and Local Activities

Located within the MSA are numerous tourist attractions as well as local activities. Given the lengthy winter season in the Twin Cities, the area offers several indoor activities. For example, the MSA is home to the nation's largest shopping center and entertainment complex, the Mall of America, located in Bloomington (almost adjacent to the Airport). The Mall of America's website reports that it receives 40 million visitors per year, and that roughly 4 of every 10 visitors are tourists rather than area residents.

In addition to shopping, the region offers a number of cultural activities. The area has a number of nationally renowned art, music, and theatre organizations including: the Guthrie Theater, the Children's Theatre Company, the Minnesota Orchestra, the St. Paul Chamber Orchestra, the Minnesota Opera, the Walker Art Center, and the Minneapolis Institute of Arts. The MSA also has three historic theaters that host Broadway shows and other cultural events: the State Theatre, the Orpheum Theatre, and the Pantages Theatre.

With respect to sports activities, the MSA is home to five major league professional sports teams: (1) Minnesota Twins baseball team, (2) Minnesota Vikings football team, (3) Minnesota Timberwolves basketball team, (4) Minnesota Lynx women's basketball team, and (5) Minnesota Wild hockey team. At the college level, the University of Minnesota Gophers compete within the Big Ten Conference in a number of sports, including basketball, hockey, football, and soccer.

Some of the local activities include the annual Minnesota State Fair (one of the largest in the nation) held for 12 days in late August and early September; the annual Taste of Minnesota held for four days in the beginning of July in St. Paul; the annual Minneapolis Aquatennial held for ten days in July at various lakes and rivers throughout the city; and the annual St. Paul Winter Carnival held for ten days in the latter part of January.

ECONOMIC OUTLOOK

Economic activity in the MSA is directly linked to the production of goods and services in the rest of the United States. Airline travel and the movement of cargo through the MSA depend on the economic linkages between the MSA, Minnesota, and national economies.

U.S. Economy

The U.S. economy, after expanding from November 2001 to December 2007, entered into a recession, which was triggered by a contraction in the real estate markets combined with a surge in energy and other commodity prices in 2006. As the economy weakened, a number of factors contributed to the intensity and duration of the recession, including:

- A financial system crisis in the United States triggered by a decrease in real estate prices and the value of real estate backed investment securities and other financial assets during the summer of 2007. This was followed by sub-prime mortgage-related problems with some large investment and commercial banks during the first half of 2008 and the collapse of Lehman Brothers Holdings Inc. and the near collapse of American International Group, Inc. (AIG) in the second half of 2008.

- National unemployment rates (seasonally adjusted) increased from 5.8% in July 2008 to 10.0% in December 2009, reflecting the loss of 7 million jobs during this period.

- Consumer spending, which historically accounts for about 70% of U.S. Gross Domestic Product (GDP), became constrained by the loss of home equity, tight credit, modest income growth, and high unemployment in a weak labor market. Consumer borrowing began declining in the fourth quarter of 2008 and accelerated to an 8.5% annual rate of decline by November 2009.

- A significant decline in U.S. economic performance, measured by decreases in GDP during four consecutive quarters beginning with the third quarter of 2008 through the second quarter of 2009.

- A global economic recession, the fourth since World War II, declared by the International Monetary Fund (IMF) in April 2009, related to the spillover effects from the U.S. recession and financial crisis.

During the fourth quarter of 2008, Congress passed the Emergency Economic Stabilization Act of 2008, which provided for a government bailout of troubled banks, and approved $17.4 billion in loan guarantees for the U.S. auto industry.

Although the National Bureau of Economic Research* has not officially announced the end of the current recession, there is general agreement among economists that the recession ended in the second quarter of 2009. Recent trends in U.S. GDP (in 2005 dollars) suggest that economic growth is strengthening, with increases in each of the last three quarters—2.2% in the third quarter of 2009, 5.6% in the fourth quarter of 2009, and 3.2% in the first quarter of 2010. Unemployment rates, however, remain at historically high levels (9.9% in April 2010) and continue to dampen the prospects for an economic recovery.

At its April 2010 meeting, the Federal Open Market Committee (FOMC) expected the economic recovery to continue but at a slower rate of growth in output and employment than past recoveries from deep recessions. The FOMC's April 2010 outlook included the following observations.

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* The National Bureau of Economic Research is a nonprofit economic research organization which determines the start and end dates of U.S. economic cycles.

- Consumer spending and business outlays for equipment and software were seen as broadly consistent with a moderate pace of economic recovery.
- The labor market appeared to be starting to improve, but job growth was expected to be modest.
- The continued expansion of economic activity would be supported by a number of factors, including accommodative monetary policy and the improved condition of financial markets and institutions.

Table 5 presents a comparison of U.S. economic projections prepared by the Congressional Budget Office (CBO), the *Blue Chip* Consensus, and the FOMC. Consistent with the CBO projections, both the *Blue Chip* Consensus and the FOMC projections reflect the effects of fiscal stimulus and Federal Reserve measures to provide support to credit markets. The long-term growth rates for each of three projections (through 2020) do not include assumptions regarding further economic and other shocks, and all three projections show GDP growth ranging from 2.0% to 3.0%. This rate of growth is significantly less than world-wide growth projections, especially in emerging economies like India and China.

Regional Outlook

Near Term. The Federal Reserve Bank of Minneapolis, in its January 2010 *Ninth District Outlook* publication, states that both the nation and the district* appear to have emerged from recession and are expected to recover gradually in 2010; an optimistic outlook in the district for agriculture, manufacturing, consumer spending, and real estate conditions is expected to drive economic recovery, while sluggish construction activity and weak labor markets are expected to offset the pace of recovery. In 2010, the Federal Reserve Bank of Minneapolis projects a slight decline in employment, a slight increase in the unemployment rate, and a modest increase in personal income in Minnesota. Employment growth in Minnesota is expected to resume in 2011.

Longer Term. The Metropolitan Council, a regional planning organization based in St. Paul, periodically publishes long-range projections of population and employment for a core seven-county region representing more than 85% of the population of the MSA. The Metropolitan Council's most recent projections, published in December 2009, call for 1.3% and 1.2% average annual growth in population and employment, respectively, in the seven-county region between 2010 and 2020. These projections are in excess of population projections prepared by the U.S. Census Bureau for the nation and Minnesota (0.8% and 0.9% annual growth, respectively, between 2010 and 2020), and of employment projections prepared by

* The Ninth Federal Reserve District includes Minnesota, North Dakota, South Dakota, Montana, northern Wisconsin, and Michigan's Upper Peninsula.

the Bureau of Labor Statistics for the nation (1.0% annual growth between 2008 and 2018).

Table 5
U.S. ECONOMIC PROJECTIONS
2010-2020

	Average annual percent increase (decrease) *(a)*			
	Historical	Projected		
	1980-2009	2009-2010	2010-2011	2009-2020
Real GDP				
CBO	2.8%	2.1%	2.4%	2.9%
Blue Chip Consensus		2.9	3.1	*(b)*
FOMC		2.7 – 4.0	3.0 – 4.6	2.4 – 3.0
CPI-U				
CBO	3.4%	1.6%	1.1%	1.7%
Blue Chip Consensus		1.7	2.0	*(b)*
	Calendar year average rates			
Unemployment rate (percent)				
CBO	6.2% *(c)*	10.1%	9.5%	5.0% *(d)*
Blue Chip Consensus		10.0	9.3	*(b)*
FOMC		8.6 – 9.7	7.2 – 8.7	5.0 – 6.3
3-Month Treasury Bill rate				
CBO	5.5% *(c)*	0.2%	0.7%	4.8% *(d)*
Blue Chip Consensus		0.5	1.8	*(b)*
10-Year Treasury Note rate				
CBO	7.2% *(c)*	3.6%	3.9%	5.6% *(d)*
Blue Chip Consensus		4.0	4.6	*(b)*

CBO= Congressional Budget Office
CPI-U = Consumer price index for all urban consumers
FOMC = Federal Reserve Board, Federal Open Market Committee
GDP = Gross Domestic Product

Note: The *Blue Chip* Consensus is the average of about 50 forecasts by private-sector economists.

(a) Represents the percent change between the fourth quarters of the years indicated, except for 1980 through 2009.
(b) The January 2010 *Blue Chip* Consensus extends only through 2011.
(c) Represents the average from 1980 through 2009 (estimated).
(d) Level in 2020.

Sources: Congressional Budget Office, *The Budget and Economic Outlook, Fiscal Years 2010 to 2020,* January 2010 (including data for the Blue Chip Consensus). Federal Reserve Board, Federal Open Market Committee, *Summary of Economic Projections*, April 27-28, 2010, published May 19, 2010.

Risks to the U.S. Economic Outlook

While the near-term national economic outlook is improving and the mid- to long-term outlook is favorable, there are risks that these results may not be achieved. Key risks include:

- In the near term, the principal risk is that the federal government's policy response to the current financial crisis and recession in the United States may not be effective in providing the foundation for a recovery in the near-term.
- Inflation risks still persist due to the sizable amount of liquidity that the Federal Reserve Bank has injected into the banking system, which could eventually trigger upward pressures on prices. Also, increases in oil prices and rapid expansion of U.S. industrial capacity could trigger upward pressure on inflation.
- There is the risk that U.S. consumers may not be able to generate much spending growth due to persistent unemployment and the various reasons described above, especially after the planned expiration of the housing credit and cash-for-clunkers programs.
- In the longer term, the principal risks to U.S. economic performance are the sizable external and fiscal deficits. The continuing deficits in the U.S. balance of payments could result in greater volatility in the currency markets, which would then translate into higher interest rates and, therefore, slower economic growth. These risks could be compounded if the fiscal deficit does not shrink within the next 5 years, thereby leading to much larger financing requirements and subsequent increases in interest rates. Increased interest rates could lead to slower investment and, consequently, slower productivity growth.
- The principal risk for the MSA is the potential for the region's economy to lag the national economy in recovering from the recent recession, with slower-than-anticipated job growth and lingering unemployment.

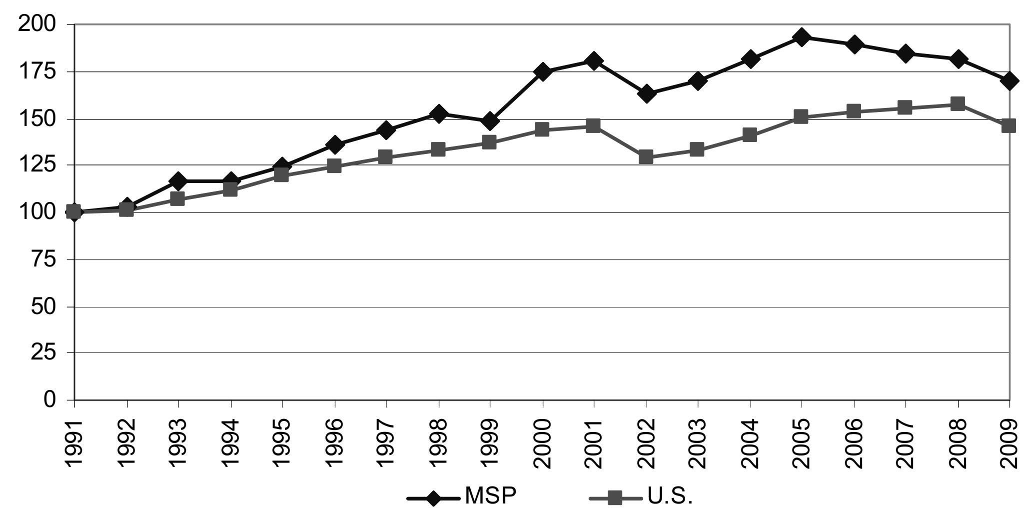
AIRPORT RANKINGS AND ROLES

MSP is a large-hub airport, as defined by the Federal Aviation Administration (FAA), and a connecting hub in the route network of Delta Air Lines that was inherited as part of its merger with Northwest Airlines in 2008. The central location of MSP in the continental United States allows for passenger connections that minimize routing circuity, particularly for transcontinental trip itineraries. Additionally, the Airport is an international gateway for destinations in Canada, Europe, Mexico, Asia, and the Caribbean.

Comparison to National Trends

Growth in the total number of enplaned passengers at MSP relative to national trends from 1991 through 2009 is illustrated on Figure 6. The number of enplaned passengers at MSP outpaced the national trend throughout the 1990s. In the 12 months ended June 2000, MSP passenger growth significantly outpaced the nation, as traffic at the Airport rebounded following a Northwest pilots' strike and was stimulated by Sun Country's introduction of low-fare scheduled service. MSP and the nation recorded similar passenger traffic trajectories in the 4 years following the 2001 economic recession and terrorist attacks. Between 2005 and 2008, the number of enplaned passengers declined at MSP, due largely to a loss of connecting traffic as Northwest restructured during bankruptcy, while the number of passengers nationwide continued to increase. In 2009, the severe economic recession reduced air travel demand, both at the Airport and nationwide.

Figure 6
COMPARATIVE INDEX OF ENPLANED PASSENGERS
Minneapolis-St. Paul International Airport versus U.S. Total
(for the 12 months ended June 30; 1991=100)



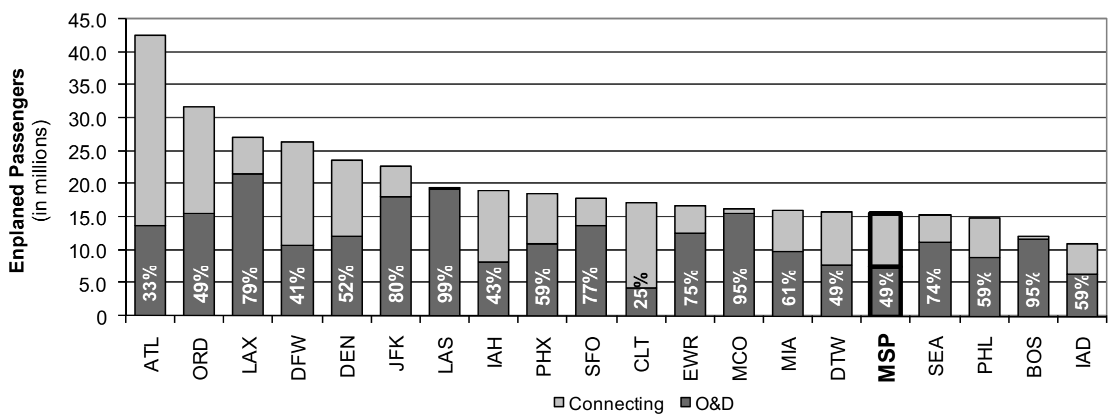
Sources: U.S. DOT, Schedules T100 and 298C T1.

Position Among the Top U.S. Airports

According to Airports Council International (ACI) statistics for 2008, the most recent year for which final statistics are available, MSP was the 30th largest airport in the world as measured by total passengers. U.S. Department of Transportation (DOT) statistics show that, for the 12 months ended June 30, 2009, MSP was the 16th largest airport in the nation in terms of enplaned passengers, as illustrated on Figure 7. (The preliminary ACI statistics for 2009 indicate MSP was the 15th largest airport in the nation as measured by total passengers.)

A total of 7.7 million passengers originated their outbound or return airline trips at MSP in the 12 months ended June 30, 2009 (i.e., these passengers did not connect from another flight). Figure 7 shows that these origin and destination (O&D) passengers made up roughly half (49%) of the passenger base at MSP.* O&D passengers accounted for 60% of all passengers at the top 20 U.S. airports, considered together, indicating a somewhat greater concentration of connecting traffic at MSP relative to its peers.

Figure 7
TOTAL ENPLANED PASSENGERS, BY ORIGIN-DESTINATION AND CONNECTING
Top 20 U.S. Airports in Terms of Enplaned Passengers
(for the 12 months ended June 30, 2009)



Notes: Percentages reflect O&D passengers as a percent of total enplaned passengers.
In this figure, O&D passengers include passengers making a connection from one international flight to another international flight.
Airport Code Legend: ATL=Atlanta, ORD=Chicago-O'Hare, LAX=Los Angeles, DFW=Dallas/Fort Worth, DEN=Denver, JFK=New York-Kennedy, LAS=Las Vegas, IAH=Houston-Bush, PHX=Phoenix, SFO=San Francisco, CLT=Charlotte, EWR=Newark, MCO=Orlando, MIA=Miami, DTW=Detroit, MSP=Minneapolis-St. Paul, SEA=Seattle, PHL=Philadelphia, BOS=Boston, IAD=Washington, D.C.-Dulles.

Sources: U.S. DOT, Schedule T100 and Air Passenger Origin-Destination Survey, reconciled to Schedules T100 and 298C T1.

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* O&D passengers are those who use the subject airport as their initial point of departure or their final destination.

Ranking by Domestic Enplaned Passengers

In the 12 months ended June 30, 2009, MSP ranked 11th among U.S. airports in terms of total domestic enplaned passengers, as shown in Table 6. The number of domestic enplaned passengers at the Airport increased at greater than the nationwide rate between 1999 and 2009. In 2009, the number of domestic enplaned passengers at the Airport was 15.4% above the number recorded in 1999; whereas total domestic enplaned passengers at all U.S. airports increased only 10.0% over the 10-year period.

Table 6
COMPARATIVE TRENDS IN DOMESTIC ENPLANED PASSENGERS
Top 20 U.S. Airports
(for the 12 months ended June 30; passengers in thousands)

2009 Rank	City(-Airport)	Domestic enplaned passengers 1999	2009	Compound annual growth rate 2009-2009	2009 as percent of 1999
1	Atlanta	34,472	38,341	1.1%	111.2%
2	Chicago-O'Hare	29,453	26,611	-1.0	90.3
3	Dallas/ Fort Worth	25,677	24,228	-0.6	94.4
4	Denver	16,995	22,745	3.0	133.8
5	Los Angeles	21,568	19,940	-0.8	92.5
6	Las Vegas	13,214	18,552	3.5	140.4
7	Phoenix	15,176	17,702	1.6	116.6
8	Charlotte	10,792	16,072	4.1	148.9
9	Houston-Bush	12,410	15,350	2.1	123.7
10	Orlando	11,892	15,047	2.4	126.5
11	**Minneapolis/ St. Paul**	**12,607**	**14,552**	**1.4**	**115.4**
12	Detroit	13,882	14,264	0.3	102.8
13	Seattle	11,858	14,042	1.7	118.4
14	San Francisco	14,890	14,035	-0.6	94.3
15	Philadelphia	9,504	13,306	3.4	140.0
16	New York-Kennedy	6,402	12,221	6.7	190.9
17	Newark	12,570	11,518	-0.9	91.6
18	Boston	11,010	10,548	-0.4	95.8
19	New York-LaGuardia	10,366	10,365	-0.0	100.0
20	Baltimore	7,636	9,753	2.5	127.7
	Total---top 30 airports	**302,375**	**339,192**	**1.2%**	**112.2%**
	All other	264,902	284,703	0.7	107.5
	Total---all U.S. airports	**567,277**	**623,895**	**1.0%**	**110.0%**

Sources: U.S. DOT, Schedules T100 and 298C T1.

Ranking by International Enplaned Passengers

In terms of numbers of international passengers for the 12 months ended June 30, 2009, MSP ranked 18th among U.S. airports, as shown in Table 7. The number of international passengers enplaned at the Airport in 2009 was 8.5% higher than in 1999. By comparison, the number of international passengers enplaned at all U.S. airports increased 20.7% over the 10-year period.

Table 7

COMPARATIVE TRENDS IN INTERNATIONAL ENPLANED PASSENGERS

Top 20 U.S. Airports

(for the 12 months ended June 30; passengers in thousands)

2009 Rank	Airport	International enplaned passengers 1999	2009	Compound annual growth rate 2009-2009	2009 as percent of 1999
1	New York-Kennedy	8,474	10,678	2.3%	126.0%
2	Miami	7,715	7,952	0.3	103.1
3	Los Angeles	7,204	7,369	0.2	102.3
4	Newark	3,823	5,299	3.3	138.6
5	Chicago-O'Hare	4,405	5,170	1.6	117.4
6	Atlanta	2,585	4,440	5.6	171.8
7	San Francisco	3,395	3,958	1.5	116.6
8	Houston-Bush	2,226	3,733	5.3	167.7
9	Wash. DC-Dulles	1,638	2,873	5.8	175.4
10	Dallas/ Fort Worth	2,137	2,329	0.9	109.0
11	Philadelphia	1,162	1,802	4.5	155.1
12	Boston	1,692	1,722	0.2	101.7
13	Detroit	1,532	1,630	0.6	106.4
14	Honolulu	2,544	1,616	-4.4	63.5
15	Fort Lauderdale	505	1,446	11.1	286.7
16	Orlando	993	1,351	3.1	136.0
17	Seattle	1,007	1,317	2.7	130.7
18	**Minneapolis/ St. Paul**	**1,088**	**1,180**	**0.8**	**108.5**
19	Charlotte	286	1,152	15.0	403.3
20	Las Vegas	423	1,103	10.1	260.6
	Total---top 20 airports	**54,835**	**68,122**	**2.2%**	**124.2%**
	All other	8,068	7,818	-0.3	96.9
	Total---all U.S. airports	**62,903**	**75,939**	**1.9%**	**120.7%**

Sources: U.S. DOT, Schedules T100 and 298C T1.

Ranking by Cargo Tonnage

MSP ranks 24th among U.S. airports in terms of air cargo tonnage, as shown in Table 8. In 2009, more than 1.1 million pounds of cargo, on average, were handled at the Airport every day.

Table 8
RANKING OF U.S. AIRPORTS BY TOTAL AIR CARGO TONNAGE
(calendar year 2009; in metric tons)

Rank	Airport	Cargo Tonnage
1	Memphis	3,697,054
19	Seattle	269,689
20	Boston	247,782
21	Toledo, OH	241,472
22	Denver	224,375
23	Phoenix	223,664
24	**Minneapolis-St. Paul**	**189,690**
25	Portland, OR	178,720
26	Detroit	161,886
27	Orlando	137,150
28	Salt Lake City	135,575
29	Cincinnati	133,125

Note: Sum of enplaned and deplaned cargo tonnage.
Sources: Airports Council International, *2009 North American Traffic Report.*

Delta Air Lines/Northwest Airlines

Northwest Airlines started flying mail between Minneapolis-St. Paul and Chicago in 1926. Sixty years later, the airline supplemented its hub at MSP with hubbing operations at Detroit and Memphis, gained through its 1986 acquisition of Republic Airlines. Northwest was headquartered in Minneapolis-St. Paul until its October 2008 merger with Atlanta-based Delta Air Lines. With the merger, the combined airline became the world's largest in terms of enplaned passengers, employing approximately 81,000 people and operating a fleet of roughly 980 aircraft as of December 31, 2009.*

Delta Air Lines, the primary airline at MSP, has significant shares of the U.S. domestic, transatlantic, and transpacific markets. Delta's largest hub operations, in

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* Including the employees and fleets of wholly-owned subsidiaries Comair, Compass, and Mesaba, but excluding those of regional affiliates operating under Contract Carrier agreements.

terms of scheduled departing seats, are located at Atlanta, MSP, Detroit, New York-Kennedy, Salt Lake City, Memphis, and Cincinnati. Within Delta's U.S. airport network, MSP ranked second in terms of seats on domestic flights, just ahead of Detroit. (See Table 9.) MSP ranked third in Delta's network in terms of seats on international flights.

Table 9

TOTAL SCHEDULED DEPARTING SEATS ON DELTA AIR LINES

Top U.S. City Markets in Delta's System

(for the first week of March)

2010 Rank	City market	Departing seats (thousands) 2005	2006	2007	2008	2009	2010
DOMESTIC:							
1	Atlanta	850	671	670	683	673	684
2	**Minneapolis-St. Paul**	**379**	**326**	**324**	**308**	**298**	**275**
	Percent of total	***7.8%***	***8.3%***	***8.3%***	***8.1%***	***8.5%***	***8.2%***
3	Detroit	364	314	313	297	283	272
4	New York *(a)*	211	197	211	218	217	210
5	Salt Lake City	214	178	180	179	169	162
6	Memphis	132	124	115	115	109	104
7	Los Angeles *(b)*	98	90	95	99	81	88
8	Cincinnati	315	183	181	163	122	83
9	Washington DC/ Baltimore *(c)*	117	99	100	100	91	80
10	Orlando	113	103	90	84	66	64
	All other markets	2,037	1,643	1,621	1,554	1,397	1,331
	Total---all markets	4,831	3,928	3,901	3,799	3,506	3,351
INTERNATIONAL:							
1	Atlanta	69	85	96	100	98	97
2	New York *(a)*	29	27	39	43	41	45
3	**Minneapolis-St. Paul**	**30**	**28**	**33**	**34**	**31**	**29**
	Percent of total	***13.7%***	***11.9%***	***12.3%***	***12.1%***	***12.4%***	***11.4%***
4	Detroit	40	37	37	42	30	28
5	Honolulu	7	7	9	7	7	8
6	Guam	3	6	7	6	6	8
7	Los Angeles	4	4	9	9	5	7
8	Salt Lake City	4	6	8	6	5	5
9	Saipan	4	6	5	5	5	5
10	Seattle	4	3	3	3	3	4
	All other markets	57	54	63	68	63	62
	Total---all markets	222	234	271	280	254	254

Notes: Includes departing seats on Delta, Northwest, and their regional affiliated carriers. Columns may not add to totals shown because of rounding.

(a) Market is served by LaGuardia, Kennedy, and Newark airports.
(b) Market is served by Los Angeles, Burbank, Long Beach, Ontario, and Santa Ana airports.
(c) Market is served by Reagan, Dulles, and Baltimore airports.

Source: *Official Airline Guide.*

In 2000, Delta announced the formation of the SkyTeam alliance, a commercial arrangement made in conjunction with three other airlines: Air France, Aeromexico, and Korean Air. By February 2010, Aeroflot, Alitalia, China Southern Airlines, Czech Airlines, and KLM Royal Dutch Airlines had also joined the alliance. (Northwest joined the alliance in 2004, prior to its merger with Delta). Under the alliance agreement, Delta and the other airlines work together in a number of ways, including flight code sharing, scheduling and pricing, marketing and sales, and airport ground handling. The benefits to Delta include additional connecting traffic, access to markets where the airline does not currently operate, and cost savings in such areas as training, purchasing, and airport ground handling.

In the fourth quarter of 2009, while Delta's unit revenues* declined 5.4% compared to unit revenues in the fourth quarter of 2008, its unit costs (excluding special items) declined 7.2%. Delta cited lower fuel expense, reduced capacity, productivity improvements, and merger benefits as the primary reasons. Fourth quarter 2009 system-wide revenue passenger-miles (RPMs) declined 7.0% year-over-year with an 8.2% decline in available seat-miles (ASMs) resulting in an increase in load factor over the period from 80.6% to 81.7%.† In Delta's fourth quarter 2009 earnings report, President Ed Bastian stated:

> Our revenue performance this quarter showed indications of economic recovery with increased corporate travel demand, strong load factors and sequential RASM [revenue per available seat-mile] improvement each month. With initiatives in place to broaden our network through new alliances, invest $1 billion in our fleet and product and reallocate our global fleet under our single operating certificate, we have built the foundation for further RASM improvement this year.

It is worth noting that, despite Delta's capacity reductions at MSP and system-wide, the airline continues to maintain more than 8% of its total network capacity at MSP according to advance published schedules for the first 6 months of 2010.

Figure 8 illustrates Delta's mix of O&D and connecting passengers at each of its seven hub airports in the 12 months ended June 2009. Among the seven airports, MSP was in a virtual tie for second place with Detroit, each with nearly 5 million enplaned O&D passengers. This large base of O&D passengers supports Delta's connecting operation at MSP by enabling it to maintain high frequencies for accommodating passenger connections efficiently.

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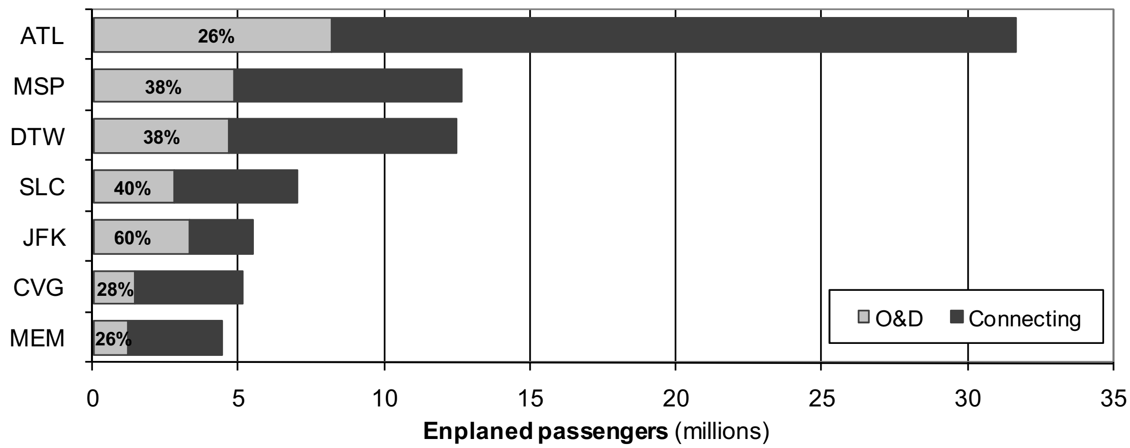
* Airline unit revenue and unit costs are measured per available seat-mile.

† Including regional affiliate airlines.

Figure 8
TOTAL ENPLANED PASSENGERS ON DELTA AIR LINES BY ORIGIN-DESTINATION AND CONNECTING
Delta's U.S. Hub Airports
(for the 12 months ended June 30, 2009)



Notes: Percentages reflect O&D passengers as a percent of total enplaned passengers.
Includes passengers on Delta, Northwest, and their regional code-sharing affiliates.
Excludes passengers enplaned on non-scheduled (i.e. charter) flights and passengers connecting from one international flight to another.
May exclude a small number of passengers enplaned on certain commuter airlines.
Airport Codes: ATL=Atlanta, MSP=Minneapolis/St. Paul, DTW=Detroit, SLC=Salt Lake City, JFK=New York-Kennedy, CVG=Cincinnati, MEM=Memphis.

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

AIRLINE SERVICE AND PASSENGER TRAFFIC

In addition to being a major hub for Delta, MSP is served by a diverse group of airlines. Table 10 lists the passenger airlines that provided service at MSP in 2009. Several all-cargo carriers, including FedEx, UPS, Air Transport International, and ABX Air, also provided service at the Airport.

Table 10
AIRLINES REPORTING ENPLANED PASSENGERS
Minneapolis-St. Paul International Airport
(calendar year 2009)

	U.S. AIRLINES (26)		
Air Wisconsin	Compass (DL, NW)	Midwest	Southwest
AirTran	Continental	Northwest (DL)	Sun Country
Alaska	Continental Express (CO)	Pinnacle (DL, NW)	US Airways
American	Delta	Omni International *(a)*	United
Atlantic Southeast (DL)	Frontier	Republic (US, YX)	Trans States (AA)
Chautauqua (AA, CO)	Mesa (US)	Shuttle America (DL, UA)	
Comair (DL, NW)	Mesaba (DL, NW)	Skywest (DL, YX)	
	FOREIGN-FLAG AIRLINES (3)		
Air Canada Jazz	Aeromexico	Icelandair	

Notes: Northwest and Delta merged in October 2008 and began operating under a single operating certificate in December 2009.
Major codesharing partner airline is shown in parentheses: AA=American, CO=Continental, DL=Delta, NW=Northwest, UA=United, US=US Airways, YX=Midwest.
(a) Operated non-scheduled (charter) services only.
Source: Metropolitan Airports Commission.

Airline Service

Figure 9 shows the locations of the U.S. airports served by daily scheduled nonstop jet flights from MSP in the first week of March 2010.

LEGEND

● Daily scheduled nonstop service

Figure 9

U.S. AIRPORTS SERVED BY DAILY SCHEDULED ROUND TRIP PASSENGER JET FLIGHTS

Minneapolis International Airport

First Week of March, 2010

Source: Official Airline Guides, Inc.

JACOBS CONSULTANCY

The comparisons of current airline service at MSP with service offered over the past 10 years depicted in Tables 11, 12, and 13 are based on published flight schedules in the first week of March in 2000, 2005, 2009, and 2010.

Whether measured by the number of cities served, departing flights, or scheduled seats, the level of domestic airline service at MSP increased from 2000 to 2005, declined from 2005 to 2009, and then declined further in 2010. (See Table 11.) The decline in airline service since 2005 was related in part to the restructuring by Northwest during that period and, more recently, to the industry-wide reduction in capacity that occurred during the recent economic downturn. Much of the decline in capacity was mitigated by substantially higher passenger load factors, by which airlines accommodated more passengers with fewer seats.

Over the 10-year period, the reduction in airline service was most significant on short-haul routes. For medium-long and long-haul routes, by contrast, the level of airline service remained relatively stable at MSP over the 10-year period. Table 11 also illustrates the increasing role played by regional jets at MSP. In 2000, regional jets accounted for only 6% and 3% of the Airport's domestic flights and seats, respectively; by 2010, they accounted for 43% and 26%, partially offsetting declines in service by turboprops and large jets.

The comparison of scheduled nonstop jet service presented in Table 12 summarizes how airline service at MSP has changed over the past 10 years in the Airport's top 20 domestic O&D city-pair markets. The number of jet flights in MSP's top 20 city-pair markets was 3% lower in 2010 than it was in 2000.

In March 2010, there was competing nonstop service in 16 of the top 20 markets; two markets were served by four airlines and another four markets were served by three airlines. Delta provided nonstop service in all of MSP's top 20 O&D passenger markets. Additionally, 11 of the 20 markets were served nonstop by LCCs (AirTran, Frontier, Southwest, and Sun Country).

Nonstop international service is offered at MSP to Canada, Mexico, Europe, Asia, and the Caribbean. (See Table 13.) Over the past 10 years, international service at the Airport has increased materially, from 220 weekly flights in March 2000 to 275 in March 2010. This increase was entirely attributable to increases in the number of flights to Mexico and the Caribbean.

Delta accounted for the majority of international service at MSP in March 2010 (234 of the 275 weekly flights). Sun Country and Air Canada accounted for the remaining 41 flights.

Table 11

DAILY SCHEDULED DOMESTIC PASSENGER SERVICE

Minneapolis-St. Paul International Airport

(for the first week in March)

	2000	2005	2009	2010
NUMBER OF CITIES SERVED NONSTOP	**109**	**133**	**123**	**114**
Change from previous year shown		24	(10)	(9)
By aircraft type:				
Total jet	83	120	108	102
Large jet	*81*	*82*	*58*	*58*
Regional jet	*18*	*75*	*81*	*72*
Turboprop	38	27	27	15
By stage length:				
Short-haul (<600 mi.)	54	51	55	48
Medium-short haul (600-1200 mi.)	33	60	48	44
Medium-long haul (1200-1800 mi.)	19	18	17	18
Long-haul (>1800 mi.)	3	4	3	4
AVERAGE DAILY DEPARTING FLIGHTS	**583**	**642**	**531**	**500**
Change from previous year shown		60	(111)	(31)
By aircraft type:				
Total jet	460	570	474	468
Large jet	*425*	*389*	*263*	*254*
Regional jet	*34*	*181*	*211*	*213*
Turboprop	123	73	57	33
By stage length:				
Short-haul (<600 mi.)	320	303	255	227
Medium-short haul (600-1200 mi.)	176	237	184	184
Medium-long haul (1200-1800 mi.)	83	98	89	86
Long-haul (>1800 mi.)	3	5	3	4
AVERAGE DAILY SCHEDULED SEATS	**64,103**	**66,322**	**53,173**	**51,044**
Change from previous year shown		2,219	(13,150)	(2,129)
By aircraft type:				
Total jet	59,981	63,868	51,248	49,949
Large jet	*57,782*	*54,021*	*38,203*	*36,771*
Regional jet	*2,199*	*9,847*	*13,044*	*13,178*
Turboprop	4,122	2,454	1,925	1,094
By stage length:				
Short-haul (<600 mi.)	26,597	24,285	18,845	17,537
Medium-short haul (600-1200 mi.)	21,690	24,527	18,844	18,507
Medium-long haul (1200-1800 mi.)	14,939	16,460	14,769	14,236
Long-haul (>1800 mi.)	877	1,050	714	763

Note: Columns may not add to totals shown because of rounding.

Source: *Official Airline Guide.*

Table 12

COMPARISON OF SCHEDULED NONSTOP JET SERVICE
IN THE TOP 20 DOMESTIC O&D PASSENGER MARKETS

Minneapolis-St. Paul International Airport
(for the first week in March)

Rank (a)	City market *Airport*	Nonstop mileage	Airlines offering nonstop service (b)	Number of carriers serving (c) 2000	2005	2009	2010	Weekly scheduled jet flight departures 2000	2005	2009	2010
1	Chicago	342	AA,DL,WN,UA	4	4	3	4	351	299	264	300
	O'Hare		*AA,DL,UA*	*3*	*3*	*3*	*3*	*250*	*206*	*199*	*192*
	Midway		*DL,WN*	*2*	*2*	*1*	*2*	*101*	*93*	*65*	*108*
2	New York (d)	1,016	CO,DL	3	3	3	2	120	142	146	146
3	Los Angeles (e)	1,527	DL	2	2	1	1	84	80	66	61
4	Phoenix	1,276	DL,SY,US	3	3	3	3	91	87	94	83
5	Orlando	1,309	DL,FL,SY	2	3	3	3	42	71	59	60
6	Washington DC/ Baltimore (f)	923	DL	2	2	1	1	100	121	79	80
7	Denver	679	DL,F9,WN,UA	3	4	3	4	115	128	109	132
8	Las Vegas	1,298	DL,SY	3	3	3	2	56	87	64	52
9	San Francisco (g)	1,578	DL,UA	1	2	1	2	53	54	48	60
10	Atlanta	906	DL,FL	1	2	2	2	83	139	119	111
11	Dallas/ Ft. Worth (h)	859	AA,DL,SY	3	3	3	3	100	100	85	83
12	Seattle	1,393	AS,DL	2	2	2	2	48	40	54	55
13	Boston	1,120	DL	2	1	1	1	48	34	32	33
14	Fort Myers	1,418	DL,SY	2	2	2	2	24	43	40	42
15	Tampa	1,308	DL,SY	1	2	2	2	28	43	33	32
16	San Diego	1,530	DL,SY	2	2	2	2	31	33	33	30
17	Philadelphia	978	DL,US	2	2	2	2	54	71	57	59
18	Detroit	527	DL	2	1	1	1	115	98	96	70
19	Miami	1,502	AA,DL,SY	2	3	3	3	23	30	32	29
20	Houston (i)	1,036	CO,DL	3	3	2	2	64	69	65	65
	Total---top 20 markets			8	9	9	10	1,630	1,769	1,575	1,583
	All other markets							1,587	2,219	1,743	1,691
	Total---all markets			9	10	10	11	3,217	3,988	3,318	3,274

(a) Top 20 city markets ranked by domestic outbound O&D passengers for the 12 months ended June 30, 2009.
(b) For the first week of March, 2010. Carrier legend: AA=American, AS=Alaska, CO=Continental, DL=Delta/Northwest, F9=Frontier, FL=AirTran, SY=Sun Country, UA=United, US=US Airways, WN=Southwest.
(c) Each mainline carrier and its code-sharing affiliates were counted as one airline.
(d) Market includes LaGuardia, Newark, and Kennedy airports.
(e) Market includes Los Angeles, Burbank, Long Beach, Ontario, and Santa Ana airports.
(f) Market includes Dulles, Reagan, and Baltimore airports.
(g) Market includes San Francisco, Oakland, and San Jose airports.
(h) Market includes Dallas/Ft. Worth Airport and Love Field.
(i) Market includes Bush and Hobby airports.
Source: *Official Airline Guide.*

Table 13

WEEKLY SCHEDULED INTERNATIONAL PASSENGER FLIGHTS

Minneapolis-St. Paul International Airport

(for the first week in March)

Destination world area	Nonstop destination	Carrier	Flight departures per week 2000	2005	2009	2010
Total			**220**	**263**	**271**	**275**
Canada			**167**	**165**	**142**	**156**
	Toronto	Delta	21	28	20	26
		Air Canada	20	12	12	12
	Winnipeg	Delta	35	42	35	28
	Edmonton	Delta	14	14	12	20
	Calgary	Delta	14	14	14	14
	Regina	Delta	14	14	14	14
	Thunder Bay	Delta	14	20	14	7
	Saskatoon	Delta	14	7	7	14
	Montreal	Delta	14	7	7	7
	Vancouver	Delta	7	7	7	14
Mexico			**14**	**52**	**91**	**81**
	Cancun	Delta	7	15	29	29
		Sun Country	-	9	11	11
	Puerto Vallarta	Delta	2	8	15	8
		Sun Country	-	3	5	6
	Los Cabos	Delta	2	2	7	7
		Sun Country	-	-	1	1
	Mazatlan	Delta	-	1	5	4
		Sun Country	-	4	2	3
	Cozumel	Delta	1	2	5	4
		Sun Country	-	2	2	2
	Ixtapa/ Zihuatanejo	Delta	1	2	5	3
		Sun Country	-	1	2	2
	Acapulco	Delta	1	1	1	-
		Sun Country	-	1	-	-
	Manzanillo	Delta	-	-	1	1
		Sun Country	-	1	-	-
Europe			**27**	**32**	**19**	**19**
	Amsterdam	Delta	7	21	14	14
		KLM	7	-	-	-
	London-Gatwick	Delta	7	7	-	-
	London-Heathrow	Delta	-	-	5	5
	Reykjavik	Icelandair	6	4	-	-
Asia			**9**	**8**	**7**	**7**
	Tokyo	Delta	9	8	7	7
Caribbean			**2**	**5**	**12**	**12**
	Montego Bay	Delta	-	2	6	6
		Sun Country	-	1	2	2
	Punta Cana	Sun Country	-	-	2	1
		Delta	-	1	-	1
	St. Maarten	Sun Country	-	1	1	1
		Delta	1	-	-	-
	Grand Cayman	Delta	-	-	1	1
	Puerto Plata	Delta	1	-	-	-
Central America			**1**	**1**	**-**	**-**
	Liberia	Delta	1	1	-	-

Source: *Official Airline Guide.*

The number of Delta flights and seats at MSP peaked in 2004. (See Table 14.) Between 2004 and 2009, Delta's flights and seats declined more than 20% at the Airport. These declines were driven by reductions in domestic service to a greater extent than by reductions in international service.

Since 2000, regional affiliate airlines have accounted for an increasing share of the service offered by Delta at MSP. In spite of increases in average seats per flight for both its own flights as well as those offered by its regional affiliates, there has been an overall decline in Delta's average seats per flight at the Airport due to increased activity by the regional affiliates.

Table 14
AVERAGE DAILY DEPARTING FLIGHTS AND SEATS ON DELTA AIR LINES
Minneapolis-St. Paul International Airport
(calendar years)

	Domestic			International			Total		
Year	Delta & Northwest	Affiliates	Total	Delta & Northwest	Affiliates	Total	Delta & Northwest	Affiliates	Total
Scheduled departing flights									
2000	337	153	490	24	4	28	361	156	517
2004	322	208	530	23	6	29	345	214	559
2009	194	223	417	14	14	28	208	236	445
Percent of total									
2000	69%	31%	100%	87%	13%	100%	70%	30%	100%
2004	61%	39%	100%	79%	21%	100%	62%	38%	100%
2009	47%	53%	100%	51%	49%	100%	47%	53%	100%
Scheduled departing seats									
2000	45,798	6,383	52,182	3,718	179	3,897	49,516	6,562	56,079
2004	44,013	9,865	53,879	3,482	289	3,771	47,496	10,154	57,650
2009	28,349	12,481	40,831	2,727	833	3,561	31,077	13,314	44,391
Percent of total									
2000	88%	12%	100%	95%	5%	100%	88%	12%	100%
2004	82%	18%	100%	92%	8%	100%	82%	18%	100%
2009	69%	31%	100%	77%	23%	100%	70%	30%	100%
Average seats per flight									
2000	135.9	41.8	106.6	155.0	49.6	141.2	137.1	42.0	108.4
2004	136.7	47.5	101.7	153.2	48.6	131.5	137.8	47.5	103.2
2009	146.0	56.1	98.0	192.6	60.8	127.8	149.2	56.3	99.8

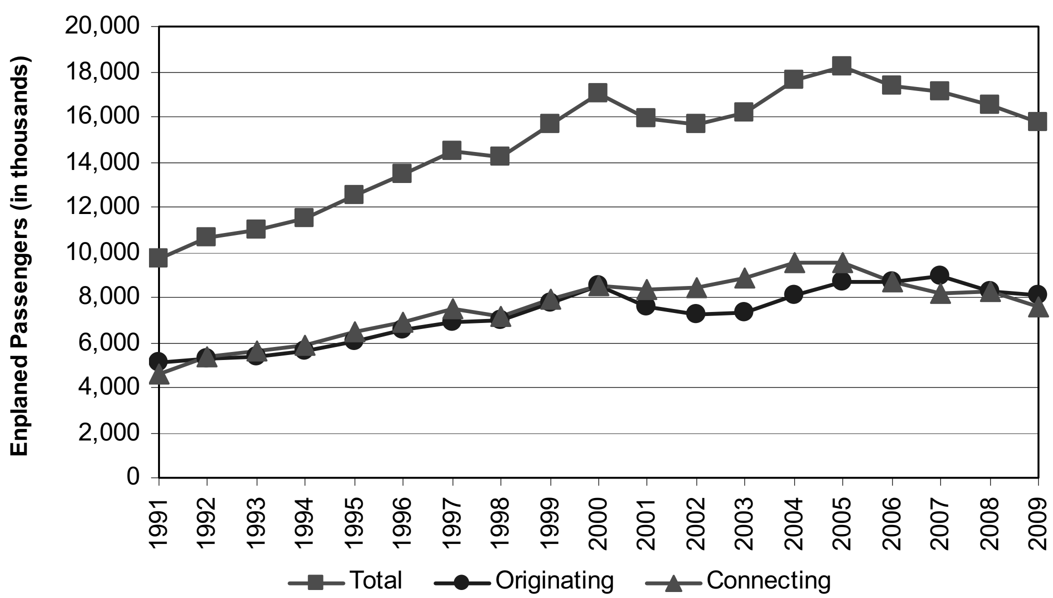
Note: Includes flights and seats for Delta, Northwest, and their regional codesharing affiliates.
Source: *Official Airline Guide*.

Passenger Traffic Trends

The composition of passenger traffic at MSP has changed over the most recent 10-year period. The chronology presented in Table 27, at the end of this section, provides a historical context for the events and trends that have occurred at the Airport since 1994.

MSP experienced strong growth in enplaned passengers throughout the 1990s. (See Figure 10.) Between 2000 and 2002, the number of passengers declined 8%, following the economic recession and the 2001 terrorist attacks. Connecting passenger traffic held steady, and the decline was almost entirely attributable to O&D passengers. By 2004, passenger traffic recovered and surpassed its 2000 level, and the Airport reached a record 18.2 million enplanements in 2005. Since 2005, the number of enplaned passengers has fallen 14% at MSP. In 2006 and 2007, the decline was due entirely to a reduction in connecting traffic, reflecting a resizing of Northwest's hub operation during its bankruptcy, whereas in 2008 and 2009, it was due largely to declining O&D passenger levels, reflecting weak demand during the recent recession. As the chart in Figure 10 illustrates, there has been a close correspondence at MSP between the numbers of O&D and connecting passengers.

Figure 10
ENPLANED PASSENGER TRENDS
Minneapolis-St. Paul International Airport
(calendar years)



Source: U.S. DOT, Schedules T100 and T3; U.S. DOT, *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

While Delta and its regional affiliates accounted for 78.7% of total enplaned passengers at MSP in 2009, they represented a lesser share of O&D passengers at the Airport (61.0%). The other airlines boarded the remaining scheduled O&D passengers as well as most of the charter traffic. (See Table 15.) The vast majority (97.7%) of connecting passengers at MSP, however, was enplaned on Delta and its regional affiliates.

Table 15
CARRIER SHARES: TOTAL ENPLANED PASSENGERS BY CATEGORY
Minneapolis-St. Paul International Airport
(2009)

Category	Total enplaned passengers	Estimated carrier shares: Delta/Northwest & regionals	Estimated carrier shares: All other airlines
Scheduled			
Originating	8,081,184	61.0%	39.0%
Connecting *(a)*	7,603,285	97.7*(b)*	2.3
Total	15,684,469	78.8%	19.5%
Charter	21,603	32.8%	62.8%
TOTAL ENPLANED PASSENGERS	**15,706,072**	**78.7%**	**19.6%**

(a) Includes all domestic-to-domestic, domestic-to-international, international-to-domestic connections. Connections made from one international flight to another are not reported.
(b) Represents connections from Delta/Northwest and all other airlines to flights operated by Delta, Northwest and their regional codesharing affiliates.
Source: U.S. DOT, Schedules T100; *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1.

Passenger Traffic Trends by Segment

As shown in Table 16, the total number of enplaned passengers at MSP increased 2.5% per year, on average, from 1999 to 2005 and then declined from 2005 to 2009, resulting in no net passenger growth over the 10-year period. The number of O&D passengers showed a slight net gain over the period, while the number of connecting passengers declined slightly. Charter traffic at the Airport declined from 675,000 enplaned passengers in 1999 to fewer than 25,000 in 2009; this was primarily attributable to Sun Country's restructuring from a charter airline to one offering mostly scheduled service.

Table 16
ENPLANED PASSENGER TRENDS
BY FLIGHT DESTINATION AND TYPE OF PASSENGER
Minneapolis-St. Paul International Airport
(calendar years; passengers in thousands)

	By sector			By type of passenger		
Year	Domestic	International	Charter	O&D	Connecting	**TOTAL**
1999	13,875	1,093	675	7,738	7,905	**15,643**
2000	15,357	1,178	490	8,491	8,533	**17,024**
2001	14,587	1,090	195	7,562	8,310	**15,872**
2002	14,351	1,060	258	7,206	8,463	**15,669**
2003	14,945	1,016	183	7,293	8,851	**16,144**
2004	16,246	1,165	222	8,106	9,527	**17,634**
2005	16,770	1,196	223	8,692	9,498	**18,189**
2006	16,070	1,156	164	8,704	8,687	**17,390**
2007	15,811	1,215	100	8,922	8,203	**17,125**
2008	15,205	1,267	47	8,263	8,256	**16,519**
2009	14,579	1,105	22	8,103	7,603	**15,706**
Compound annual growth rate:						
1999-2005	3.2%	1.5%		2.0%	3.1%	**2.5%**
2005-2009	(3.4)	(2.0)		(1.7)	(5.4)	**(3.6)**
1999-2009	0.5	0.1		0.5	(0.4)	**0.0**

Note: Rows may not add to totals shown because of rounding.
Sources: U.S. DOT, Schedules T100 and T3; U.S. DOT, *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

O&D passengers represented 52% of total enplaned passengers at MSP in 2009. Most of the O&D passengers are domestic, as shown in Table 17. The number of domestic O&D enplaned passengers increased 2.7% per year, on average, between 1999 and 2007, before declining 9% in the subsequent 2 years.

The remainder, international O&D passengers, can be divided into two categories. The first category consists of passengers bound for international destinations who board international flights at MSP. The second category consists of travelers bound for international destinations who board domestic flights (and are counted as domestic enplaned passengers) at MSP and exit the United States via connecting flights at other U.S. gateway airports. The total number of international O&D passengers at MSP increased an estimated 2.8% per year, on average, from 1999 through 2009, compared to the 1.2% average rate of growth for domestic O&D passengers.

Table 17
ORIGIN-DESTINATION PASSENGER TRENDS
Minneapolis-St. Paul International Airport
(calendar years; enplaned passengers in thousands)

Year	Domestic O&D passengers	International O&D passengers: on international flights *(a)*	International O&D passengers: on domestic flights *(b)*	International O&D passengers: Total	**Total O&D passengers** *(c)*
1999	6,366	427	270	697	**7,738**
2000	7,225	452	325	777	**8,491**
2001	6,603	447	316	764	**7,562**
2002	6,208	411	329	740	**7,206**
2003	6,390	383	336	719	**7,293**
2004	7,075	443	366	809	**8,106**
2005	7,609	465	395	859	**8,692**
2006	7,644	479	417	896	**8,704**
2007	7,857	540	425	965	**8,922**
2008	7,214	578	425	1,002	**8,263**
2009	7,160	508	414	922	**8,103**
Compound annual growth rate					
1999-2007	2.7%	3.0%	5.8%	4.1%	**1.8%**
2007-2009	(4.5)	(3.0)	(1.4)	(2.3)	**(4.7)**
1999-2009	1.2	1.7	4.4	2.8	**0.5**

(a) Includes international O&D passengers on scheduled flights, along with small numbers of passengers on charter flights, non-revenue passengers, and international-to-international connections, if any.
(b) Passengers who boarded domestic flights to other U.S. gateway airports where they connected with flights to their international destinations.
(c) Domestic O&D Passengers and International O&D Passengers may not add to Total O&D Passengers because of passengers on charter flights.
Sources: U.S. DOT, Schedules T100 and T3; U.S. DOT, *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

The other major passenger segment at MSP—connecting passengers—represented approximately 48% of total enplaned passengers in 2009. They are categorized into two groups: (1) connections from one domestic flight to another and (2) "gateway" connections, from a domestic flight to an international flight, or vice versa, as shown in Table 18.* In 2009, domestic-to-domestic connections accounted for roughly 84% of all connecting passengers at MSP, while gateway connections accounted for the remaining 16%. Between 1999 and 2005, connecting traffic at MSP increased at 3.1% per year, on average, driven by stronger growth in domestic-to-domestic connections. After 2005, however, connecting traffic declined; both types of connecting passengers showed declines of roughly 5.0% per year, on average.

* A third type of connecting passenger, connecting from one international flight to another, is not reported separately by the airlines, but it is believed that the number of these connections at MSP is not material.

Table 18

CONNECTING PASSENGER TRENDS

Minneapolis-St. Paul International Airport

(calendar years; enplaned passengers in thousands)

Year	Connections between dom. flights	% of total	Gateway connections between dom. and intl. flights	% of total	**Total connecting passengers**
1999	6,544	82.8%	1,360	17.2%	**7,905**
2000	7,049	82.6	1,483	17.4	**8,533**
2001	6,991	84.1	1,319	15.9	**8,310**
2002	7,170	84.7	1,293	15.3	**8,463**
2003	7,581	85.7	1,270	14.3	**8,851**
2004	8,089	84.9	1,438	15.1	**9,527**
2005	8,035	84.6	1,463	15.4	**9,498**
2006	7,327	84.3	1,360	15.7	**8,687**
2007	6,844	83.4	1,359	16.6	**8,203**
2008	6,875	83.3	1,381	16.7	**8,256**
2009	6,410	84.3	1,193	15.7	**7,603**
Percent change from previous year					
1999-2000	7.7%		9.0%		**7.9%**
2000-2001	(0.8)		(11.0)		**(2.6)**
2001-2002	2.6		(2.0)		**1.8**
2002-2003	5.7		(1.8)		**4.6**
2003-2004	6.7		13.3		**7.6**
2004-2005	(0.7)		1.7		**(0.3)**
2005-2006	(8.8)		(7.0)		**(8.5)**
2006-2007	(6.6)		(0.1)		**(5.6)**
2007-2008	0.4		1.6		**0.6**
2008-2009	(6.8)		(13.6)		**(7.9)**
Compound annual growth rate					
1999-2005	3.5%		1.2%		**3.1%**
2005-2009	(5.5)		(5.0)		**(5.4)**
1999-2009	(0.2)		(1.3)		**(0.4)**

Note: Rows may not add to totals shown because of rounding.

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

Passenger Traffic Trends by Airline

Delta and its regional affiliates accounted for the majority (78.7%) of all enplaned passengers at MSP in 2009. (See Table 19.) This share is somewhat lower than Delta and Northwest's combined share of passengers in 2003 (82.7%).

American, the second-ranking airline at MSP, accounted for only 3.6% of the Airport's enplaned passengers in 2009.

Since 2003, no airline other than the combined Delta/Northwest has accounted for more than 4.4% of enplaned passengers at MSP.

Despite the fact that it began service at MSP only in March 2009, Southwest was the sixth-ranking airline at the Airport in 2009, ranking ahead of AirTran, Continental, and Frontier, and accounting for 1.8% of total enplaned passengers. Based on airline reporting to MAC in May 2010, Southwest ranked 4th by enplanements.

Table 19
AIRLINE SHARES OF TOTAL ENPLANED PASSENGERS
Minneapolis-St. Paul International Airport
(calendar years, listed in descending order by 2009)

Published carrier	2003	2004	2005	2006	2007	2008	2009
Total	**16,143,637**	**17,633,765**	**18,189,478**	**17,390,310**	**17,125,218**	**16,518,494**	**15,706,072**
Delta	13,347,640	14,433,994	14,676,461	13,882,761	13,611,599	13,328,777	12,368,515
Northwest Mainline	*11,265,638*	*11,891,230*	*11,860,343*	*11,434,557*	*11,279,067*	*10,079,244*	*8,449,013*
Northwest Airlink	*1,670,162*	*2,094,724*	*2,353,142*	*2,011,831*	*1,931,325*	*2,790,670*	*3,234,544*
Delta Mainline	*330,001*	*343,983*	*267,092*	*151,710*	*167,675*	*193,853*	*530,536*
Delta Connection	*81,839*	*104,057*	*195,884*	*284,663*	*233,532*	*265,010*	*154,422*
American	416,428	440,079	565,481	618,655	656,931	621,987	571,074
Sun Country	372,695	535,478	727,117	726,371	752,582	632,400	496,820
United	517,067	536,993	523,663	554,349	556,865	489,168	468,025
US Airways *(a)*	412,189	411,100	424,384	439,544	461,267	435,630	455,886
Southwest	-	-	-	-	-	-	283,796
AirTran	148,345	167,914	148,704	288,968	315,040	253,918	248,191
Continental	235,088	223,700	239,396	250,699	247,471	245,641	232,200
Frontier	115,989	138,039	119,452	123,658	132,864	167,408	189,588
Alaska	-	-	-	115	-	15,998	91,122
Midwest	922	540	43,656	84,748	70,898	74,891	81,623
Icelandair	34,457	39,263	41,764	35,084	35,858	27,205	16,519
All Other	542,817	706,666	679,400	385,358	283,843	225,471	202,714
				Share of total			
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Delta	82.7%	81.9%	80.7%	79.8%	79.5%	80.7%	78.7%
Northwest Mainline	*69.8*	*67.4*	*65.2*	*65.8*	*65.9*	*61.0*	*53.8*
Northwest Airlink	*10.3*	*11.9*	*12.9*	*11.6*	*11.3*	*16.9*	*20.6*
Delta Mainline	*2.0*	*2.0*	*1.5*	*0.9*	*1.0*	*1.2*	*3.4*
Delta Connection	*0.5*	*0.6*	*1.1*	*1.6*	*1.4*	*1.6*	*1.0*
American	2.6	2.5	3.1	3.6	3.8	3.8	3.6
Sun Country	2.3	3.0	4.0	4.2	4.4	3.8	3.2
United	3.2	3.0	2.9	3.2	3.3	3.0	3.0
US Airways *(a)*	2.6	2.3	2.3	2.5	2.7	2.6	2.9
Southwest	-	-	-	-	-	-	1.8
AirTran	0.9	1.0	0.8	1.7	1.8	1.5	1.6
Continental	1.5	1.3	1.3	1.4	1.4	1.5	1.5
Frontier	0.7	0.8	0.7	0.7	0.8	1.0	1.2
Alaska	-	-	-	0.0	-	0.1	0.6
Midwest	0.0	0.0	0.2	0.5	0.4	0.5	0.5
Icelandair	0.2	0.2	0.2	0.2	0.2	0.2	0.1
All Other	3.4	4.0	3.7	2.2	1.7	1.4	1.3

Notes: Columns may not add to totals shown because of rounding.
Passengers reported by regional affiliates have been grouped with their respective codesharing partners.
The allocation of passengers carried by regional affiliates that partner with more than one published airline was estimated based upon published flight schedules.

(a) America West is included here with US Airways for all years shown, despite the fact the merger with US Airways occurred in October 2005.

Sources: U.S. DOT, Schedule T100; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Domestic O&D Passenger Trends

Changes in the numbers of O&D passengers on scheduled flights over the past 10 years in the Airport's top 20 domestic city-pair markets are shown in Table 20. Growth over this period was entirely attributable to an increase in passenger traffic in the top 20 markets, primarily to and from Sunbelt leisure destinations such as Las Vegas and Florida. In the late 1990s, these markets were heavily served from MSP by charter flights. As the role of charter airlines subsided at the Airport between 1999 and 2004, service in these leisure markets experienced significant growth in scheduled flights; hence, the strong increases in O&D passengers shown in Table 20.

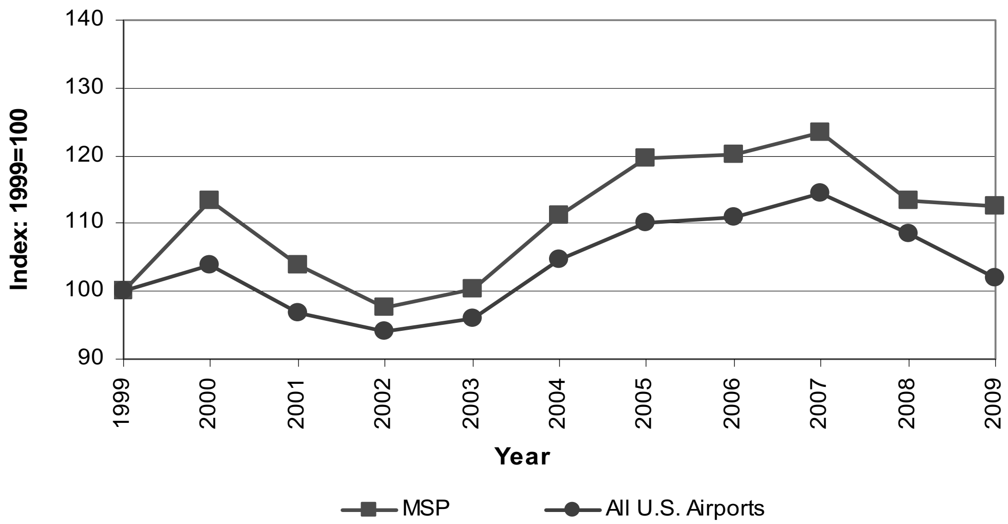
Table 20
PASSENGERS IN THE TOP 20 DOMESTIC O&D MARKETS
Minneapolis-St. Paul International Airport
(calendar years; ranked by 2009 passengers)

		Domestic outbound O&D passengers on scheduled flights							
	City market				Market as % of total			Percent change	
Rank	*Airport*	1999	2004	2009	1999	2004	2009	1999-04	2004-09
1	Chicago	565,260	486,490	553,620	8.9%	6.9%	7.7%	-13.9%	13.8%
	O'Hare	*278,050*	*228,980*	*324,400*	*4.4*	*3.2*	*4.5*	*-17.6*	*41.7*
	Midway	*287,210*	*257,510*	*229,220*	*4.5*	*3.6*	*3.2*	*-10.3*	*-11.0*
2	New York *(a)*	324,610	375,890	393,000	5.1	5.3	5.5	15.8	4.6
3	Los Angeles *(b)*	298,410	376,650	326,770	4.7	5.3	4.6	26.2	-13.2
4	Phoenix	257,940	322,460	317,120	4.1	4.6	4.4	25.0	-1.7
5	Washington D.C. *(c)*	251,660	286,400	304,720	4.0	4.0	4.3	13.8	6.4
6	Orlando	185,100	286,820	303,370	2.9	4.1	4.2	55.0	5.8
7	Denver	273,360	274,150	290,420	4.3	3.9	4.1	0.3	5.9
8	Las Vegas	143,350	270,070	263,940	2.3	3.8	3.7	88.4	-2.3
9	San Francisco *(d)*	266,280	250,940	250,300	4.2	3.5	3.5	-5.8	-0.3
10	Atlanta	203,680	208,640	229,110	3.2	2.9	3.2	2.4	9.8
11	Boston *(e)*	190,560	194,910	204,360	3.0	2.8	2.9	2.3	4.8
12	Dallas/ Ft. Worth *(f)*	219,250	196,890	203,680	3.4	2.8	2.8	-10.2	3.4
13	Seattle	163,900	166,750	190,910	2.6	2.4	2.7	1.7	14.5
14	Miami *(g)*	119,640	177,120	177,660	1.9	2.5	2.5	48.0	0.3
15	Fort Myers	58,640	126,000	144,880	0.9	1.8	2.0	114.9	15.0
16	San Diego	93,710	125,290	140,040	1.5	1.8	2.0	33.7	11.8
17	Tampa	73,290	120,880	135,390	1.2	1.7	1.9	64.9	12.0
18	Philadelphia	103,630	123,620	130,590	1.6	1.7	1.8	19.3	5.6
19	Detroit	148,100	112,600	100,940	2.3	1.6	1.4	-24.0	-10.4
20	Houston *(h)*	73,190	86,280	98,210	1.1	1.2	1.4	17.9	13.8
	Total---top 20 markets	4,013,560	4,568,850	4,759,030	63.1%	64.6%	66.5%	13.8%	4.2%
	All other markets	2,352,050	2,506,130	2,400,560	36.9	35.4	33.5	6.6	-4.2
	Total---all markets	6,365,610	7,074,980	7,159,590	100.0%	100.0%	100.0%	11.1%	1.2%

Note: Figures may not add to totals shown because of rounding.
2009E (estimated) represents the 12 months ended September 30, 2009—the most recent data available.
(a) Market includes LaGuardia, Newark, and Kennedy airports.
(b) Market includes Los Angeles, Burbank, Long Beach, Ontario, and Santa Ana airports.
(c) Market includes Dulles, Reagan, and Baltimore airports.
(d) Market includes San Francisco, Oakland, and San Jose airports.
(e) Market includes Logan, T.F. Green, and Manchester airports.
(f) Market includes Dallas/Ft. Worth Airport and Love Field.
(g) Market includes Miami, Fort Lauderdale, and West Palm Beach airports.
(h) Market includes Bush and Hobby airports.
Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

With the exception of 2000 when there was a significant shift from charter operations to scheduled flights at the Airport, the trend in domestic O&D passengers on scheduled flights at MSP resembles the nationwide pattern of domestic O&D passenger growth, as shown on Figure 11.

Figure 11
INDEX OF OUTBOUND DOMESTIC O&D PASSENGERS ON SCHEDULED FLIGHTS
Minneapolis-St. Paul International Airport and All U.S. Airports
(calendar years)

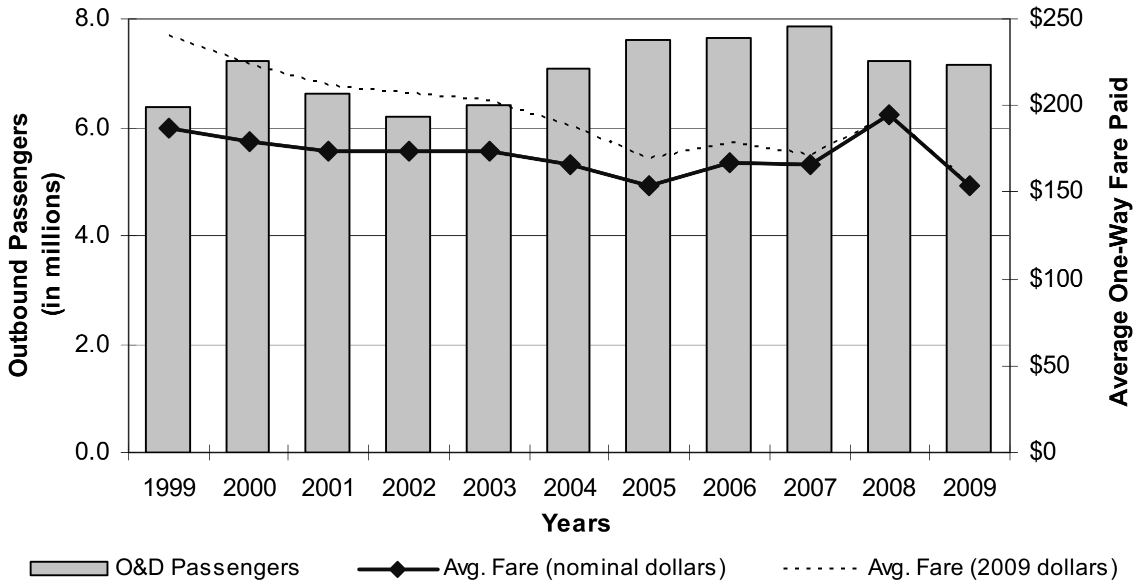


Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Domestic O&D passengers and average domestic one-way fares paid at MSP are shown in Figure 12. Higher fares tend to dampen passenger traffic while lower fares tend to stimulate traffic. Between 1999 and 2009, average domestic fares paid at MSP declined both in nominal terms (down 18%) and in real terms (down 36%, when adjusted to account for inflation). Over the same period, domestic O&D passengers at the Airport increased 13%. While making air travel to and from the Twin Cities increasingly affordable to consumers, this decline in average fare paid has posed a challenge to some of the airlines serving MSP. Figure 12 also clearly illustrates the spike in airfares that occurred in 2008, associated with the sharp rise in fuel costs that summer.

It is worth noting that the reported average airfare data reflected in Figure 12 are exclusive of ancillary charges (fees for checked baggage and preferred seating, for example) which have become widespread in the airline industry over the past 2 years. Hence, average airfares as reported to U.S. DOT by the airlines increasingly understate the traveler's true cost of airline travel.

Figure 12
DOMESTIC O&D PASSENGERS AND AVERAGE FARE PAID
Minneapolis-St. Paul International Airport
(calendar years)



Note: Average one-way fares shown are net of all taxes, fees, and PFCs and exclude ancillary fees charged by the airlines.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1. Bureau of Labor Statistics CPI-U used to convert nominal dollars to 2009 dollars.

Connecting Passenger Trends

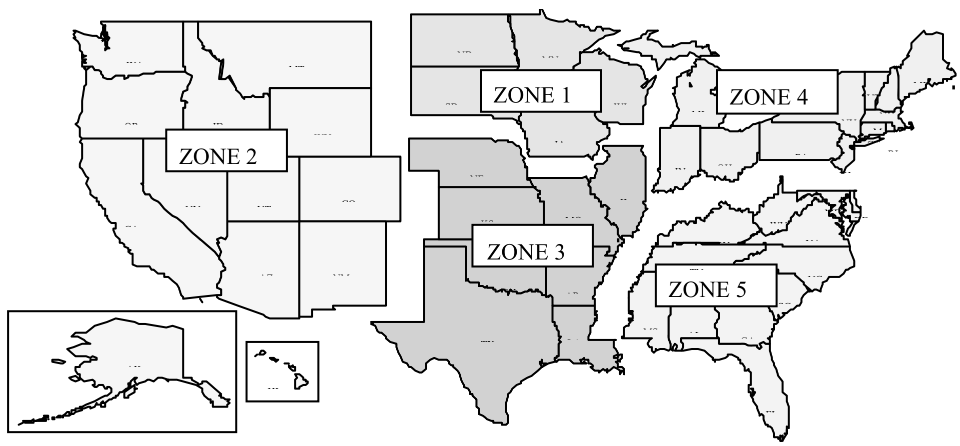
Largely because MSP serves as a major hub for Delta, connecting passengers account for roughly half of all enplaned passengers at the Airport. Of those passengers who made flight connections at MSP in 2009, an estimated 84% connected from one domestic flight to another while 16% were gateway connections.

At MSP, 6.2 million passengers connected from one domestic Delta flight to another during 2009. These passengers accounted for 97% of all domestic-to-domestic connections at the Airport. A breakdown of these connecting passengers is presented in Table 21 by geographic zones of origin and destination. Approximately 43% of these Delta passengers connecting at MSP either originated in Zone 1 or were destined for points in Zone 1. For many, if not most, of these Zone 1 passengers, who represent a significant share (18%) of total enplanements at MSP, the Airport serves as a "natural hub" connecting communities in the Dakotas, Minnesota, northern Iowa, and western Wisconsin to each other and to points across the United States. Even in the absence of Delta's hubbing operation, many of these passengers would likely continue to use MSP as their primary connection to the national air transportation system.

Table 21
PASSENGERS CONNECTING BETWEEN DELTA DOMESTIC FLIGHTS BY U.S. GEOGRAPHIC ZONE
Minneapolis-St. Paul International Airport
(calendar year 2009, in thousands)

Destination zone	Total all regions	Destination zone, % of total	Origin zone: Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
TOTAL - All Domestic Connections	**6,203**		**1,361**	**2,148**	**652**	**1,216**	**825**
Origin zone, % of total			**21.9%**	**34.6%**	**10.5%**	**19.6%**	**13.3%**
Zone 1 (States around MSP)	**1,379**	**22.2%**	67	613	195	204	300
Zone 2 (Western U.S. states)	**2,210**	**35.6**	613	11	264	877	445
Zone 3 (Mid-U.S. states)	**655**	**10.6**	195	259	37	105	59
Zone 4 (Northeast U.S. states)	**1,166**	**18.8**	197	834	102	14	20
Zone 5 (Southeast U.S. states)	**793**	**12.8**	289	433	54	16	1

GEOGRAPHIC ZONES USED IN ABOVE ANALYSIS:



Notes: Includes connections between flights operated by Delta, Northwest and their regional codesharing affiliates. Columns and rows may not add to totals shown because of rounding.
Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Based on: (a) the natural hub concept described above, (b) the sizeable flows via MSP of transcontinental traffic between Zone 2 on the one hand and Zones 3, 4, and 5 on the other, and (c) the Airport's virtual tie with DTW as the second-largest hub airport in the Delta network, it is reasonable to expect that Delta will continue to operate a hub at MSP during the forecast period.

International Passenger Trends

In 2009, nearly 1.1 million passengers (both O&D and connecting) boarded international flights at MSP—14% lower than the number enplaned in 2008, and 24% below the number enplaned in 2000. (See Table 22.) An additional 414,000 passengers bound for international destinations in 2009 boarded domestic flights operating from MSP to other U.S. gateway airports, but these passengers are not reflected in the figures in Table 22.

Between 2000 and 2003, the number of international enplaned passengers decreased 21% at the Airport, as air travel demand weakened following the September 2001 terrorist attacks, the economic recession, and the SARS epidemic. In 2004, international enplaned passengers rebounded at MSP, increasing 12% year-over-year. Since 2004, however, there has been virtually no net growth in the number of international passengers at the Airport.

Over 99% of passengers boarding international flights at MSP in 2009 boarded scheduled flights. Charter (i.e., non-scheduled) flights accommodated the remaining 0.2% of international passengers, down from 20% in 2000.

Passengers boarding flights bound for Canada accounted for the largest share (37%) of international enplaned passengers at MSP in 2009. Passengers boarding flights to the United Kingdom and Europe accounted for 31% of international enplaned passengers, while those boarding flights to Mexico and the Caribbean accounted for 20%. The remaining 12% of international enplaned passengers boarded flights to Japan and other world areas.

Table 22

MAJOR INTERNATIONAL PASSENGER MARKETS

Minneapolis-St. Paul International Airport

(passengers in thousands)

Type of flight International market area	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total	**1,467**	**1,197**	**1,157**	**1,134**	**1,275**	**1,308**	**1,246**	**1,258**	**1,282**	**1,108**
Scheduled	**1,178**	**1,090**	**1,060**	**1,016**	**1,165**	**1,196**	**1,156**	**1,215**	**1,267**	**1,105**
Canada	598	544	560	530	560	549	488	473	486	410
Europe (excluding U.K.)	282	246	236	223	276	296	288	310	319	279
United Kingdom	80	69	75	75	82	68	71	84	84	69
Japan	153	130	124	111	133	131	121	116	122	116
Mexico	35	65	34	49	74	111	147	184	212	197
Caribbean	13	10	10	7	15	9	11	20	23	21
Other	17	26	21	20	26	32	30	29	21	13
Non-scheduled (charter)	**289**	**107**	**98**	**118**	**110**	**112**	**90**	**43**	**15**	**3**
Mexico	249	82	87	101	93	93	76	42	14	1
Caribbean	38	23	10	15	16	17	13	-	-	0
Other	3	1	1	2	1	1	1	1	1	1

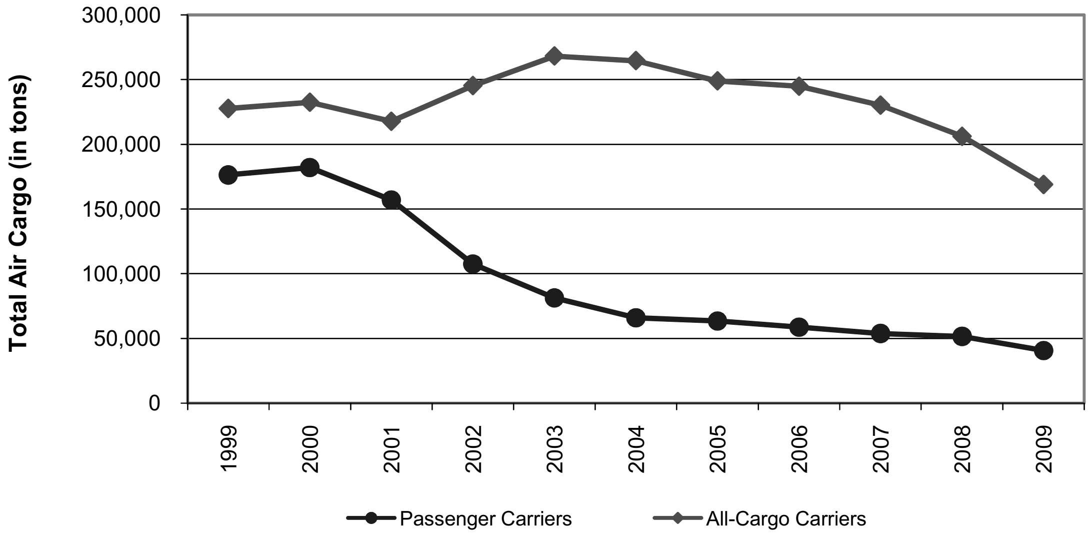
Notes: Columns may not add to totals shown because of rounding.
Includes both O&D and connecting passengers enplaning on international flights at the Airport.

Source: U.S. DOT, Schedules T100 and 298C T1.

AIR CARGO AND LANDED WEIGHT ACTIVITY

Air cargo activity at MSP has declined over the past 10 years, as shown in Figure 13. Total cargo tonnage handled at the Airport in 2009 was just over half the amount handled in 1999. A long-term declining trend in air cargo tonnage such as this is not uncommon among U.S. airports; shipper (consumer) cost sensitivity has shifted some cargo formerly transported by air to cheaper surface modes of transport.

Figure 13
TRENDS IN TOTAL AIR CARGO BY TYPE OF CARRIER
Minneapolis-St. Paul International Airport
(freight and mail in tons)



Compound annual growth rate	1991-2001	2001-2003	2003-2009
Passenger Carriers	(5.6%)	(28.0%)	(10.9%)
All-Cargo Carriers	(2.2)	11.0	(7.4)
Total	(3.7)	(3.4)	(8.2)

Notes: Data represent sum of enplaned and deplaned tonnage.
Sources: Metropolitan Airports Commission.

The phenomenon described above has affected passenger airlines to a greater extent than all-cargo airlines at MSP. The share of cargo tonnage handled by the all-cargo airlines increased over the past 10 years, from 56% in 1999 to 81% in 2009. The top two carriers of cargo at MSP in 2009 were all-cargo carriers (FedEx and UPS) that represented more than three-quarters of all cargo handled.

FedEx, the leading cargo carrier at MSP, doubled its share of cargo tonnage over the past 9 years, from 24.2% in 2000 to 50.5% in 2009. (See Table 23.) Meanwhile, UPS increased its share slightly (from 24.6% to 25.7%) over the 10-year period, while third-ranking Delta experienced a sizeable decline in its share (from 36.7% to 15.3%).

Table 23

CARRIER SHARES OF TOTAL AIR CARGO TONNAGE

Minneapolis-St. Paul International Airport
(ranked on 2009; tonnage in thousands)

		Calendar Years									
	Carrier	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rank	**Total**	**414.6**	**374.9**	**353.0**	**349.7**	**330.6**	**312.4**	**303.7**	**284.1**	**257.8**	**209.6**
1	FedEx	100.4	105.4	152.7	171.0	165.8	149.9	149.2	145.4	133.0	105.9
2	UPS/ Emery *(a)*	102.0	81.4	59.6	58.4	63.3	61.2	61.7	59.7	55.5	53.8
3	Delta *(b)*	152.2	138.0	97.5	69.4	50.5	50.4	46.5	44.3	41.4	32.2
4	ATI/ BAX Global	7.2	5.5	9.1	9.2	8.5	9.9	9.6	8.2	4.9	8.1
5	United	5.0	3.0	2.1	2.8	3.2	3.1	1.9	0.8	1.7	2.5
6	US Airways *(c)*	3.6	3.8	3.2	2.9	2.3	1.8	1.9	1.2	2.0	2.0
7	Sun Country	3.3	2.0	0.1	-	0.7	2.8	3.5	3.7	2.6	1.4
8	ABX Air *(d)*	17.9	18.2	19.4	23.1	21.8	19.6	18.1	14.9	12.4	1.1
9	American *(e)*	7.3	3.7	2.1	2.3	3.3	2.4	2.6	2.1	2.2	0.9
10	Southwest	-	-	-	-	-	-	-	-	-	0.8
11	Continental	3.0	3.0	1.4	1.3	1.6	1.1	1.2	0.8	1.0	0.6
12	Frontier	0.5	0.4	0.6	0.9	0.7	0.3	0.3	0.3	0.3	0.2
13	Alaska	-	-	-	-	-	-	-	-	0.0	0.1
14	Icelandair	0.4	0.3	0.2	0.4	0.4	0.2	0.1	0.1	0.1	0.1
15	American Intl.	3.1	6.9	4.5	6.5	5.4	8.3	6.3	2.0	-	-
	All other	8.5	3.4	0.5	1.5	3.2	1.3	0.8	0.5	0.7	0.1

		Share of total									
Rank	**Total**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
1	FedEx	24.2%	28.1%	43.3%	48.9%	50.1%	48.0%	49.1%	51.2%	51.6%	50.5%
2	UPS/ Emery *(a)*	24.6	21.7	16.9	16.7	19.1	19.6	20.3	21.0	21.5	25.7
3	Delta *(b)*	36.7	36.8	27.6	19.8	15.3	16.1	15.3	15.6	16.1	15.3
4	ATI/ BAX Global	1.7	1.5	2.6	2.6	2.6	3.2	3.2	2.9	1.9	3.9
5	United	1.2	0.8	0.6	0.8	1.0	1.0	0.6	0.3	0.7	1.2
6	US Airways *(c)*	0.9	1.0	0.9	0.8	0.7	0.6	0.6	0.4	0.8	0.9
7	Sun Country	0.8	0.5	0.0	0.0	0.2	0.9	1.2	1.3	1.0	0.7
8	ABX Air *(d)*	4.3	4.9	5.5	6.6	6.6	6.3	6.0	5.2	4.8	0.5
9	American *(e)*	1.8	1.0	0.6	0.6	1.0	0.8	0.8	0.7	0.8	0.4
10	Southwest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
11	Continental	0.7	0.8	0.4	0.4	0.5	0.4	0.4	0.3	0.4	0.3
12	Frontier	0.1	0.1	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.1
13	Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Icelandair	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
15	American Intl.	0.8	1.8	1.3	1.9	1.6	2.7	2.1	0.7	0.0	0.0
	All other	2.0	0.9	0.1	0.4	1.0	0.4	0.3	0.2	0.3	0.0

Notes: Columns may not add to totals shown because of rounding.
Enplaned and deplaned freight and mail shown in tons.
(a) UPS acquired Emery in December 2004.
(b) Includes Delta, Northwest and associated regional codeshare affiliates in all years shown.
(c) America West is included here with US Airways for all years shown. The carriers merged in 2005.
(d) DHL acquired Airborne on October 1, 2005. ABX Air currently operates these flights on behalf of DHL.
(e) TWA is included here with American in all years shown. The carriers merged in 2001.
Source: Metropolitan Airports Commission.

In 2009, nearly 21.3 billion pounds of aircraft landed weight was reported by the airlines operating at MSP, down 17% from 10 years before. Passenger airlines accounted for the majority (95.5%) of the total; all-cargo airlines accounted for the remainder. (See Table 24.)

Table 24

TRENDS IN AIRCRAFT LANDED WEIGHT

Minneapolis-St. Paul International Airport

(calendar years, in thousands of pounds)

Year	Passenger airlines	All-cargo airlines	Total Landed Weight	Yr-over-Yr % Change
1999	24,879,431	726,275	25,605,706	
2000	26,159,087	997,578	27,156,666	6.1%
2001	25,026,822	1,088,862	26,115,683	-3.8
2002	24,132,429	1,155,836	25,288,265	-3.2
2003	24,260,412	1,224,728	25,485,140	0.8
2004	25,504,997	1,171,195	26,676,192	4.7
2005	24,814,080	1,217,143	26,031,223	-2.4
2006	22,462,015	1,240,238	23,702,253	-8.9
2007	21,991,657	1,236,885	23,228,542	-2.0
2008	21,177,817	1,123,707	22,301,524	-4.0
2009	20,319,892	950,908	21,270,800	-4.6
Compound annual growth rate				
1999-2005	0.0%	9.0%	0.3%	
2005-2009	-4.9	-6.0	-4.9	
1999-2009	-2.0	2.7	-1.8	

Notes: Rows may not add to totals shown because of rounding.

Source: Metropolitan Airports Commission.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In addition to the economy and demographics of the MSA, discussed earlier, key factors that will affect airline traffic at MSP include:

- Economic and political conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Recession in the U.S. economy in 2001 and stagnant economic conditions in 2002 contributed to reduced passenger numbers during those years. The recession that began in late 2007, combined with reduced discretionary income, contributed to reduced airline travel demand in 2008 and 2009 and may continue to do so in the near term.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at major U.S. airports. Sustained future increases both in domestic and international passenger traffic will depend on stable and peaceful international conditions and global economic growth.

Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines, particularly Delta, to make the necessary investments to continue providing service.

The 1990-1991 recession, coupled with increased operating costs and security concerns during the Gulf War, generated then-record financial losses in the airline industry. Those losses put particular pressures on financially weak or highly indebted airlines, forcing many to seek bankruptcy protection, sell productive assets, lay off workers, reduce service, or discontinue operations.

Between 1995 and 2000, the airline industry was profitable, but as a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 terrorist attacks, increased fuel and other operating costs, and price competition, the industry again experienced huge financial losses. In 2001 through 2005, the major U.S. passenger airlines collectively recorded net losses of approximately $40 billion.

To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreement with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. US Airways twice filed for bankruptcy protection, in August 2002 and September 2004, before emerging in September 2005 following its merger with America West Airlines. In 2004, US Airways drastically reduced service at its Pittsburgh hub. In December 2002, United Airlines filed for bankruptcy protection (emerged in February 2006). In 2003, American Airlines avoided filing for bankruptcy protection only after obtaining labor cost concessions from its employees and drastically reducing service at its St. Louis hub. In September 2005, Northwest filed for bankruptcy protection (emerged in May 2007). In 2005, Delta eliminated its Dallas/Fort Worth hub and substantially reduced service at its Cincinnati hub. Among smaller airlines, between 2003 and 2005, Hawaiian Airlines, ATA Airlines, Aloha Airlines, and Independence Air filed for bankruptcy protection. (Of these airlines, only Hawaiian was still operating as of March 2010.)

In 2006 and 2007, the U.S. passenger airline industry as a whole was profitable, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. The industry responded by grounding older, less fuel-efficient aircraft, adopting fuel-saving operating practices, hedging fuel requirements, reducing scheduled seat capacity, eliminating unprofitable routes, laying off employees, reducing employee compensation, reducing other non-fuel expenses, increasing airfares, and imposing other fees and charges. The U.S. passenger airlines collectively reduced domestic capacity (as measured by available seat-miles) by approximately 4% in 2008 and a further 8% in 2009.

Continuing losses by the U.S. airlines could deplete limited cash reserves and force any of them to seek bankruptcy protection or liquidate. In March and April 2008, Aloha, ATA, and Skybus airlines declared bankruptcy and ceased operations. In April 2008, Frontier Airlines filed for Chapter 11 bankruptcy protection but continued to operate; the airline emerged from bankruptcy in October 2009 following its acquisition by Republic Airways Holdings. In October 2008, Sun Country filed for Chapter 11 bankruptcy protection, and has continued to operate since that time.

Airline Service and Routes

The Airport serves both as a gateway to the MSA and as a connecting hub. The number of origin and destination passengers depends on the intrinsic attractiveness of the MSA as a business and leisure destination and the propensity of its residents to travel. The number of connecting passengers, on the other hand, depends on the airline service provided at MSP and at other airports.

Most mainline airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports.

MSP is one of the most important hubs in Delta's system and roughly 50% of the passengers at the Airport connect between flights. As a result, a material share of the passenger traffic at MSP relates to the route network and flight schedule of Delta rather than the economy of the MSA. If Delta were to reduce connecting service at MSP, such flights would not necessarily be replaced by other airlines, although reductions in service by any airline would create business opportunities for others.

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips, for which the automobile and other travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; airline debt burden; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend partly on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S. airlines was reduced from 14.9 cents to 12.7 cents per passenger-mile. Despite a period of elevated yields in the subsequent few years, travel demand weakened considerably in 2009, particularly for first- and business-class travel, in the face of the severe economic downturn. The average domestic yield for U.S. airlines in 2009 was 13.2 cents.

Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. In April 2001, American completed an acquisition of failing Trans World Airlines. In September 2005, US Airways and America West merged. In October 2008, Delta and Northwest merged. In June 2009, Republic Airways Holdings announced the purchase of Frontier and Midwest airlines.

In May 2010, United and Continental announced their intent to merge. It remains to be seen whether the necessary regulatory and other approvals for the merger will be granted. Further airline consolidation remains possible and any consolidation could change airline service patterns, particularly at the connecting hub airports of the merging airlines.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers, and all of the large U.S. network airlines are members of such alliances with foreign-flag airlines. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on certain routes.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Beginning in 2003, fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in Nigeria and other oil-producing countries; the rapidly growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest item of airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Increased prices have been an important contributor to recent airline industry losses. In the second half of 2008, fuel prices fell sharply as aviation demand declined worldwide, although prices rose somewhat through 2009 and early 2010, partly as a result of a weakened U.S. dollar.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. However, there is widespread agreement that fuel prices are likely to remain high relative to historical levels and to increase over the long term as global energy demand increases in the face of finite and increasingly expensive oil supplies.

Aviation fuel prices will continue to affect future airline service, airfares, and passenger numbers. Airline operating economics will also be affected as regulatory costs are imposed on air travel and the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies.

Public health concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health concerns, and international hostilities. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. After 2001, and again in 2008 and 2009, air traffic delays decreased as a result of reduced numbers of aircraft operations, but, as air travel demand increases in the future, flight delays and restrictions will recur.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at MSP will depend on the capacity at the Airport itself. The forecast is conditioned on the assumption that, during the forecast period, neither available airfield or terminal capacity, nor demand management initiatives, will constrain traffic growth at the Airport.

TRAFFIC FORECASTS

Forecasts of enplaned passengers at MSP through 2016 were developed taking into account the economic basis for airline travel, trends in historical passenger traffic, and key factors likely to affect future traffic, all as discussed in earlier sections.

In developing the forecasts, it was assumed that, over the long term, enplaned passenger levels at MSP will increase as a function of growth in the economy of the MSA and continued airline competition. It was assumed that airline service at MSP will not be constrained by the availability of aviation fuel, limitations in airline fleet capacity, limitations in the capacity of the air traffic control system or the Airport, charges for the use of aviation facilities, or other government policies or actions.

The enplaned passenger forecast is presented in Table 25. The number of enplaned passengers at MSP is forecast to decline 0.3% from 2009 to 2010 and to resume strong growth thereafter. In 2016, revenue enplaned passengers are forecast to number 18.1 million, nearly equal to the Airport's record 2005 level (18.2 million).

NOTE: The passenger forecasts contained in this Report reflect revenue passengers only (i.e., those passengers reported by the airlines to the U.S. Department of Transportation). Non-revenue passengers (e.g., airline employees) are excluded from both historical and forecast totals. Thus, historical passenger totals shown herein may not reconcile to the number of passengers reported by the airlines to other entities, such as the Metropolitan Airports Commission.

Table 25
ENPLANED PASSENGER FORECAST
Minneapolis-St. Paul International Airport
(calendar years, passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

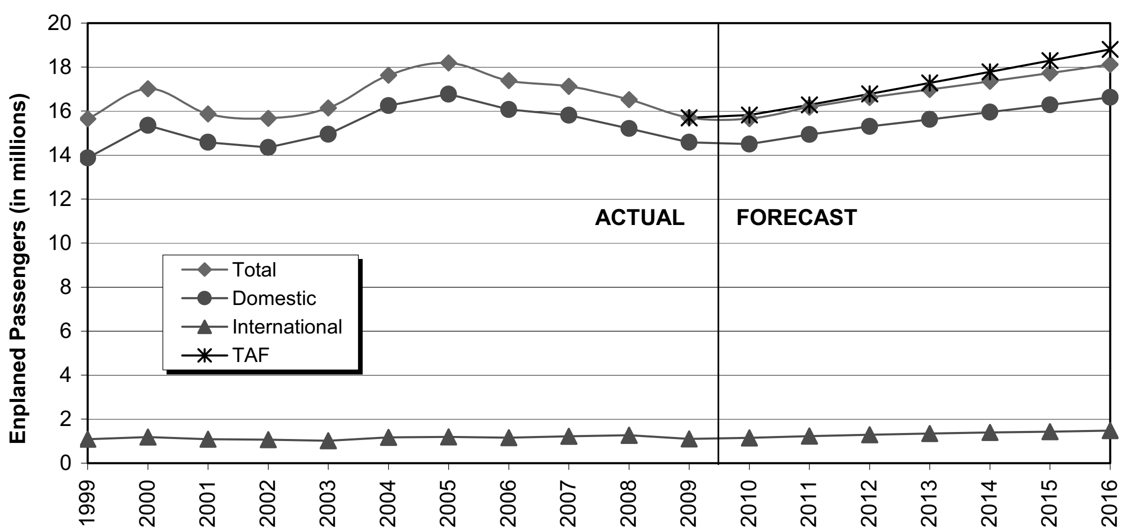
Sector	Actual		Forecast						
Passenger Segment	2008	2009	2010	2011	2012	2013	2014	2015	2016
Domestic									
O&D	7,214	7,160	6,948	7,169	7,341	7,493	7,648	7,809	7,976
Other Orig. *(a)*	425	414	425	446	466	482	497	512	526
Connecting *(b)*	7,567	7,006	7,125	7,326	7,499	7,648	7,805	7,964	8,123
	15,205	14,579	14,498	14,941	15,306	15,623	15,950	16,285	16,625
Annual % Change		-4.1%	-0.6%	3.1%	2.4%	2.1%	2.1%	2.1%	2.1%
International									
O&D	578	508	525	561	592	616	637	657	674
Connecting *(c)*	689	597	628	668	701	728	753	778	801
	1,267	1,105	1,153	1,229	1,293	1,344	1,390	1,435	1,475
Annual % Change		-12.7%	4.3%	6.6%	5.2%	3.9%	3.4%	3.2%	2.8%
Charter	47	22	14	14	14	14	14	14	14
Annual % Change		-54.0%	-35.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Enplanements	**16,519**	**15,706**	**15,664**	**16,184**	**16,613**	**16,981**	**17,354**	**17,734**	**18,114**
Annual % Change	**-3.5%**	**-4.9%**	**-0.3%**	**3.3%**	**2.7%**	**2.2%**	**2.2%**	**2.2%**	**2.1%**
Percent Connecting:									
Domestic	49.8%	48.1%	49.1%	49.0%	49.0%	49.0%	48.9%	48.9%	48.9%
International	54.4	54.0	54.5	54.4	54.2	54.2	54.2	54.2	54.3
Airport Total	50.0%	48.4%	49.5%	49.4%	49.4%	49.3%	49.3%	49.3%	49.3%

(a) Scheduled revenue passengers originating international trips at MSP who exited the country via other U.S. airport gateways.
(b) Domestic-to-domestic and international-to-domestic connecting passengers.
(c) Domestic-to-international connecting passengers.
Sources: Actual: U.S. DOT, Schedule T100, Air Passenger Origin-Destination Survey, reconciled to Schedules T1 and 298C T1. Forecast: Jacobs Consultancy.

Figure 14 displays the enplaned passenger forecast and the most recent FAA Terminal Area Forecast (TAF), issued in December 2009. The number of passengers forecast for 2016 by the FAA (18.8 million, interpolated from Federal fiscal years) exceeds this forecast by 700,000 passengers, due both to a higher forecast for 2010 and a higher rate of growth thereafter. A higher overall rate of passenger growth is not unusual in passenger forecasts related to facility planning, such as the TAF, compared to forecasts such as the one presented herein which was developed for financial planning purposes.

Figure 14
ENPLANED PASSENGER FORECAST
Minneapolis-St. Paul International Airport
(calendar years)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.



Sources: Actual: Metropolitan Airports Commission; U.S. DOT, Schedule T100, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; FAA, Terminal Area Forecast, December 2009. Forecast: Jacobs Consultancy.

Near-Term Resumption of Growth

In 2010 and 2011, enplaned passenger levels at MSP are expected to transition from negative to positive growth, predicated on two assumptions:

1. Given that airline travel tends to lag the economy, the modest economic recovery and expansion that is generally forecast to take place during 2010 will lead to a strengthening of air travel demand at MSP starting in late 2010 and continuing into 2011.

2. The number of departing seats at MSP will decrease 5.2% in the first half of 2010 compared with the first half of 2009. However, positive growth in the number of departing seats will return in the third quarter of 2010, with capacity in the second half of 2010 increasing 4.4% at MSP relative to the second half of 2009 (as indicated by advance published airline schedules). Positive capacity growth will continue in 2011.

On the basis of these assumptions, and an assumed modest increase in average load factor at the Airport, the number of enplaned passengers is forecast to decline 0.3% in 2010 and to increase 3.3% (to 16.2 million passengers) in 2011. The forecast calls for the number of domestic enplaned passengers to increase 2.5% over the 2-year period from 2009 to 2011, while international enplaned passengers are forecast to increase 11.2%.

Longer-Term Growth

In 2012 and beyond, passenger traffic at MSP is forecast to increase based on the following assumptions:

1. After having recovered from the recession, the U.S. economy will experience sustained growth in gross domestic product averaging between 2.0% and 2.5% per year, in line with CBO projections, as previously mentioned, and somewhat below historical average rates of national economic growth.
2. The economy of the MSA will recover in line with that of the nation.
3. The airlines serving MSP will be financially viable and will provide the seat capacity required to accommodate additional demand at the Airport.
4. Delta will continue to operate MSP as a major Midwest connecting hub and growing international gateway, and the airline will gradually increase the frequency of flights and the number of destinations served from the Airport. Other airlines will continue to provide competitive nonstop service in many of the higher-volume city-pair markets.
5. While airfares paid at MSP are expected to increase over time, competition among the airlines serving MSP and an expanding LCC presence at the Airport will ensure the continued availability of competitive airfares.

6. Aviation safety and security at U.S. airports will be maintained by enhanced passenger and baggage screening procedures and other precautions without imposing unreasonable inconveniences that would result in a reduced number of airline travelers using MSP.
7. There will be no disruption of airline service or traveler behavior at U.S. airports as a result of international political instabilities, hostilities, or terrorist acts or threats.

On the basis of these assumptions, the number of enplaned passengers was forecast to increase 2.7% in 2012, and thereafter at an average annual long-term growth rate of 2.2%, resulting in 18.1 million revenue enplaned passengers at the Airport in 2016.

Between 2012 and 2016, international enplanements are forecast to grow at a long-term average annual rate of 3.3%, higher than the 2.1% long-term average annual rate forecast for domestic enplanements at the Airport. The more aggressive growth rate for international enplaned passengers is consistent with previous forecasts and reflects the belief that the smaller and less-developed market for international airline travel will increase at a higher rate at MSP than the more mature market for domestic travel.

Aircraft Landed Weight

In 2009, nearly 21.3 billion pounds of aircraft landed weight was reported by the airlines operating at MSP. Passenger airlines accounted for 96% (20.3 billion pounds) of the total; all-cargo airlines accounted for the remainder. (See Table 26.)

Passenger airline landed weight is forecast to decline 0.3% in 2010, coincident with airline reductions in scheduled flight capacity. Thereafter, passenger airline landed weight is forecast to increase 2.2% per year, on average, through 2016, slightly below the forecast rate of passenger growth due to increasing load factors.

All-cargo airline landed weight is forecast to increase 2.8% in 2010 and at 4.0% per year, on average, over the remainder of the forecast period. The higher forecast growth rate for all-cargo airlines, relative to passenger airlines, is related to the smaller base of all-cargo airline landed weight as well as expectations of a larger rebound following the sharper decline in all-cargo flights during the recent economic recession.

Table 26
HISTORICAL AND FORECAST AIRCRAFT LANDINGS AND LANDED WEIGHT
Minneapolis-St. Paul International Airport
(calendar years)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	Aircraft landings			Landed weight (in millions of pounds)		
Year	Passenger airlines	All-cargo airlines	Total—all airlines	Passenger airlines	All-cargo airlines	Total—all airlines
2003	226,578	8,289	234,867	24,260	1,225	25,485
2004	241,587	8,355	249,942	25,505	1,171	26,676
2005	238,073	8,592	246,665	24,814	1,217	26,031
2006	209,154	8,178	217,332	22,462	1,240	23,702
2007	202,175	7,645	209,820	21,992	1,237	23,229
2008	201,257	7,180	208,437	21,178	1,124	22,302
2009A	197,183	5,573	202,756	20,320	951	21,271
2010F	199,000	5,750	204,750	20,238	978	21,216
2011	205,400	6,000	211,400	20,787	1,020	21,807
2012	211,300	6,250	217,550	21,278	1,063	22,340
2013	216,500	6,500	223,000	21,693	1,105	22,798
2014	220,700	6,750	227,450	22,114	1,148	23,262
2015	225,100	7,000	232,100	22,555	1,190	23,745
2016	229,400	7,275	236,675	22,986	1,237	24,223
Compound annual growth rate						
Historical:						
2003-2005	2.5%	1.8%	2.5%	1.1%	-0.3%	1.1%
2005-2009	-4.6	-10.3	-4.8	-4.9	-6.0	-4.9
Forecast:						
2009-2010	0.9%	3.2%	1.0%	-0.4%	2.8%	-0.3%
2010-2016	2.4	4.0	2.4	2.1	4.0	2.2

Notes: A=Actual; F=Forecast.
Rows may not add to totals shown because of rounding
Sources: Historical - Metropolitan Airports Commission.
Forecast - Jacobs Consultancy.

Table 27
CHRONOLOGY OF RELEVANT EVENTS

1994	January	-The North American Free Trade Agreement (NAFTA) went into effect
	June	-Northwest and KLM entered into a codesharing agreement
1995	February	-United States and Canada reached agreement on removing many of the barriers to increased scheduled airline service between the two countries
1997	May	-United, Lufthansa, Air Canada, SAS, Thai, and Varig launched Star alliance
1998	August	-Northwest pilots withdrew services, canceling operations for 18 days
	September	-American, British Airways, Canadian, Cathay Pacific, and Qantas launched **one**world alliance
2000	June	-Delta, Air France, Aeromexico, and Korean Air launched SkyTeam alliance
2001	January	-American announced an agreement to purchase the assets of TWA
	March	-A national economic recession began, continuing until November 2001
	September 11	-Terrorist attacks in New York and Washington DC were followed by an unprecedented 3-day shutdown of the U.S. air transportation system
	December	-Sun Country ceased operations and filed for bankruptcy protection
2002	February	-Sun Country resumed operations at MSP
	August	-US Airways filed for Chapter 11 bankruptcy protection
		-Northwest announced cooperative marketing agreement with Continental and Delta
	December	-United filed for Chapter 11 bankruptcy protection
2003	March	-War commenced in Iraq
		-World Health Organization (WHO) issued first international emergency travel advisory relating to Severe Acute Respiratory Syndrome (SARS)
		-US Airways emerged from Chapter 11 bankruptcy protection
	July	-WHO removed all SARS-related travel advisories
2004	May	-US Airways joined United as member of Star alliance
	September	-US Airways filed for Chapter 11 bankruptcy protection for a second time
		-Northwest, Continental, and KLM joined SkyTeam alliance
	October	-ATA filed for Chapter 11 bankruptcy protection
2005	September	-Delta and Northwest both filed for Chapter 11 bankruptcy protection
		-US Airways emerged from bankruptcy and merged with America West
2006	February	-United and ATA emerged from bankruptcy protection
2007	April, May	-Delta and Northwest emerged from bankruptcy protection
	December	-A national economic recession began
2008	April	-ATA ceased operations
		-Frontier filed for Chapter 11 bankruptcy protection
	July	-Price of crude oil peaked at $147 per barrel
	September	-Several large U.S. financial institutions failed or were sold, largely as a result of the subprime mortgage crisis
		-Many airlines, including Delta and Northwest, began to undertake significant systemwide capacity reductions
	October	-Global financial markets experienced extreme volatility and heavy losses
		-Delta and Northwest completed their merger
		-Sun Country filed for Chapter 11 bankruptcy protection
2009	February	-Congress enacted the American Recovery and Reinvestment Act of 2009
	March	-Southwest began service at MSP
	December	-FAA approved a single operating certificate for Delta and Northwest
2010	May	-United and Continental announced their intent to merge

FINANCIAL ANALYSIS

FRAMEWORK FOR AIRPORT SYSTEM FINANCIAL OPERATIONS

The Commission functions within a legal framework of laws, agreements, indentures, contracts, and other such documents.

THE METROPOLITAN AIRPORTS COMMISSION

The Commission is governed independently by 15 members, one of which is appointed by the governor of the State of Minnesota to act as chair of the Commission and who may be removed from office at any time by the governor. Two members are the mayors of Minneapolis and St. Paul (or their designees), who serve a term equal to the term of office of such mayor. The other 12 members are appointed for four-year terms by the governor with eight members being residents of designated districts within the metropolitan area and four members being residents from outside the metropolitan area (but within the State).

The Commission is required to have large capital improvement projects reviewed by the Metropolitan Council, which is a public planning agency that has powers of regulation over the development of the metropolitan area. (In this context, “large capital improvement projects” mean projects at MSP costing in excess of $5 million and projects at the reliever airports costing in excess of $2 million.) The Commission is also required to have any project “which has a significant effect on the orderly and economic development of the metropolitan area” approved by the Metropolitan Council prior to commencement of such project.

The administration, operation, development, maintenance, and public safety, including police and fire, of the Airport System is the responsibility of the Executive Director working through MAC staff, which consisted of approximately 550 full-time employees as of June 1, 2010. Six divisions report to the Executive Director—Human Resources, Labor/Governmental Affairs, Finance and Administrative Services, Legal Affairs, Planning and Environment, and Operations—each of which is headed by a Deputy Executive Director (except for Legal Affairs and Labor/Governmental Affairs).

AIRPORT REVENUE BONDS

The enabling legislation of the Commission (which was enacted by the Minnesota state legislature) authorizes the Commission to issue general obligation revenue bonds and general airport revenue bonds. Each issuance of general airport revenue bonds is subject to review by the chair of the Taxes Committee of the State House of Representatives and the chair of the Taxes and Tax Laws Committee of the State Senate.

The Commission has the power to levy taxes upon all taxable property in the seven-county metropolitan area for the payment of debt service on general obligation revenue bonds but has not done so since 1969. The Commission does not have the power to levy taxes for the payment of debt service on general airport revenue bonds.

Issuance of general airport revenue bonds by the Commission are pursuant to two indentures: the Master Trust Indenture, dated June 1, 1998, as amended and supplemented (Master Senior Indenture) and the Master Subordinate Trust Indenture, dated October 1, 2000, as amended and supplemented (Master Subordinate Indenture).

General Obligation Revenue Bonds

The Commission is permitted to issue General Obligation Revenue Bonds (as defined in the Master Senior Indenture) pursuant to Section 473.667 of the Minnesota Statutes. However, the Minnesota state legislature must authorize the issuance of General Obligation Revenue Bonds. There is approximately $55 million remaining from the last such authorization. Pursuant to the terms of the Master Senior Indenture, the Commission is not required to comply with the Additional Bonds requirement under Section 2.11 of the Master Senior Indenture (see below, Additional Bonds) in order to issue the remaining authorized amount of General Obligation Revenue Bonds. The Commission would be required to comply with Section 2.11 of the Master Senior Indenture to issue General Obligation Revenue Bonds under any additional authorization received in the future.

The terms of the Master Senior Indenture (see below, Application of Revenue) provide General Obligation Revenue Bonds with the first priority of payment, on parity with debt issued under the Master Senior Indenture from Net Revenues of the Commission. As of June 1, 2010, there were three series of General Obligation Revenue Bonds outstanding (Series 13, Series 14, and Series 15) in the aggregate principal amount of $244.7 million. The final payment on this debt is scheduled to occur in 2015 except for Series 15 (with outstanding principal of $225.6 million) that is scheduled for 2022. However, in connection with the merger of Northwest Airlines and Delta Air Lines, Delta Air Lines has agreed to prepay all amounts due under the leases entered into with respect to the Series 15 Bonds by August 10, 2016. Upon receipt of the prepayment amounts, the Commission plans to redeem all of the outstanding Series 15 Bonds by September 30, 2016.

Senior Airport Revenue Bonds

The enabling legislation was amended to authorize the Commission to issue general airport revenue bonds on parity with General Obligation Revenue Bonds. Such parity general airport revenue bonds are issued pursuant to the Master Senior Indenture, which collectively with any additional revenue debt issued on parity with these bonds are Senior Airport Revenue Bonds. As of June 1, 2010, the amount of Senior Airport Revenue Bond principal outstanding was $723.3 million with the final maturity occurring in 2032. The Senior Series 2010 Bonds are to be issued as Senior Airport Revenue Bonds.

Subordinate Airport Revenue Bonds

The Master Senior Indenture permits the Commission to issue Subordinated Airport Revenue Bonds so long as the security interest granted in Net Revenues is junior and subordinate to the interest in Net Revenues and in other assets granted to secure the Senior Airport Revenue Bonds and the General Obligation Revenue Bonds. The Master Senior Indenture permits the Commission to pay the principal of and interest on Subordinated Obligations provided that all deposits required to be made pursuant to the Application of Revenues under Section 4.02(b) (i) through (iv) of the Master Senior Indenture are then current.

In 2000, the Commission created the Master Subordinate Indenture for the issuance of subordinate debt. As of June 1, 2010, the amount of principal outstanding from these issuances was $694.4 million with the final maturity occurring in 2035.

The Commission also used the Master Subordinate Indenture to establish a commercial paper program and issue Subordinate Revenue Commercial Paper Notes (Subordinate CP Notes) from time to time. The term Subordinate Airport Revenue Bonds includes not only the general airport revenue bonds issued pursuant to the Subordinate Master Indenture but also the Subordinate CP Notes or other such parity debt issued under the Subordinate Master Indenture. As of June 1, 2010, no Subordinate CP Notes were outstanding and the Commission has no intentions to immediately issue any such debt. While no issuance is planned, Subordinate CP Notes might be issued in the future.

Indenture Definitions

Revenues generally mean, for any given period, all income, receipts, earnings, and revenues received by the Commission from the operation of the Airport System as determined in accordance with generally accepted accounting principles and any additional amounts designated in a supplemental indenture. Revenues include investment earnings (except earnings pledged by the terms of a supplemental indenture to fund the Construction Fund) on amounts held in the Operating Fund, Construction Fund, Debt Service Fund, Debt Service Reserve Fund, and the Commission Construction Fund. Unless otherwise provided for, Revenues exclude the following, including any investment earnings thereon, (1) grants, (2) Passenger Facility Charges, (3) Special Facilities Revenue, (4) Transfers, and (5) capitalized interest.

Also included in Revenues are amounts received by the Commission for the payment of a portion of the rental amount associated with “self-liquidating” agreements; these amounts are not classified by the Commission as operating revenue on its financial statements per generally accepted accounting principles. The Commission entered into self-liquidating agreements with certain of the tenants at the Airport, in which the Commission agreed to finance the construction of certain facilities and the tenant agreed to pay rents equal to the associated principal and interest on debt used to finance such facility. Certain of these facilities involved the issuance of General Obligation Revenue Bonds. This self-liquidating debt (of which approximately $228 million was outstanding as of June 1, 2010) and the associated facilities do not constitute Special Facility Obligations or Special Facilities, respectively, as such are defined in the Master Senior Indenture; thus, the associated principal and interest is included as a part of Annual Debt Service and the payments by the tenants are included in Revenues.

Maintenance and Operation Expenses of the Airport System (M&O Expenses) are defined as:

> for any given period, the total operation and maintenance expenses of the Airport System as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues.

Net Revenues means Revenues less Maintenance and Operation Expenses of the Airport System.

Annual Debt Service means, when applied to General Obligation Revenue Bonds, the amount required to be deposited into the Commission Debt Service Fund by October 10th of such year necessary to bring the balance to the level required for such debt under Minnesota Statutes 473.667 Subd. 4. This deposit usually means the amount required to maintain a balance equal to principal and interest to be paid on such debt during the first and second following Fiscal Years.

For Senior Airport Revenue Bonds, Annual Debt Service means the amounts required to be set aside in the debt service fund during such Fiscal Year to fund the next interest and principal payments (i.e., the amounts required for funding the July 1 payment of such year and the January 1 payment of the following year). Specific calculation procedures are required for determining prospective Annual Debt Service on certain types of Senior Airport Revenue Bonds (e.g., Program Bonds).

For Subordinate Airport Revenue Bonds, Annual Debt Service means the amounts due and payable to bondholders during such Fiscal Year (i.e., the debt service payments due on January 1 and July 1 of the Fiscal Year). Specific calculation procedures are required for determining prospective Annual Debt Service on certain types of Subordinate Airport Revenue Bonds (e.g., Program Bonds).

Debt service paid from PFC receipts is subtracted from gross debt service when determining Annual Debt Service for both the Senior Airport Revenue Bonds and the Subordinate Airport Revenue Bonds . The Commission over the years has submitted and received approval to impose and use PFC receipts to pay, among other items, debt service on debt issued to fund project costs approved in the applications. The Commission, as needed, will amend existing applications or file new applications to adjust the authorized amount of PFC receipts that are used to pay debt service in the future. By resolution, the Commission has irrevocably committed certain of its PFC receipts to pay or fund a portion of the Annual Debt Service each year through FY 2030. The Commission has paid and intends to pay debt service from PFC receipts in addition to the irrevocably committed amounts each year as authorized by approved PFC applications.

Transfer is defined as:

> (a) the amount deposited on the last Business Day of the Fiscal Year from the Coverage Account into the Operating Fund plus (b) any amounts withdrawn from the Coverage Account during such Fiscal Year for the purposes specified in Section 4.07 (a) or (b) [of the Master Senior Indenture] less (c) any amounts deposited in the Coverage Account from Revenues during such Fiscal Year.

The purposes for which amounts may be withdrawn from the Coverage Account, as set forth in Section 4.07 of the Master Senior Indenture, are (a) to pay Maintenance and Operation Expenses of the Airport System, (b) to make any required payments or deposits to pay or secure the payment of the principal or purchase price of or interest or redemption premium on the Outstanding Bonds, and (c) to pay the cost of any additions, improvements, repairs, renewals, or replacements to the Airport System, in each case only if and to the extent that moneys otherwise available to make such payments or deposits are insufficient for such purpose.

RATE COVENANTS

Senior Airport Revenue Bonds

The Commission has covenanted in Section 5.04 of the Master Senior Indenture that so long as any of the Senior Airport Revenue Bonds and General Obligation Revenue Bonds are outstanding, the Commission will establish, fix, prescribe, and collect rates, tolls, fees, rentals, and charges in connection with the Airport System, so that Net Revenues in each Fiscal Year are sufficient to fund the deposits required in Section 5.04(a) of the Master Senior Indenture and so that during each Fiscal Year the Net Revenues, together with any Transfer, will be at least equal to 125% of Aggregate Annual Debt Service on the outstanding Senior Airport Revenue Bonds. For purposes of this calculation, the amount of any Transfer shall not exceed 25% of Aggregate Annual Debt Service on the outstanding Senior Airport Revenue Bonds in such Fiscal Year.

Subordinate Airport Revenue Bonds

The Commission has covenanted in Section 5.04 of the Master Subordinate Indenture that so long as any of the Subordinate Airport Revenue Bonds remain outstanding, the Commission will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Subordinate Revenues* in each Fiscal Year are sufficient to fund the deposits required in Section 5.04(a) of the Master Subordinate Indenture and so that during each Fiscal Year the Subordinate Revenues, together with any Transfer, will be equal to at least 110% of Aggregate Annual Debt Service on the outstanding Subordinate Airport Revenue Bonds. For purposes of this calculation, the amount of any Transfer taken into account shall not exceed 10% of Aggregate Annual Debt Service on the outstanding Subordinate Airport Revenue Bonds in such Fiscal Year.

ADDITIONAL BONDS

Senior Airport Revenue Bonds

Prior to issuance of additional debt (which for the purpose of this section includes General Obligation Revenue Bonds in excess of the $55 million currently authorized) on a parity with the Senior Airport Revenue Bonds and General Obligation Revenue Bonds, the Commission is required in Section 2.11 of the Master Senior Indenture to deliver to the Trustee either:

(a) a certificate prepared by an Authorized Commission Representative showing the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Senior Airport Revenue Bonds or preceding the first issuance of the proposed Senior Program Airport Revenue Bonds were at least equal to 110% of Senior Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Airport Revenue Bonds, Unissued Senior Program Airport Revenue Bonds, the proposed Series of Senior Airport Revenue Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Airport Revenue Bonds and the full Senior Authorized Amount of such proposed Senior Program Airport Revenue Bonds (as applicable) were then Outstanding; or

(b) a certificate prepared by an Authorized Commission Representative showing that the Net Revenues (as may be adjusted as described below) for the

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* Subordinate Revenues (which are termed Net Pledged Revenues in the Master Subordinate Indenture) are the Net Revenues remaining after satisfaction of debt service and debt service reserve requirements for the General Obligation Revenue Bonds and the Senior Airport Revenue Bonds and repayment of any property taxes levied to meet debt service payments on the Commission's General Obligation Revenue Bonds should such an event occur.

last completed Fiscal Year or 12-month period immediately preceding the date of issuance of the proposed Series of Senior Airport Revenue Bonds or preceding the first issuance of the proposed Senior Program Airport Revenue Bonds were at least equal to 125% of Senior Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Airport Revenue Bonds, Unissued Senior Program Airport Revenue Bonds, the proposed Series of Senior Airport Revenue Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Airport Revenue Bonds and the full Authorized Amount of such proposed Senior Program Airport Revenue Bonds (as applicable) were then Outstanding.

For purposes of subparagraphs (a) and (b) above, no Transfer shall be taken into account in the computation of Revenues by the Authorized Commission Representative.

For purposes of subparagraph (b) above, the Commission shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Series of Senior Airport Revenue Bonds but which, during the last completed Fiscal Year or 12-month period, was not in effect for the entire period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of the last completed Fiscal Year or 12-month period, as shown by the certificate or opinion of a Consultant employed by the Commission. No such certificate or opinion will be issued by Jacobs Consultancy in connection with the Senior Series 2010 Bonds.

Refunding Senior Airport Revenue Bonds may be issued by the Commission pursuant to Section 2.10 of the Master Senior Indenture if there is a certificate delivered to the trustee "showing that Senior Maximum Aggregate Annual Debt Service after the issuance of such Refunding Senior Airport Revenue Bonds will not exceed Senior Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Senior Airport Revenue Bonds."

Subordinate Airport Revenue Bonds

Additional Subordinate Airport Revenue Bonds may be issued under the Master Subordinate Indenture on parity with outstanding Subordinate Airport Revenue Bonds provided, among other things, that there is delivered to the Subordinate Trustee either:

(a) a certificate prepared by an Authorized Commission Representative showing the Subordinate Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Airport Revenue Bonds were at least equal to 110% of Maximum Aggregate Annual Debt Service with respect to all outstanding Subordinate Airport Revenue Bonds, Unissued Subordinate Program Airport Revenue Bonds, and the proposed series of Subordinate Airport Revenue Bonds, calculated as if the proposed series of Subordinate Airport Revenue Bonds and the full Authorized Amount of such proposed Subordinate Program Airport Revenue Bonds, were then outstanding; or

(b) a certificate, dated as of a date between the date of pricing of the Subordinate Airport Revenue Bonds being issued and the date of delivery of such Subordinate Airport Revenue Bonds (both dates inclusive), prepared by a Consultant showing that:

(i) the Subordinate Revenues, together with any Transfer, (as calculated by said Consultant) for the last audited Fiscal Year or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed series of Subordinate Airport Revenue Bonds or the establishment of Subordinate Program Airport Revenue Bonds were at least equal to 110% of the Aggregate Annual Debt Service due and payable with respect to all outstanding Subordinate Airport Revenue Bonds for such applicable period;

(ii) for the period, if any, from and including the first full Fiscal Year following the issuance of the proposed Subordinate Airport Revenue Bonds through and including the last Fiscal Year during any part of which interest on the proposed Subordinate Airport Revenue Bonds is expected to be paid from the proceeds thereof, the Consultant estimates that the Commission will be in compliance with the rate covenant for Subordinate Airport Revenue Bonds; and

(iii) for the period from and including the first full Fiscal Year following the issuance of the proposed Subordinate Airport Revenue Bonds during which no interest on the proposed Subordinate Airport Revenue Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of the proposed Subordinate Airport Revenue Bonds, or (B) the third full Fiscal Year during which no interest on the proposed Subordinate Airport Revenue Bonds is expected to be paid from the proceeds thereof, estimated Subordinate Revenues, together with any estimated Transfer, for each such Fiscal Year will be at least equal to 110% of Aggregate Annual Debt Service for each such Fiscal Year with respect to all outstanding Subordinate Airport Revenue Bonds, Unissued Subordinate Program Airport Revenue Bonds Obligations, and the series of Subordinate Airport Revenue Bonds proposed to be issued calculated as if the proposed series of Subordinate Airport Revenue Bonds and the full Authorized Amount of such proposed Subordinate Program Airport Revenue Bonds, were then outstanding.

For purposes of subparagraph (a) above, no Transfer will be taken into account in the computation by the Authorized Commission Representative. For purposes of subparagraph (b) above, the Transfer taken into account may not exceed 10% of Aggregate Annual Debt Service in such Fiscal Year for the outstanding Subordinate Airport Revenue Bonds, Unissued Subordinate Program Airport Revenue Bonds Obligations, the proposed series of Subordinate Airport Revenue Bonds, and, if applicable, the full Authorized Amount of such proposed Subordinate Program Airport Revenue Bonds.

For purposes of subsections (b) (ii) and (iii) above, in estimating Subordinate Revenues, the Consultant may take into account any adjustments to Revenues or Maintenance and Operation Expenses that the Consultant believes to be a reasonable assumption for such period.

In certain situations, neither of the certificates described above under subparagraphs (a) or (b) are required for the issuance of additional Subordinate Airport Revenue Bonds. In particular, if Subordinate Airport Revenue Bonds are being issued for the purpose of refunding then outstanding Subordinate Airport Revenue Bonds and there is delivered to the Subordinate Trustee, instead, a certificate of the Authorized Commission Representative showing that Aggregate Annual Debt Service in each Fiscal Year after the issuance of such refunding will not exceed Aggregate Annual Debt Service in such Fiscal Year prior to the refunding.

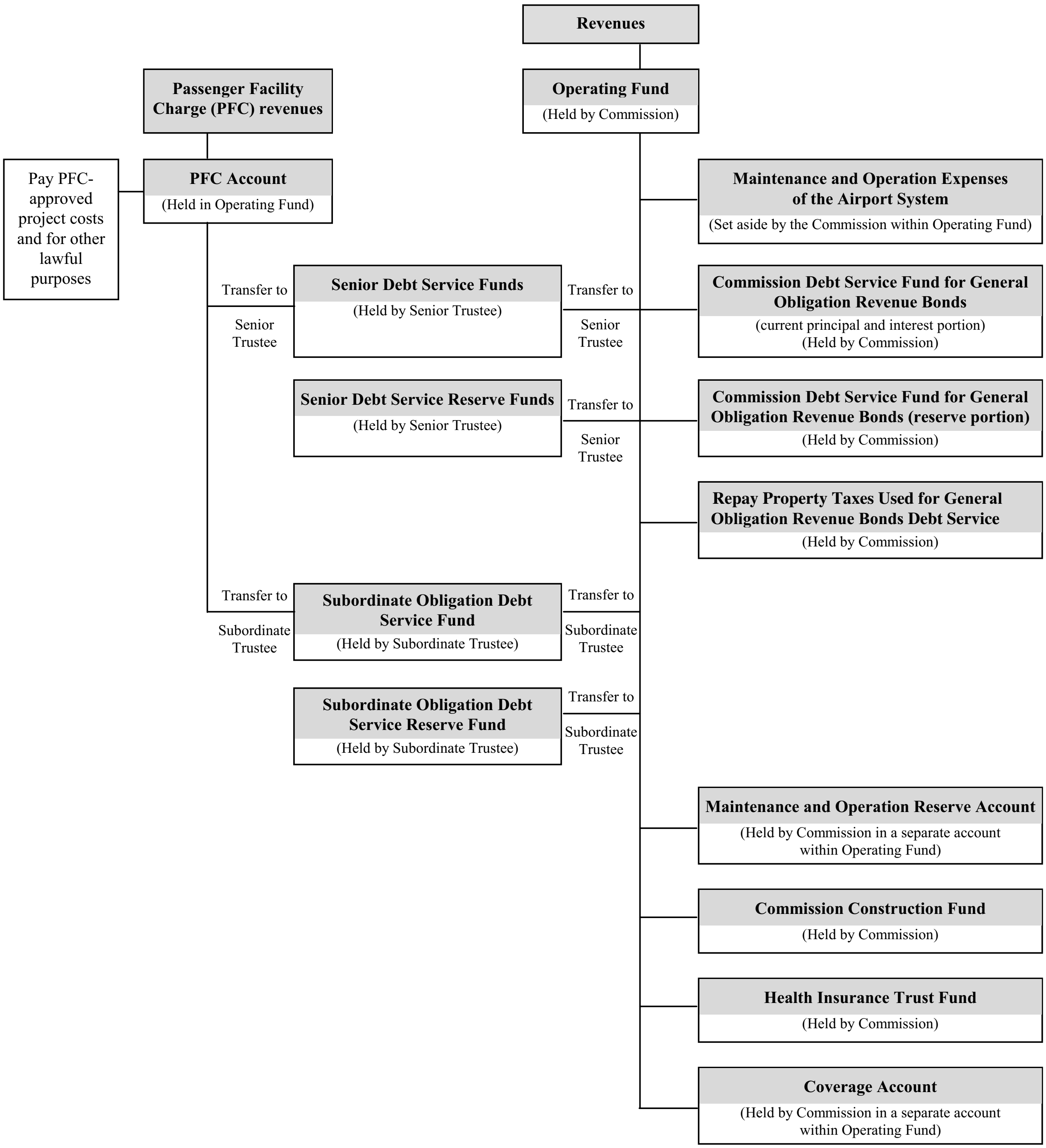
SPECIAL FACILITY OBLIGATIONS

The Commission, pursuant to Section 5.07 of the Master Senior Indenture, is permitted to issue debt to fund Special Facilities, as such are defined in the Master Senior Indenture. Debt service on Special Facility Obligations is payable from and secured solely by the associated Special Facilities Revenues and not from or by Net Revenues. The Commission had no Special Facility Obligations outstanding as of June 1, 2010.

APPLICATION OF REVENUE

The Commission covenants in Section 4.02 of the Master Senior Indenture as long as there are Senior Airport Revenue Bonds or General Obligation Revenue Bonds outstanding that all Revenues will be deposited into the Operating Fund and set aside for payment of required amounts or transferred to funds and accounts in the order of priority as required in Section 4.02, which is presented in Figure 15.

Figure 15
Application of Revenues
Under the Master Senior Indenture
Metropolitan Airports Commission



Source: Metropolitan Airports Commission.

AIRLINE AGREEMENTS

The Commission has entered into separate but substantially similar agreements (known as the Airline Operating Agreement and Terminal Building Lease) with 15 airlines, including Delta Air Lines, with a term through December 31, 2020 and with 12 airlines through December 31, 2010 (collectively, the Airline Agreements). The Commission is considering offering short-term extensions (three to four years) to the airlines with agreements expiring at the end of 2010.

The Airline Agreements provide for, among other things, the use of the airfield and apron areas of the Airport and the lease of certain space in the Lindbergh Terminal. The Airline Agreements also establish procedures for the annual calculation of rents, fees, and charges for the use of facilities and areas covered by the Airline Agreements. These rents, fees, and charges are calculated based on a compensatory rate-setting methodology for the Lindbergh Terminal and a cost-center residual rate-setting methodology for the airfield.

The use and occupancy of the Humphrey Terminal are not subject to the Airline Agreements. The Commission establishes the rents, fees, and charges and the terms for the common-use of the Humphrey Terminal by ordinance.

The Airline Agreements contain, among others, provisions for the (1) dedication of all PFCs collected through 2010 to costs associated with projects in the 2010 Plan; (2) dedication of a portion of PFCs collected from 2011 to 2030 to costs associated with projects in the 2010 Plan; (3) limitations on the noise mitigation costs that may be included in airline rates and charges; (4) recovery of asset costs included in the terminal building, airfield, and terminal apron cost centers; (5) crediting of a portion of certain concession revenues; (6) lease of seven gates to the airlines on a short-term basis (as opposed to the remaining gates in the Lindbergh Terminal, which are leased to the airlines through the term of the Airline Agreements); (7) availability on an as-needed basis of the use of one of the widebody gates leased to Delta Air Lines; and (8) ability to include required deposits per the Master Senior Indenture, including debt service reserve funds of both the Senior Airport Revenue Bonds and the Subordinate Airport Revenue Bonds.

The Airline Agreements provide (1) that no capital projects are subject to airline review and approval except for airfield projects costing in excess of $1 million, (2) that MAC can not charge airlines for the cost of any such airfield projects that are disapproved by a majority-in-interest of signatory airlines, and (3) that all airfield projects in the 2010 Plan are deemed approved and thus their costs can be included in the calculation of landing fees.

CAPITAL IMPROVEMENT PROGRAM

In the late 1990's, the Commission developed and began implementation of a major capital development effort known as the 2010 Long Term Comprehensive Plan, the

2010 Plan. With completion nearing of the 2010 Plan projects, the Commission adopted in late 2009 a capital improvement program for the 2010 through 2016 period. In addition to approximately $82 million of remaining 2010 Plan projects (from a total 2010 Plan cost of approximately $2.9 billion), projects with costs of approximately $446 that the Commission intends to undertake were identified. These projects along with the remaining 2010 Plan projects are the Planned CIP Projects with a total cost of $528 million.

As part of a strategic assessment, the Commission identified certain projects, primarily terminal and facility expansion projects, which could be needed if growth in demand, especially in connecting traffic, warrants the projects (the Demand Driven CIP Projects). The Demand Driven CIP Projects have an estimated cost of $577 million. Current projections of demand do not show a need for these projects.

PLANNED CIP PROJECTS - COSTS AND FUNDING SOURCES

Exhibit A presents the expected costs and funding sources for the Planned CIP Projects. In addition to funding from the proceeds of the Senior Series 2010 Bonds, the sources expected to be used are:

Federal and State Grants

Under the Airport Improvement Program (AIP), the Commission is eligible to receive AIP grants from the FAA for the costs of eligible projects at the Airport. Certain of these grants are to be received as entitlement grants, the annual amount of which is calculated on the basis of the number of enplaned passengers. Other discretionary grants are awarded on the basis of the FAA's determination of the priorities for projects at Airport System and at other airports nationwide. Reauthorization and funding of the Airport and Airway Trust Fund (the primary source of AIP funding) is pending. The FAA continues to operate under periodic extensions of the expired authority. For purposes of this Report, it was assumed that Congress will pass a reauthorization bill or continue to extend the current authorization so that no lapse in AIP funding authority will occur during the forecast period. The Commission also receives some State grants primarily for projects at the reliever airports.

Approximately $30.3 million in federal and State grants are expected for funding of the Planned CIP Projects.

Transportation Security Administration Grants

The Commission expects to receive funding from the Transportation Security Administration (TSA) for security-related costs in the Planned CIP Projects. For purposes of this Report, it was assumed that the TSA will provide $104.9 million in grants for such costs. As of June 1, 2010, approximately $30 million was under grant with two additional grants pending.

PFC Revenues

A PFC is a charge imposed, following approval by the FAA, on enplaned passengers by airport sponsors to generate revenues for eligible airport projects that increase capacity, enhance competition among and between air carriers, enhance safety or security, or mitigate noise impacts. In return for the right to assess a PFC in the amount of $1.00, $2.00, or $3.00, the sponsors of large and medium hub airports forego up to 50% of their AIP entitlement funds. The sponsors of large and medium-hub airports (such as MSP) that collect a PFC of $4.00 or $4.50 forego 75% of their AIP entitlement funds.

Since 1992, the Commission has received approval from the FAA on ten separate applications (eight of which were later amended by the Commission, with the approval of the FAA), to collect and use approximately $1.6 billion in PFC receipts. As of May 1, 2010, approximately $903.8 million has been collected. The current collection authority extends to September 1, 2020 or when the total authorized amount is collected. The use authority is for both funding of approved project costs on a "pay-go" basis and payment of debt service on Bonds issued to fund approved project costs. Amounts not expended in a year are retained for use on the approved debt service in future years.

The Commission anticipates filing a new application late in 2010 for an additional $56.0 million of PFC collection and use authority. Additional applications and amendments of existing approved application, including the extension of the collection period, can be expected over the forecast period.

The forecast of PFC receipts and their use for the period 2010 through 2016 is shown on Exhibit C. It was assumed that the PFC level would remain at $4.50 throughout the forecast period. The exhibit also shows actual collections for the period 2007 through 2009 with an imputed percentage of eligible enplaned passengers. The PFC collections are estimated to be adequate for all planned uses of PFC receipts identified in Exhibit C. Approximately $64 million of the Planned CIP Projects are expected to be funded from PFC receipts on a pay-go basis.

Third-Party Funding

Construction of approximately $15 million of the Planned CIP Projects is dependent on the availability of third-party funding sources. The projects are primarily facilities at reliever airports.

Airline Repair and Replacement Account

In connection with the amending of the Airline Agreements in 2007, an account, the Airline Repair and Replacement Account, was established within the Commission Construction Fund. The account is funded each year from defined amounts ($15 million in 2006 dollars escalated 3% per year) charged to the airlines. Amounts in the Airline Repair and Replacement Account may be used to fund certain maintenance and capital projects as defined in the Airline Agreements. Approximately $91.0 million of the Planned CIP Projects are expected to be funded through the Airline Repair and Replacement Account. In accordance with the methodology in the Airline Agreements, deposits to the Airline Repair and Replacement Account are expected to be approximately $129 million during the forecast period.

Commission Construction Fund – MAC Cash

Amounts accumulated in the Commission Construction Fund, other than amounts held in the Airline Repair and Replacement Account, may be used for any lawful purpose including capital improvements to the Airport System. As shown on Exhibit A in the column labeled "MAC Cash," it was assumed that approximately $121 million of project costs in the Planned CIP Projects would be funded with discretionary cash in the Commission Construction Fund.

PROPOSED SENIOR SERIES 2010 BONDS

Exhibit B presents the estimated sources and uses of the Senior Series 2010 Bonds. The exhibit was based on information prepared by Jefferies & Company, Inc. using data and information provided by the Commission regarding the cost and timing of Planned CIP Projects funded with proceeds of the proposed Senior Series 2010 Bonds. In addition to the proceeds from the sale of the proposed Senior Series 2010 Bonds, investment earnings on available amounts in the Bond Construction Fund will be used to fund project costs.

The estimated uses of Senior Series 2010 Bonds are to: (1) pay a portion of the costs of the Planned CIP Projects (2) reimburse the Commission for prior expenditures (3) satisfy the Senior Debt Service Reserve Requirement, (4) pay capitalized interest on a portion of the Senior Series 2010 Bonds, and (5) pay costs of issuing the Senior Series 2010 Bonds.

DEBT SERVICE REQUIREMENTS

Exhibit D presents historical and forecast Annual Debt Service on outstanding General Obligation Revenue Bonds, outstanding Senior Airport Revenue Bonds, outstanding Subordinate Airport Revenue Bonds, and the proposed Senior Series 2010 Bonds in conformance with the requirements of the Master Senior Indenture and the Master Subordinate Indenture. The Commission in the future might refund outstanding debt to realize savings on debt service and might issue additional debt to fund Demand Driven Projects should the projects be undertaken. For the purposes of this Report, no such issuances were anticipated or assumed. Following issuance of the Senior Series 2010 Bonds, the amount of outstanding principal on General Obligation Revenue Bonds, Senior Airport Revenue Bonds, and Subordinate Airport Revenue Bonds is expected to be about $1.8 billion, which would be approximately $115 per enplaned passenger for FY 2010.

Annual Debt Service is net of amounts paid or expected to be paid from PFC receipts. The Commission has irrevocably committed to apply certain of the PFC receipts through FY 2030 to pay debt service. In addition, the Commission has applied, and intends to apply in the future, PFC receipts in addition to the irrevocably committed amount each year to payment of debt service approved for such payment by the FAA. The historical and forecast application of both irrevocably committed and additional PFC receipts to pay debt service on Senior Airport Revenue Bonds and on Subordinate Airport Revenue Bonds is shown on Exhibit D.

The Commission is considering issuing a portion of the Senior Series 2010 Bonds as "Build America Bonds," which would make a portion of the interest on such bonds eligible for rebates from the federal government. For purposes of this analysis, it was assumed none of the Senior Series 2010 Bonds would be issued as "Build America Bonds." Thus, no interest rate rebate benefit is reflected in the debt service shown in the exhibit nor have any possible rebate amounts been included as Revenues of the Commission. Jefferies & Company, Inc. assumed that the Senior Series 2010 Bonds would have an all-in interest rate of 5.21%. Should the Commission decide to issue "Build America Bonds," the all-in interest rate on the Senior Series 2010 Bonds would be reduced.

OPERATING EXPENSES

Exhibit E presents historical, estimated, and forecast Maintenance and Operation Expenses of the Airport System by type of expense for FY 2007 through FY 2016. Historical Maintenance and Operation Expenses are based on the Commission's audited financial statements. FY 2010 Maintenance and Operation Expenses are based on the budget.

Forecast Maintenance and Operation Expenses are based on assumed increases in the unit costs of labor, services, utilities, and supplies as a result of price inflation; and additional costs associated with changes in Commission operations. In particular, it was assumed that:

- The general rate of increase for Maintenance and Operation Expenses will be 4% per year during the forecast period.

- Personnel costs will increase an average of approximately 4.2% per year to reflect increases in staffing levels, salary levels, and changes in benefit costs during the forecast period.
- Utility expenses will increase an average of approximately 4.9% per year during the forecast period.

Maintenance and Operation Expenses are forecast to increase from $126.3 million in FY 2010 to $161.6 million in FY 2016, which is an average annual growth rate of 4.2%.

AIRPORT SYSTEM REVENUES

Exhibit F presents historical, estimated, and forecast Revenues by type of revenue for FY 2007 through FY 2016. Historical Revenues are based on the Commission's audited financial statements. Revenues for FY 2010 are based on the budget. The assumptions underlying the increases in individual components of Revenues are described in the following paragraphs.

Airline Revenues

Airline Revenues, as shown on Exhibit F, range as a percentage of Operating Revenues between 29.0% and 33.9% over the period FY 2007 through FY 2016. These airline revenues reflect the crediting of a portion of certain concession revenues (food and beverage, merchandise, and rental cars) pursuant to the Airline Agreements.

The Airline Agreements define the areas to be used in accounting for revenues and expenses and for calculating certain rents, fees, and charges. The Airline Agreements cover rate-setting for the Lindbergh Terminal building and apron but not for the common-use Humphrey Terminal. Rates at the Humphrey Terminal are established by the Commission and implemented by ordinance. There are 13 cost centers, as such are defined in the Airline Agreements. Costs allocated to these cost centers include the following, hereinafter referred to as recoverable costs: (1) direct and indirect maintenance and operation expenses, (2) direct and indirect annual debt service on net capital costs, (3) direct and indirect capital outlays, (4) deposit amounts required to fund the Airline Repair and Replacement Account established by the Airline Agreements, and (5) required deposits per the Master Senior Indenture, including debt service reserve funds of both the Senior Airport Revenue Bonds and the Subordinate Airport Revenue Bonds, maintenance and operation reserve account, and coverage account. The rate-setting procedures are based on the recovery of the costs allocated to certain of the cost centers.

Prior to the beginning of each Fiscal Year, the Commission calculates rents, fees, and charges for the upcoming Fiscal Year based on the annual operating budget, capital expenditure information, estimates of activity, and other relevant information. If, during the course of any Fiscal Year, the Commission believes that significant variances exist in amounts used to calculate rents, fees, and charges for the current Fiscal Year, the Commission may adjust the rents, fees, and charges to reflect current estimated amounts.

At the end of each Fiscal Year, the Commission is required to determine the difference between the amount a signatory airline would have paid during such Fiscal Year based upon actual information and the amount a signatory airline actually paid based upon budgeted and estimated information. The difference would be invoiced, credited, or paid to the signatory airline, as appropriate.

Terminal Rentals – Lindbergh Terminal. Exhibit F-1 shows the calculation of forecast airline terminal rental rates and revenues at the Lindbergh Terminal. The Lindbergh Terminal building rental rate per square foot for unjanitored space is calculated by dividing the net terminal building cost by total rentable space, excluding rentable space in the G Concourse. The net terminal building cost is calculated as recoverable costs, less certain revenues: reimbursed expense for steam and chilled water on the G Concourse; carousel and conveyor costs; and janitorial operation and maintenance expenses. In addition, the Commission agreed to defer the start of recovery of $121.6 million of project costs associated with the C/D Concourse extension from their original date of beneficial occupancy to 2006. Per the terms of the Airline Agreements, the Commission calculated carrying costs for these projects during the deferral period and added the carrying costs to the original project cost for recovery beginning in 2006.

The terminal building rental rate per square foot for janitored space is calculated as the terminal building rental rate per square foot for unjanitored space plus an additional amount, the janitored rate, per square foot, calculated by dividing total janitorial operation and maintenance expenses by the total janitored space in the terminal building, excluding Commission and mechanical space and janitored space in the international arrival facility (IAF).

Landing Fees. Exhibit F-2 shows the calculation of forecast signatory airline landing fee rates and revenues. The landing fee rate per 1,000 pounds of aircraft weight is calculated by dividing the net airfield cost by total landed weight of the signatory airlines. The net airfield cost is calculated as recoverable costs, plus (1) the annual amount for recovery of costs related to construction of Runway 17/35 that were deferred from previous periods, (2) the amount, if any, for fines, judgments, or extraordinary charges related to the airfield, and (3) certain of the amounts allocable to the airfield required pursuant to the Master Senior Indenture, less certain revenues: service fees from the military; general aviation and non-signatory landing fees; and annual debt service on capital costs disapproved by a majority-in-interest of signatory airlines.

Air carriers that are not signatory airlines are charged a landing fee rate as established from time to time by the Commission. Ordinance No. 96 sets the landing fee rate to be paid by air carriers that are not signatory airlines at 125% of the signatory airline landing fee rate.

Apron Fees – Lindbergh Terminal. Exhibit F-3 shows the calculation of forecast apron fee rates and revenues at the Lindbergh Terminal. The costs allocated to the Lindbergh Terminal apron cost center are prorated between the users of the four concourses and the regional ramp based on lineal feet of ramp and recovered through two fees: the terminal apron fee and the regional ramp fee. The terminal apron rate per lineal foot is calculated by dividing the terminal apron cost, which is equal to its recoverable costs, by the sum of (1) total estimated lineal feet of terminal apron, excluding the regional ramp, and (2) the weighted lineal feet of the regional ramp.

Other Airline Fees and Charges. The Commission charges certain other fees and charges for the use of the Airport. These fees include, among others, an IAF use fee and the carousel and conveyor charge.

The IAF use fee, which is charged for use of the IAF located on the G Concourse, is calculated as the sum of certain costs associated with the IAF divided by total international arrivals at the IAF on the G Concourse. A gate use fee per aircraft operation also is charged for the use of gates, ramps, and loading bridges on the IAF. The gate use fee per operation is $400, $800, and $1,200 for propeller aircraft, narrowbody aircraft, and widebody jet aircraft, respectively. These gate use fees are remitted to Delta Air Lines until the expiration on December 31, 2015 of their lease for the G Concourse.

The carousel and conveyor charge is calculated as the sum of (1) equipment charges associated with the carousel and conveyor, including annual depreciation and imputed interest, (2) maintenance expense, and (3) service charge. These costs are allocated among airlines using a common use formula, which allocates 20% of the cost equally among each airline using such space and 80% of the cost on the basis of enplaned passengers. Airlines that only operate aircraft with 40 seats or less are excluded from the allocation of the 20% of costs.

Airline Payments per Enplaned Passenger. Exhibit F-4 shows historical and forecast airline payments per enplaned passenger at MSP for FY 2007 through FY 2016. These airline payments are the Airline Revenues shown on Exhibit F plus amounts paid by Delta Air Lines related to its G Concourse agreement. Airline payments per enplaned passenger are forecast to remain between $6.11 and $6.36 during the forecast period.

Nonairline Revenues

Major sources of nonairline revenues include terminal building concessions, public automobile parking, automobile rentals, non-terminal building and land rentals, and other revenues noted below. Forecasts of nonairline revenues are based on the provisions of existing agreements and allowances for inflation, forecast increases in enplaned passengers, and other factors. In particular, it was assumed that:

- Concession revenues, excluding parking and rental car, will increase at the rate of increase in enplaned passengers plus ½%.
- Concession revenues from parking and rental cars will increase at the rate of increase in enplaned passengers, excluding connecting passengers, plus approximately ½%.
- Non-terminal building and land rentals will have periodic rent adjustments that result in an average of 2% per year over the forecast period.
- The Rental Car Facility Charge would provide $4.5 million per year.

Table 28 shows various nonairline revenues (in total and per originating passenger) at MSP for FY 2009.

Table 28
MSP NON-AIRLINE REVENUES, FY 2009
Metropolitan Airport Commission

Source	Total (in thousands)	Per originating passenger
Parking	$61,546	$ 7.60
Rental cars	15,357	1.92
Food and beverage	12,190	1.50 *(a)*
Merchandise	8,082	1.00 *(a)*
Misc. concession (b)	12,460	1.54
General Aviation & Cargo	1,898	0.23
Building and Land (c)	17,404	2.15
Rental Car CFC (d)	8,710	1.07
Miscellaneous	4,964	0.61
Total MSP nonairline rev.	$142,612	$17.60

Note: Columns may not add to totals shown because of rounding.
(a) If calculated on total enplaned passengers, Food and beverage is $0.78 and merchandise is $0.51.
(b) Miscellaneous concession revenues include ground transportation, employee parking, advertising, ATM, vending, and other miscellaneous concession revenues.
(c) Includes terminal rents other than those included in Airline Revenues.
(d) Customer Facility Charge revenues are forecast to be $4.5 million per year starting in FY 2011.
Source: Metropolitan Airport Commission.

Public Automobile Parking Revenues. Public automobile parking is the largest source of revenue in the Airport System. (Airline Revenue as a group is more but consists of several individual elements such as, landing fees, terminal rentals, etc.) Public automobile parking, which does not include revenue from employee parking, was $61.5 million in FY 2009, equal to approximately 21.5% of Revenues.

AMPCO System Parking operates the public parking facilities at the Airport under a parking management agreement that became effective on August 1, 2004. The agreement is on annual extensions and is expected to be extended through July 31, 2011. It was assumed in the analysis that any extension of the AMPCO agreement, or negotiation of a new agreement, for the period after July 31, 2011, will have similar terms as under the existing agreement.

Pursuant to the AMPCO agreement, AMPCO is responsible for maintaining and operating the existing facilities and collecting parking fees established by the Commission. AMPCO remits all gross parking revenues to the Commission and is reimbursed for operating expenses and paid a management fee. Current parking rates at MSP are shown in Figure 29.

Table 29
MSP PARKING RATES AS OF JUNE 1, 2010
Metropolitan Airports Commission

	Regular Rate	ePark® Rate /1
General Parking		
First Hour		
Terminal 1 - Lindbergh	$8.00	$6.00
Terminal 2 - Humphrey	$8.00	$6.00
Each Additional Hour		
Terminal 1 - Lindbergh	$2.00	$2.00
Terminal 2 - Humphrey	$2.00	$2.00
Daily Maximum		
Terminal 1 - Lindbergh	$20.00	$18.00
Terminal 2 - Humphrey	$16.00	$14.00
Short-term Parking		
First Hour		
Both Terminals	$5.00	$3.00
Second Hour		
Both Terminals	$8.00	$6.00
Each Hour 3 through 8		
Both Terminals	$1.00	$1.00
Each Hour beyond 8		
Both Terminals	$2.00	$2.00
Daily Maximum		
Both Terminals	$36.00	$34.00

Note: /1 ePark® is a credit (debit) card based discount parking option that eliminates the use of tickets and cashiers.
Source: Metropolitan Airports Commission.

Automobile parking revenues are forecast to increase from $62.0 million in FY 2010 to $73.5 million in FY 2016. This is an average annual growth rate of 2.9% over the 6-year period.

Rental Car Revenues. Six rental car companies (Avis, Budget, Dollar, Enterprise, Hertz, and Vanguard, which operates as Alamo and National at the Airport) had on-Airport concession agreements that expired May 31, 2006. Since then the rental car companies have been operating with month-to-month leases having substantially the same terms as the expired leases. As a concession fee, the Commission receives annually the greater of an amount equal to 10% of gross receipts for such year or an amount equal to 85% of the concession fee paid by the rental car company in the prior year. In addition, each rental car company pays rent for exclusive-use space in the terminals and for use of the ready/return parking area.

Two off-Airport rental car companies (Americar and Thrifty) operate at the Airport under permits, which are renewed on an annual basis. The off-Airport rental car companies are required to pay a percentage of gross receipts as a privilege fee for use of the Airport. The percentage charged is the same as that charged the on-Airport rental car companies. Revenues from these fees are included in Miscellaneous Concession Revenue on Exhibit F.

The Commission currently levies a customer facility charge (CFC) of $3.25 per rental car transaction day, which is collected and remitted to the Commission by the on-Airport rental car companies. Amounts from the CFC are shown as other nonairline revenue on Exhibit F. (See "Other Nonairline Revenues" below for discussion of the CFC forecast.)

Revenues from rental car concession privilege fees are forecast to increase from $15.5 million in FY 2010 to $18.6 million in FY 2016. This is an average annual growth rate of 3.1% over the 6-year period.

Food and Beverage Revenues and Merchandise Revenues. The Commission has entered into agreements for retail and food and beverage concessions with various firms selected through competitive proposals. Most, but not all, of these concession agreements expire in 2013 and 2014. A "street plus 10%" pricing policy of the Commission is in effect to ensure that food and merchandise prices at the Airport are similar to stores and restaurants in the area including the Mall of America.

Certain tenants such as, Host International, Inc.,; Creative Host Services, Inc.; Anton Airfood, Inc. (which is now part of Host International, Inc.); Minnesota Retail Partners (also a part of Host International, Inc.); and Delaware North, Inc. serve as the primary lessee to the Commission with numerous vendors as sub-tenants. There are approximately 50 food and beverage and 50 merchandise locations in the terminals.

Food and Beverage revenues are forecast to increase from $12.6 million in FY 2010 to $14.7 million in FY 2016. This is an average annual growth rate of 2.6% over the 6-year period. Merchandise revenues are forecast to increase from $8.3 million in FY 2010 to $9.7 million in FY 2016. This is an average annual growth rate of 2.6% over the 6-year period.

Miscellaneous Concession Revenues. Miscellaneous concession revenues include indoor advertising, ATM contract, public telephones, games, vending machines, outdoor advertising, ground transportation fees, MSP employee parking, and various others. The revenues from these concessions are forecast to increase from $9.9 million in FY 2010 to $11.7 million in FY 2016. This is an average annual growth rate of 2.8% over the 6-year period.

Other Nonairline Revenues. Other nonairline revenues consist principally of general aviation fees, cargo fees, building (other than terminal rentals included in Airline

Revenues) and ground rentals, and the rental car CFC. Other nonairline revenues, except the rental car CFC, are forecast to increase from $25.6 million in FY 2010 to $30.4 million in FY 2016. This is an average annual growth rate of 2.9% over the 6-year period. The Commission expects to adjust the CFC rate in FY 2011 resulting in a decrease in revenues from this source. For purposes of this analysis, an amount of $4.5 million per year was assumed for the CFC revenues over the period FY 2011 through FY 2016.

Reliever airports and non-operating revenues. Rentals, fees and other charges at the reliever airports totaled $4.9 million in FY 2009. These revenues were budgeted at $4.7 million in FY 2010 and are forecast to increase to $5.2 million by FY 2016. Non-operating revenues include general interest income and the interest and principal from "Self Liquidating Payments." The Self Liquidating Payments totaled $38.4 million in FY 2009 and are forecast to average about $37.6 million per year over the forecast period.

Interest income under the Senior Master Indenture excludes interest earnings on amounts in the Bond Construction Fund (interest earnings on the Commission Construction Fund are included) and PFC Receipts. As a result of the decline in interest rates, general interest income decreased sharply in FY 2009 to $10.6 million from $15.2 million in FY 2008. For purposes of the analysis, general interest income was assumed to only increase to $12.0 million by FY 2016.

APPLICATION OF REVENUES

Exhibit G presents the forecast application of Airport System Revenues for FY 2010 through FY 2016.

RATE COVENANT AND DEBT SERVICE COVERAGE

Exhibit H presents the forecast Rate Covenant calculation required by Section 5.04 of the Master Senior Indenture. Rate Covenant compliance is forecast for each year of the forecast period. Pro forma coverage calculations on Annual Debt Service of the General Obligation Revenue Bonds and the Senior Airport Revenue Bonds including the proposed Senior Series 2010 Bonds are shown on the exhibit using Net Revenues and Net Revenues plus the Transfer calculated pursuant to the Master Senior Indenture.

Exhibit H-1 presents the forecast Rate Covenant calculation required by Section 5.04 of the Master Subordinate Indenture. Rate Covenant compliance is forecast for each year of the forecast period. Pro forma coverage calculations on Annual Debt Service of the Subordinate Airport Revenue Bonds are shown on the exhibit using Subordinate Revenues and Subordinate Revenues plus the Transfer calculated pursuant to the Master Subordinate Indenture. At the bottom of Exhibit H-1 are pro forma coverage calculations on total Annual Debt Service of the General Obligation

Revenue Bonds, the Senior Airport Revenue Bonds including the proposed Senior Series 2010 Bonds, and the Subordinate Airport Revenue Bonds using Net Revenues and Net Revenues plus the Transfer calculated pursuant to the Master Senior Indenture.

SENSITIVITY ANALYSIS

Given that approximately 50% of the passenger traffic at the Airport is connecting traffic, a pro forma sensitivity analysis was performed using changes in traffic and operations. The analysis is only for the purpose of assessing the effects of such assumptions on Commission financial operations and does not represent an expectation of events or a projection of expected results. For purposes of this sensitivity analysis only, it was assumed, among other things, that:

- Beginning in FY 2011, passenger traffic at the Airport in each year would consist only of the forecast originating enplaned passengers plus 25% of the forecast connecting enplaned passengers or approximately 10.2 million enplaned passengers in FY 2011 and 12.4 million in FY2016. Landed weight was adjusted to reflect a decrease in flight activity.
- Airline rentable space in the Lindbergh Terminal (other than that on Concourse G, which is under a separate lease to Delta Air lines) would be 50% vacant.
- M&O Expenses would not change under the sensitivity analysis adjustments.
- The occupancy and rental stream from the Humphrey Terminal would not change under the sensitivity analysis adjustments.
- The Planned CIP Projects would be financed and constructed as assumed in the forecast analysis with no change in the scope of the projects to reduce the resultant financial obligation or to match the reduced need for facilities.

Under the assumptions used for this sensitivity analysis:

- Net Revenues are projected to be sufficient to meet the requirements of both the senior and subordinate Rate Covenants during each fiscal year of the forecast period of FY 2011 through FY 2016.
- Net Revenues, without any Transfer, divided by total Annual Debt Service on the General Obligation Revenue Bonds, the outstanding Senior Airport Revenue Bonds, and the proposed Senior Series 2010 Bonds, which was forecast to range between 190% and 203% over the forecast period, was projected in the sensitivity analysis for the same period to range from 157% to 168%.
- Net Revenues plus the Transfer calculated pursuant to the Master Senior Indenture divided by total Annual Debt Service on the General Obligation

Revenue Bonds, the Senior Airport Revenue Bonds including the proposed Senior Series 2010 Bonds, and the Subordinate Airport Revenue Bonds, which was forecast to range between 145% and 155% over the forecast period, was projected in the sensitivity analysis for the same period to range from 122% to 131%.

- Using only Net Revenues (not including any Transfer amount) divided by such total Annual Debt Service produced coverage in the sensitivity analysis for the same period that ranged from 110% to 120%.
- PFC receipts using the reduced passenger levels described above were still sufficient to provide for the payment of debt service assumed in the forecast analysis.
- Airline payments per enplaned passenger in the sensitivity analysis range from $8.22 to $8.57 in the period FY 2011 through FY 2016 relative to the corresponding forecast range of $6.11 to $6.36.

As noted above, the assumptions used for this sensitivity analysis do not represent an attempt to examine a likely event or to show possible responses by the Commission to such an event. The sole purpose was to make certain significant, negative changes to the forecast in order to test the resiliency of the forecast results. Changes in the assumptions used would have produced different results. For example, if instead of no reduction in M&O Expenses, it had been assumed that M&O Expenses would have been reduced (through "moth-balling" of terminal facilities and other such actions) by approximately 10% in the test years of the sensitivity analysis (i.e., FY 2011 through FY 2016) and that only 40%, instead of 50%, of the airline rentable space in the rest of the Lindbergh Terminal would remain vacant during these years then the sensitivity analysis would have shown the following results:

- Net Revenues, without any Transfer, divided by the total Annual Debt Service on the General Obligation Revenue Bonds, the outstanding Senior Airport Revenue Bonds, and the proposed Senior Series 2010 Bonds would range between 172% and 183% for the period.
- Net Revenues plus the Transfer calculated pursuant to the Master Senior Indenture divided by total Annual Debt Service, including debt service on outstanding Subordinate Airport Revenue Bonds, would range between 132% and 142% for the period.
- Net Revenues (not including any Transfer amount) divided by total Annual Debt Service, including debt service on outstanding Subordinate Airport Revenue Bonds, would produce coverage that would range from 121% to 131%.
- Airline payments per enplaned passenger would range from $8.10 to $8.41.

Exhibit A
Project Costs and Sources of Funding
Planned CIP Projects
Metropolitian Airports Commission
(in thousands)

		Funding						
	Planned CIP Projects	Senior Series 2010 Bonds	State & Federal	TSA Grants	PFC Pay-Go	Third Party	Airline R&R Account	MAC Cash
Noise Mitigation Program	$ 65,700	$ -	$ -	$ -	$ -	$ -	$ 35,250	$ 30,450
Taxiway C/D Complex	6,000	-	3,600	-	2,400	-	-	-
Lindbergh Terminal Rehabilitation and Repair	192,725	68,700	11,000	55,350	8,500	-	28,200	20,975
Energy Management Center	18,000	1,000	-	-	-	-	7,000	10,000
Landside Rehabilitation and Repair	7,600	5,100	-	-	-	-	1,000	1,500
Parking Facilities	28,750	6,500	-	-	-	-	-	22,250
Airfield and Runway Rehabilitation	40,860	8,000	4,500	-	13,460	800	12,800	1,300
HHH Terminal Rehabilitation and Repair	69,600	-	-	49,500	15,500	3,500	-	1,100
Police and Fire	36,250	7,450	-	-	19,200	-	4,700	4,900
Reliever Airports	43,700	-	11,229	-	-	10,700	-	21,771
Other	18,730	4,770	-	-	5,000	-	2,000	6,960
Total Costs - Planned CIP Projects	$ 527,915	$ 101,520	$ 30,329	$ 104,850	$ 64,060	$ 15,000	$ 90,950	$ 121,206

Source: Metropolitian Airports Commission.

Exhibit B
Sources and Uses of Funds
Senior Series 2010 Bonds
Metropolitian Airports Commission
(in thousands)

Sources of Funds		
Par Amount of Bonds	$	147,495
Premium (Discount)		(1,750)
Interest Income		477
Total Sources of Funds	$	146,222
Use of Funds		
Costs - Planned CIP Projects	$	101,520
Reimbursement to MAC		21,546
Deposit to Debt Service Reserve Fund		11,214
Capitalized Interest		10,455
Costs of Issuance		1,487
Total Uses of Funds	$	146,222

Sources: Metropolitian Airports Commission and Jefferies & Company
Notes: Preliminary Subject to Change

Exhibit C
Historical and Forecast PFC Receipts
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

			Actual	Estimate	Forecast					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PFC Collections										
Enplaned Passengers	16,969	16,384	15,706	15,664	16,184	16,613	16,981	17,354	17,734	18,114
Percent of PFC Eligible Passengers	89.5%	87.4%	86.1%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
PFC Eligible Enplaned Passengers	15,185	14,312	13,516	13,628	14,080	14,453	14,773	15,098	15,429	15,759
PFC Level	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
less: PFC Airline Collection Fee	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC Level	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
PFC Collections [not including interest]	$ 66,662	$ 62,828	$ 59,335	$ 59,826	$ 61,812	$ 63,450	$ 64,856	$ 66,280	$ 67,731	$ 69,183
PFC Cashflow										
PFC Fund Beginning Balance				$ 185,484	$ 212,584	$ 226,715	$ 239,682	$ 273,359	$ 317,438	$ 359,984
Deposits:										
PFC Collections				$ 59,826	$ 61,812	$ 63,450	$ 64,856	$ 66,280	$ 67,731	$ 69,183
Interest Earnings				1,059	2,301	3,667	3,871	5,849	6,707	7,553
Total Annual PFC Receipts				$ 60,885	$ 64,113	$ 67,117	$ 68,727	$ 72,130	$ 74,439	$ 76,736
Use of PFC Receipts										
Pay-as-you-go				$ (7,550)	$ (23,300)	$ (26,210)	$ (7,000)	$ -	$ -	$ -
Debt Service										
Irrevocably Committed				(5,027)	(5,027)	(5,027)	(5,027)	(5,027)	(9,337)	(9,337)
Planned Additional /1				(21,208)	(21,655)	(22,913)	(23,023)	(23,024)	(22,555)	(24,478)
Total Use				$ (33,785)	$ (49,982)	$ (54,150)	$ (35,050)	$ (28,051)	$ (31,892)	$ (33,815)
PFC Fund Ending Balance /2				$ 212,584	$ 226,715	$ 239,682	$ 273,359	$ 317,438	$ 359,984	$ 402,906

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Notes: 1. PFC receipts in addition to irrevocably committed amounts used or expected to be used for payment of debt service.
2. Held for payment of approved debt service in future years.

Exhibit D
Annual Debt Service
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

	2007	2008	Actual 2009	Estimate 2010	Forecast 2011	2012	2013	2014	2015	2016
General Obligation Revenue Bonds										
Series 13	$ 3,552	$ 3,572	$ 3,536	$ 3,524	$ 3,542	$ 3,491	$ 3,466	$ -	$ -	$ -
Series 14	3,592	3,556	3,560	-	-	-	-	-	-	-
Series 15	25,132	25,414	25,701	26,008	26,370	26,707	27,060	28,326	28,677	28,608
Total - General Obligation Revenue Bonds	$ 32,276	$ 32,542	$ 32,797	$ 29,532	$ 29,912	$ 30,198	$ 30,526	$ 28,326	$ 28,677	$ 28,608
Senior Airport Revenue Bonds										
Series 1998A	$ 11,493	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Series 1999B	11,036	11,032	10,454	-	-	-	-	-	-	-
Series 2000B	7,924	7,924	7,922	-	-	-	-	-	-	-
Series 2001B	7,952	7,952	7,950	7,952	7,953	7,952	7,952	7,953	7,953	7,953
Series 2007A	20,235	20,960	20,960	20,960	20,960	20,960	20,960	20,960	20,960	32,460
Series 2008A	-	11,127	11,125	11,124	11,124	11,123	11,125	11,124	11,015	-
Series 2009A-B	-	-	-	17,967	17,970	17,973	17,969	17,974	17,977	17,975
Proposed Series 2010	-	-	-	788	3,013	5,014	10,729	11,207	11,211	11,210
Total - Senior Airport Revenue Bonds	$ 58,641	$ 58,995	$ 58,411	$ 58,791	$ 61,019	$ 63,021	$ 68,735	$ 69,218	$ 69,116	$ 69,597
Debt Service on Senior Lien Debt	$ 90,917	$ 91,537	$ 91,208	$ 88,323	$ 90,932	$ 93,219	$ 99,262	$ 97,544	$ 97,793	$ 98,205
Subordinate Airport Revenue Bonds										
Series 2001D (Series 2001C included in 2007)	$ 12,659	$ 7,463	$ 7,455	$ 7,450	$ 7,439	$ 7,419	$ 7,406	$ 7,397	$ 7,387	$ 2,227
Series 2003A	5,027	5,027	5,027	5,027	5,027	5,027	5,027	5,027	5,027	9,223
Series 2004A	6,461	322	-	-	-	-	-	-	-	-
Series 2005A-C	13,923	22,265	22,257	22,249	22,246	28,901	28,891	28,876	28,859	24,634
Series 2007B	4,502	9,422	9,422	9,422	9,422	9,422	9,422	9,422	9,422	14,867
Commercial Paper paid from Revenues	1,658	1,126	245	200	-	-	-	-	-	-
Debt Service on Subordinate Airport Bonds	$ 44,229	$ 45,624	$ 44,406	$ 44,347	$ 44,134	$ 50,769	$ 50,745	$ 50,721	$ 50,695	$ 50,952
PFC Receipts Used to Pay Debt Service										
Irrevocably Committed	$ (5,027)	$ (5,027)	$ (5,027)	$ (5,027)	$ (5,027)	$ (5,027)	$ (5,027)	$ (5,027)	$ (9,337)	$ (9,337)
Planned Additional /1	(6,929)	(7,647)	(7,496)	(8,422)	(8,423)	(8,423)	(8,422)	(8,424)	(4,108)	(5,786)
Amount Used for Senior Airport Revenue Bonds	(11,956)	(12,674)	(12,523)	(13,449)	(13,450)	(13,450)	(13,449)	(13,451)	(13,445)	(15,123)
Amount Used for Subordinate Airport Revenue Bonds /1	(20,050)	(13,134)	(12,810)	(12,808)	(12,807)	(13,238)	(14,463)	(14,566)	(14,561)	(18,305)
Total PFC Receipts Used to Pay Debt Service	$ (32,006)	$ (25,808)	$ (25,333)	$ (26,257)	$ (26,257)	$ (26,689)	$ (27,912)	$ (28,017)	$ (28,007)	$ (33,427)
Annual Debt Service per Indentures										
Annual Debt Service per Master Senior Indenture	$ 78,961	$ 78,863	$ 78,684	$ 74,875	$ 77,482	$ 79,769	$ 85,812	$ 84,093	$ 84,347	$ 83,082
Annual Debt Service per Master Subordinate Indenture	24,180	32,490	31,596	31,539	31,326	37,530	36,282	36,155	36,134	32,647
Total Annual Debt Service-Senior and Subordinate	$ 103,140	$ 111,353	$ 110,280	$ 106,413	$ 108,808	$ 117,299	$ 122,095	$ 120,249	$ 120,481	$ 115,729

Sources: Metropolitan Airports Commission and Jacobs Consultancy.
Notes: /1 PFC receipts in addition to irrevocably committed amounts used or expected to be used for payment of debt service.

Exhibit E
Maintenance and Operation Expenses
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

			Actual	Estimate	Forecast					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
MSP M&O Expenses										
Personnel:										
Salaries & Wages	$ 38,208	$ 40,357	$ 40,051	$ 41,317	$ 43,116	$ 44,992	$ 46,949	$ 48,991	$ 51,122	$ 53,723
Benefits	14,919	16,174	15,951	16,930	17,603	18,276	18,578	19,310	20,074	21,007
Total Personnel	$ 53,128	$ 56,531	$ 56,002	$ 58,247	$ 60,718	$ 63,268	$ 65,527	$ 68,301	$ 71,195	$ 74,729
Administrative Supplies & Expense	$ 1,497	$ 1,257	$ 1,254	$ 1,183	$ 1,230	$ 1,280	$ 1,331	$ 1,384	$ 1,439	$ 1,497
Professional Services	$ 4,058	$ 3,851	$ 3,654	$ 3,512	$ 3,652	$ 3,798	$ 3,950	$ 4,108	$ 4,273	$ 4,443
Utilities:										
Electricity	$ 9,124	$ 9,864	$ 9,809	$ 10,084	$ 10,588	$ 11,117	$ 11,673	$ 12,257	$ 12,870	$ 13,513
Sewer and Water	2,062	2,234	1,772	1,857	1,931	2,008	2,089	2,172	2,259	2,349
Other	4,883	5,554	4,531	4,678	4,908	5,149	5,403	5,668	5,947	6,240
Total Utilities	$ 16,068	$ 17,651	$ 16,112	$ 16,619	$ 17,427	$ 18,275	$ 19,165	$ 20,098	$ 21,076	$ 22,103
Operating Services:										
Shuttle Services	$ 1,164	$ 1,108	$ 863	$ 725	$ 754	$ 784	$ 816	$ 848	$ 882	$ 917
Parking Management Contract	5,187	5,540	5,317	5,772	5,945	6,124	6,307	6,496	6,691	6,892
Storm Water Monitoring	1,349	1,811	1,534	1,250	1,300	1,352	1,406	1,462	1,521	1,582
Other	7,552	8,792	8,149	8,975	9,334	9,707	10,095	10,499	10,919	11,356
Total Operating Services	$ 15,252	$ 17,251	$ 15,863	$ 16,722	$ 17,333	$ 17,967	$ 18,624	$ 19,306	$ 20,013	$ 20,747
Maintenance Equipment, Services, and Supplies:										
Field	$ 2,189	$ 1,721	$ 2,086	$ 2,252	$ 2,342	$ 2,436	$ 2,533	$ 2,635	$ 2,740	$ 2,849
Building	6,452	6,550	7,836	8,885	9,240	9,610	9,994	10,394	10,810	11,242
Cleaning	8,970	9,653	9,826	10,200	10,608	11,032	11,474	11,933	12,410	12,906
Other	3,299	3,599	3,458	3,705	3,854	4,008	4,168	4,335	4,508	4,689
Total Maintenance	$ 20,910	$ 21,523	$ 23,206	$ 25,042	$ 26,044	$ 27,086	$ 28,169	$ 29,296	$ 30,468	$ 31,687
Other	$ 5,376	$ 52	$ (799)	$ 230	$ 239	$ 249	$ 259	$ 269	$ 280	$ 291
Total MSP	$ 116,290	$ 118,116	$ 115,291	$ 121,554	$ 126,644	$ 131,922	$ 137,025	$ 142,762	$ 148,745	$ 155,497
Total Reliever Airports	$ 4,738	$ 4,929	$ 4,649	$ 4,788	$ 4,979	$ 5,178	$ 5,385	$ 5,601	$ 5,825	$ 6,058
Total Maintenance and Operation Expenses	$ 121,028	$ 123,046	$ 119,940	$ 126,342	$ 131,623	$ 137,100	$ 142,410	$ 148,363	$ 154,569	$ 161,555
Reconciliation to Audit Statements										
Audit Statement Operating Expenses	$ 239,972	$ 244,734	$ 246,493							
Reimbursed Expenses	(3,615)	(3,690)	(3,491)							
Depreciation	(115,329)	(117,999)	(123,061)							
Total Maintenance and Operation Expenses	$ 121,028	$ 123,046	$ 119,940							

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Exhibit F
Revenues
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

			Actual	Estimate	Forecast					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
MSP Revenues										
Airline Revenues										
Landing Fees:										
Signatory Airlines	$ 47,845	$ 46,674	$ 48,243	$ 47,188	$ 48,653	$ 50,551	$ 52,581	$ 54,224	$ 55,877	$ 57,814
Nonsignatory Airlines	724	490	493	410	414	418	422	427	431	435
Total Landing Fees	$ 48,569	$ 47,164	$ 48,736	$ 47,598	$ 49,067	$ 50,969	$ 53,003	$ 54,650	$ 56,308	$ 58,249
Lindbergh Terminal Apron Fees	5,126	5,619	6,504	5,758	6,077	6,409	6,632	6,713	6,978	7,167
Lindbergh Terminal Building Rents	29,158	33,976	32,774	33,337	37,304	38,329	40,173	41,227	41,624	42,493
Other Lindbergh Terminal Charges	3,325	3,716	3,639	4,136	4,210	4,286	4,363	4,442	4,523	4,605
Humphrey Terminal Fees	8,259	6,931	6,927	6,817	6,969	7,124	7,282	7,444	7,610	8,221
Other Airline Charges	35	37	27	20	20	21	21	22	22	53
Credit of MAC Discretionary Funds /1	(10,160)	(9,886)	(8,739)	(8,754)	(8,901)	(9,187)	(9,482)	(9,762)	(10,038)	(10,333)
Total Airline Revenues	$ 84,312	$ 87,556	$ 89,867	$ 88,913	$ 94,746	$ 97,951	$ 101,993	$ 104,738	$ 107,027	$ 110,454
Nonairline Revenues										
Concession Revenues										
Auto Parking	$ 66,765	$ 62,748	$ 61,546	$ 61,956	$ 62,529	$ 64,553	$ 66,687	$ 68,849	$ 71,086	$ 73,451
Rental Car	17,043	17,011	15,357	15,460	15,763	16,273	16,894	17,442	17,964	18,552
Food & Beverage	12,645	12,808	12,190	12,632	12,790	13,195	13,555	13,922	14,298	14,677
Merchandise	8,537	8,689	8,082	8,335	8,483	8,751	8,989	9,233	9,482	9,734
Miscellaneous	8,804	8,686	12,460	9,905	10,234	10,558	10,845	11,139	11,440	11,743
Subtotal Concession Revenues	$ 113,794	$ 109,942	$ 109,636	$ 108,287	$ 109,799	$ 113,330	$ 116,970	$ 120,584	$ 124,270	$ 128,158
Other Revenues										
General Aviation and Cargo Fees	$ 1,526	$ 2,484	$ 1,898	$ 1,806	$ 1,842	$ 1,879	$ 1,917	$ 1,955	$ 1,994	$ 2,034
Building and Land Rent	16,257	17,419	17,404	17,374	17,721	18,076	18,437	18,806	19,182	21,166
Rental Car Facility Charge	6,624	8,943	8,710	8,775	4,500	4,500	4,500	4,500	4,500	4,500
Miscellaneous	6,813	6,333	4,964	6,433	6,559	6,687	6,818	6,951	7,088	7,227
Subtotal Other Revenues	$ 31,220	$ 35,179	$ 32,976	$ 34,388	$ 30,622	$ 31,142	$ 31,672	$ 32,213	$ 32,764	$ 34,926
Total Nonairline Revenues	$ 145,014	$ 145,121	$ 142,612	$ 142,675	$ 140,421	$ 144,472	$ 148,642	$ 152,796	$ 157,034	$ 163,084
Total MSP Revenues	$ 229,326	$ 232,677	$ 232,479	$ 231,588	$ 235,167	$ 242,422	$ 250,635	$ 257,534	$ 264,061	$ 273,538
Total Reliever Airports	$ 5,310	$ 5,187	$ 4,905	$ 4,651	$ 4,744	$ 4,839	$ 4,936	$ 5,034	$ 5,135	$ 5,238
Total Operating Revenues	$ 234,636	$ 237,864	$ 237,384	$ 236,239	$ 239,911	$ 247,261	$ 255,571	$ 262,568	$ 269,196	$ 278,776
Interest Income /2:										
Interest Portion of Self-Liquidating Payments	$ 22,570	$ 20,896	20,017	19,551	18,585	17,533	16,373	15,131	13,779	12,477
Other	18,958	15,281	10,621	10,800	11,000	11,200	11,400	11,600	11,800	12,000
Total Interest Income	$ 41,528	$ 36,177	30,638	30,351	29,585	28,733	27,773	26,731	25,579	24,477
Principal Portion of Self-Liquidating Payments	$ 14,442	$ 15,345	18,413	17,956	19,306	20,841	22,374	24,053	22,697	22,829
Total Revenues	$ 290,606	$ 289,386	$ 286,435	$ 284,546	$ 288,802	$ 296,835	$ 305,718	$ 313,352	$ 317,472	$ 326,082
Airline Revenues as % of Total Revenues	29.0%	30.3%	31.4%	31.2%	32.8%	33.0%	33.4%	33.4%	33.7%	33.9%
Reconciliation to Audit Statements										
Audit Statement Operating Revenues	$ 238,251	$ 241,554	$ 240,875							
Reimbursed Expenses	(3,615)	(3,690)	(3,491)							
Total Operating Revenues	$ 234,636	$ 237,864	$ 237,384							

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Notes: 1. Portion of certain concession revenues pursunat to Airline Agreements

2. Excludes interest income on PFCs, bond related construction funds, and debt service reserve funds (during construction periods).

Exhibit F-1
Calculation of Lindbergh Terminal Building Rentals
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates and space)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

				Actual	Estimate	Forecast					
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LindberghTerminal Building Requirement /1											
Direct M&O Expenses	[A]	$ 28,233	$ 31,205	$ 29,507	$ 31,547	$ 32,894	$ 34,297	$ 35,743	$ 37,271	$ 38,865	$ 40,554
Indirect Cost Center Allocations	[B]	10,239	10,795	10,578	11,283	11,838	12,321	12,779	13,295	13,820	14,457
Debt Service	[C]	24,640	24,798	24,361	22,664	28,691	28,936	30,784	30,943	29,735	29,262
Other Required Deposits	[D]	-	-	-	-	-	-	-	-	-	-
Capital Outlays	[E]	-	-	-	-	-	-	-	-	-	-
Concourse C/D Cost Deferral Recovery	[F]	2,911	2,911	2,911	2,911	2,911	2,911	2,911	2,911	2,911	2,911
Total Lindbergh Terminal Building Requirement	[G]=[A thru F]	$ 66,023	$ 69,709	$ 67,357	$ 68,405	$ 76,334	$ 78,466	$ 82,216	$ 84,419	$ 85,331	$ 87,183
Less:											
Janitorial O&M Expenses	[H]	$ (6,155)	$ (6,670)	$ (6,750)	$ (7,007)	$ (7,288)	$ (7,579)	$ (7,881)	$ (8,196)	$ (8,523)	$ (8,867)
Carrousel and Conveyor Recovered Costs	[I]	(220)	(220)	(229)	(224)	(228)	(233)	(238)	(242)	(247)	(252)
Loading Dock Credit	[J]	(2,226)	(2,294)	(2,211)	(2,195)	(2,239)	(2,284)	(2,329)	(2,376)	(2,423)	(2,472)
Other Recoveries and Credits	[K]	(2,005)	(2,148)	(1,991)	(2,178)	(2,249)	(2,323)	(2,400)	(2,480)	(2,563)	(2,649)
Net Terminal Building Requirement	[L]=[G]-[H thru K]	$ 55,417	$ 58,377	$ 56,176	$ 56,801	$ 64,329	$ 66,047	$ 69,368	$ 71,125	$ 71,575	$ 72,943
Total Rentable Space (in square feet)	[M]	1,103,050	1,103,917	1,108,609	1,106,163	1,106,163	1,106,163	1,106,163	1,106,163	1,106,163	1,106,163
Basic Rental Rate (per square foot per year)	[N]=[L/M]	$ 50.24	$ 52.88	$ 50.67	$ 51.35	$ 58.16	$ 59.71	$ 62.71	$ 64.30	$ 64.71	$ 65.94
Airline Rented Space (in square feet)	[O]	562,266	562,266	561,809	561,809	561,809	561,809	561,809	561,809	561,809	561,809
Airline Basic Space Rentals	[P]=[N*O]	$ 28,248	$ 29,734	$ 28,468	$ 28,849	$ 32,672	$ 33,544	$ 35,232	$ 36,124	$ 36,352	$ 37,047
Janitorial O&M Expenses	[Q]	$ 6,155	$ 6,670	$ 6,750	$ 7,007	$ 7,288	$ 7,579	$ 7,881	$ 8,196	$ 8,523	$ 8,867
Janitorial Area (in square feet)	[R]	995,681	996,369	998,684	996,238	996,238	996,238	996,238	996,238	996,238	996,238
Janitorial Space Surcharge	[S]=[Q/R]	$ 6.18	$ 6.69	$ 6.76	$ 7.03	$ 7.32	$ 7.61	$ 7.91	$ 8.23	$ 8.56	$ 8.90
Airline Janitorial Space	[T]	181,724	181,556	181,526	181,526	181,526	181,526	181,526	181,526	181,526	181,526
Airline Janitorial Space Rentals	[U]=[S*T]	$ 1,123	$ 1,215	$ 1,227	$ 1,277	$ 1,328	$ 1,381	$ 1,436	$ 1,493	$ 1,553	$ 1,616
Allocated Requirement for Funding of Airline R & R Account	[V]	$ 2,936	$ 3,024	$ 3,114	$ 3,208	$ 3,304	$ 3,403	$ 3,505	$ 3,610	$ 3,719	$ 3,830
Airline Rented Space	[W]	562,266	562,266	561,809	561,809	561,809	561,809	561,809	561,809	561,809	561,809
Renewal & Replacement Fund Surcharge	[X]=[V/W]	$ 5.22	$ 5.38	$ 5.54	$ 5.71	$ 5.88	$ 6.06	$ 6.24	$ 6.43	$ 6.62	$ 6.82
Airline Lindbergh Terminal Building Rentals											
Airline Basic Space Rentals	=[P]	$ 28,248	$ 29,734	$ 28,468	$ 28,849	$ 32,672	$ 33,544	$ 35,232	$ 36,124	$ 36,352	$ 37,047
Airline Janitorial Space Rentals	=[U]	1,123	1,215	1,227	1,277	1,328	1,381	1,436	1,493	1,553	1,616
Airline Renewal & Replacement Fund Rentals	=[V]	2,936	3,024	3,118	3,208	3,304	3,403	3,505	3,610	3,719	3,830
Total Airline Lindbergh Terminal Building Rentals	=[P+U+V]	$ 32,307	$ 33,973	$ 32,813	$ 33,333	$ 37,304	$ 38,329	$ 40,173	$ 41,227	$ 41,624	$ 42,493

Sources: Metropolitan Airports Commission and Jacobs Consultancy.
Notes: 1. The calculation of rates excludes Concourse G, which is under separate lease to Delta Air Lines.

Exhibit F-2
Calculation of Landing Fee Rate
Metropolitian Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

				Actual	Estimate	Forecast					
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Signatory Airline Landing Fee Requirement											
Direct M&O Expenses	[A]	$ 9,761	$ 10,113	$ 11,135	$ 10,339	$ 10,764	$ 11,205	$ 11,634	$ 12,112	$ 12,610	$ 13,168
Indirect Cost Center Allocations	[B]	19,939	21,456	22,387	21,522	22,781	23,851	24,720	25,495	26,534	27,632
Debt Service	[C]	6,183	5,756	4,850	5,027	4,482	4,533	4,918	4,951	4,699	4,601
Other Required Deposits	[D]	-	-	-	-	-	-	-	-	-	-
Allocated Requirement for Funding of Airline R & R Account	[E]	10,506	10,821	11,146	11,480	11,825	12,179	12,545	12,921	13,309	13,708
Capital Outlays	[F]	-	-	-	-	-	-	-	-	-	-
Runway 17/35 Cost Deferral Recovery	[G]	80	80	80	80	80	80	80	80	80	80
Total Requirement	[H]=[A thruG]	$ 46,469	$ 48,227	$ 49,598	$ 48,448	$ 49,931	$ 51,848	$ 53,897	$ 55,559	$ 57,232	$ 59,188
Less:											
Non-signatory Landing Fees	[I]	(724)	(490)	(493)	(410)	(414)	(418)	(422)	(427)	(431)	(435)
General Aviation Landing and Service Fees	[J]	(1,200)	(1,063)	(863)	(850)	(864)	(879)	(893)	(908)	(924)	(939)
Signatory Airline Landing Fees	[K]=[H-I-J]	$ 44,545	$ 46,674	$ 48,243	$ 47,188	$ 48,653	$ 50,551	$ 52,581	$ 54,224	$ 55,877	$ 57,814
Signatory Airline Landed Weight (1000 pound units)	[L]	22,998	22,143	21,271	21,216	21,807	22,340	22,798	23,262	23,745	24,223
Signatory Airline Landing Fee Rate Per 1,000 pounds	=[K/L]	$ 1.94	$ 2.11	$ 2.27	$ 2.22	$ 2.23	$ 2.26	$ 2.31	$ 2.33	$ 2.35	$ 2.39

Sources: Metropolitian Airports Commission and Jacobs Consultancy.

Exhibit F-3
Calculation of Lindbergh Terminal Apron Fee
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates and space)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

		2007	2008	Actual 2009	Estimate 2010	Forecast 2011	2012	2013	2014	2015	2016
Lindbergh Terminal Apron Fee Requirement											
Direct M&O Expenses	[A]	$ 236	$ 112	$ 76	$ 330	$ 343	$ 357	$ 371	$ 386	$ 401	$ 418
Indirect Cost Center Allocations	[B]	4,104	4,703	5,605	4,585	4,872	5,170	5,356	5,400	5,627	5,777
Debt Service	[C]	8	8	8	8	6	6	7	7	7	6
Other Required Deposits	[D]	-	-	-	-	-	-	-	-	-	-
Allocated Requirement for Funding of Airline R & R Account	[E]	618	637	656	675	696	716	738	760	783	806
Capital Outlays	[F]	-	-	-	-	-	-	-	-	-	-
Concourse C/D Cost Deferral Recovery	[G]	160	160	160	160	160	160	160	160	160	160
Total Requirement /1 - **Lindbergh Terminal Apron Fees**	[H]=[A thruG]	$ 5,126	$ 5,619	$ 6,504	$ 5,758	$ 6,077	$ 6,409	$ 6,632	$ 6,713	$ 6,978	$ 7,167
Rented Lineal Feet /2	[I]	11,172	11,172	11,176	11,183	11,183	11,183	11,183	11,183	11,183	11,183
Lindbergh Terminal Apron Rate per Rented Lineal Foo	=[H/I]	$ 458.87	$ 502.98	$ 581.93	$ 514.89	$ 543.43	$ 573.14	$ 593.00	$ 600.27	$ 624.00	$ 640.91

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Notes: 1. Includes cost of Lindbergh Terminal apron and regional ramp.

2. Includes lineal feet of Lindbergh Terminal apron, excluding the lineal feet of Regional Ramp, plus the weighted lineal feet of Regional Ramp.

Exhibit F-4
Airline Cost Per Enplaned Passenger
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands except rates)

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			Actual	Estimate	Forecast					
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Airline Payments										
Airline Revenue - Exhibit F	$ 84,312	$ 87,556	$ 89,867	$ 88,913	$ 94,746	$ 97,951	$ 101,993	$ 104,738	$ 107,027	$ 110,454
Self-Liquidating Payments /1	1,593	1,593	1,592	1,593	1,593	1,593	1,592	1,593	1,592	1,600
Other Concourse G Charges	2,550	2,759	2,346	2,439	2,537	2,638	2,744	2,854	2,968	3,087
Total Airline Payments	$ 88,454	$ 91,908	$ 93,805	$ 92,945	$ 98,876	$ 102,182	$ 106,329	$ 109,184	$ 111,586	$ 115,140
Enplaned Passengers	16,969	16,384	15,706	15,664	16,184	16,613	16,981	17,354	17,734	18,114
Airline Cost per Enplanement	$ 5.21	$ 5.61	$ 5.97	$ 5.93	$ 6.11	$ 6.15	$ 6.26	$ 6.29	$ 6.29	$ 6.36

Sources: Metropolitan Airports Commission and Jacobs Consultancy.
Notes: 1. Includes self-liquidating lease payments for Concourse G, which are for terminal facilities, but does not include self-liquidating lease payments related to non-terminal facilities, such as hangars.

Exhibit G
Application of Revenues
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

	Estimate 2010	Forecast 2011	2012	2013	2014	2015	2016
Revenues							
Airline Revenues	$ 88,913	$ 94,746	$ 97,951	$ 101,993	$ 104,738	$ 107,027	$ 110,454
Nonairline Revenues	142,675	140,421	144,472	148,642	152,796	157,034	163,084
Subtotal MSP Revenues	$ 231,588	$ 235,167	$ 242,422	$ 250,635	$ 257,534	$ 264,061	$ 273,538
Reliever Airports Revenues	4,651	4,744	4,839	4,936	5,034	5,135	5,238
Interest Income	30,351	29,585	28,733	27,773	26,731	25,579	24,477
Principal Portion of Self-Liquidating Payments	17,956	19,306	20,841	22,374	24,053	22,697	22,829
Total Revenues	$ 284,546	$ 288,802	$ 296,835	$ 305,718	$ 313,352	$ 317,472	$ 326,082
Application of Revenues							
M&O Expenses of the Airport System	$ 126,342	$ 131,623	$ 137,100	$ 142,410	$ 148,363	$ 154,569	$ 161,555
Annual Debt Service - G.O. Bonds	29,532	29,912	30,198	30,526	28,326	28,677	28,608
Annual Debt Service - Senior Airport Revenue Bonds	45,343	47,570	49,571	55,286	55,767	55,670	54,474
Senior Debt Service Reserve Fund	-	-	-	-	-	-	-
Subordinate Debt Service Funds	31,805	37,994	36,736	36,628	36,629	33,060	32,820
Subordinate Debt Service Reserve Fund	-	-	-	-	-	-	-
M&O Reserve Account	3,201	2,641	2,738	2,655	2,976	3,103	3,493
Commission Construction Fund							
Capital Lease Payment - Equipment	2,117	2,259	2,679	2,704	2,392	2,663	2,596
Deposit to Airline R&R Account	16,883	17,389	17,911	18,448	19,002	19,572	20,159
Deposit to Fund Construction	29,324	19,414	19,901	17,060	19,897	20,158	22,378
Deposit to Fund Coverage Account	-	-	-	-	-	-	-
Total Application of Revenues	$ 284,546	$ 288,802	$ 296,835	$ 305,718	$ 313,352	$ 317,472	$ 326,082

Source: Jacobs Consultancy.

Exhibit H
Master Senior Indenture Rate Covenant and Coverage
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

				Actual	Estimate	Forecast					
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Revenues - Master Senior Indenture											
Revenues		$ 290,606	$ 289,386	$ 286,435	$ 284,546	$ 288,802	$ 296,835	$ 305,718	$ 313,352	$ 317,472	$ 326,082
M&O Expenses of the Airport System		(121,028)	(123,045)	(119,940)	(126,342)	(131,623)	(137,100)	(142,410)	(148,363)	(154,569)	(161,555)
Net Revenues	[A]	$ 169,577	$ 166,341	$ 166,495	$ 158,205	$ 157,179	$ 159,735	$ 163,308	$ 164,989	$ 162,902	$ 164,527
Rate Covenant Calculation - Master Senior Indenture											
Requirement Section 5.04(a)											
Net Revenues	[A]	$ 169,577	$ 166,341	$ 166,495	$ 158,205	$ 157,179	$ 159,735	$ 163,308	$ 164,989	$ 162,902	$ 164,527
Annual Debt Service- General Obligation Revenue Bonds	[B]	(32,276)	(32,542)	(32,797)	(29,532)	(29,912)	(30,198)	(30,526)	(28,326)	(28,677)	(28,608)
Annual Debt Service- Senior Airport Revenue Bonds /1	[C]	(46,685)	(46,321)	(45,887)	(45,343)	(47,570)	(49,571)	(55,286)	(55,767)	(55,670)	(54,474)
Required Deposits to Senior DSR Fund	[D]	-	-	-	-	-	-	-	-	-	-
Required Deposits to Subordinate Debt Service Funds /2	[E]	(32,107)	(33,235)	(32,358)	(31,805)	(37,994)	(36,736)	(36,628)	(36,629)	(33,060)	(32,820)
Required Deposits to Subordinate DSR Fund	[F]	-	-	-	-	-	-	-	-	-	-
Must Not Be Less Than Zero	=[A]-[B thru F]	$ 58,510	$ 54,243	$ 55,453	$ 51,524	$ 41,703	$ 43,229	$ 40,867	$ 44,266	$ 45,496	$ 48,625
Requirement Section 5.04(b)											
Net Revenues	[A]	$ 169,577	$ 166,341	$ 166,495	$ 158,205	$ 157,179	$ 159,735	$ 163,308	$ 164,989	$ 162,902	$ 164,527
Transfer	[G]=[C*25%]	11,671	11,580	11,472	11,336	11,892	12,393	13,821	13,942	13,918	13,619
Total Available	[H]=[A+G]	$ 181,249	$ 177,921	$ 177,966	$ 169,540	$ 169,071	$ 172,127	$ 177,129	$ 178,931	$ 176,820	$ 178,146
Senior Airport Revenue Bonds Debt Service Times 125%	[I]=[C*1.25]	(58,356)	(57,902)	(57,359)	(56,678)	(59,462)	(61,964)	(69,107)	(69,709)	(69,588)	(68,093)
Must Not Be Less Than Zero	=[H-I]	$ 122,893	$ 120,020	$ 120,607	$ 112,862	$ 109,609	$ 110,163	$ 108,022	$ 109,222	$ 107,232	$ 110,052
Pro Forma Coverage on Senior Lien Debt											
Total Available	[H]	$ 181,249	$ 177,921	$ 177,966	$ 169,540	$ 169,071	$ 172,127	$ 177,129	$ 178,931	$ 176,820	$ 178,146
Annual Debt Service per Master Senior Indenture	[J]=[B+C]	$ 78,961	$ 78,863	$ 78,684	$ 74,875	$ 77,482	$ 79,769	$ 85,812	$ 84,093	$ 84,347	$ 83,082
Coverage with Transfer	=[H/J]	230%	226%	226%	226%	218%	216%	206%	213%	210%	214%
Coverage without Transfer	=[A/J]	215%	211%	212%	211%	203%	200%	190%	196%	193%	198%

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Notes: 1. Annual Debt Service per Master Senior Indenture, which are net of amounts paid from PFC receipts, see Exhibit D
2. Deposits required from Net Revenues per Master Subordinate Indenture during Fiscal Year to provide for payment of debt service when due.

Exhibit H-1
Master Subordinate Indenture Rate Covenant and Coverage
Metropolitan Airports Commission
(for the Fiscal Year ending December 31; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Commission management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

				Actual	Estimate	Forecast					
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Subordinate Revenues - Master Subordinate Indenture											
Revenues		$ 290,606	$ 289,386	$ 286,435	$ 284,546	$ 288,802	$ 296,835	$ 305,718	$ 313,352	$ 317,472	$ 326,082
M&O Expenses of the Airport System		(121,028)	(123,045)	(119,940)	(126,342)	(131,623)	(137,100)	(142,410)	(148,363)	(154,569)	(161,555)
Net Revenues	[A]	169,577	166,341	166,495	158,205	157,179	159,735	163,308	164,989	162,902	164,527
Annual Debt Service per Master Senior Indenture /1	[B]	(78,961)	(78,863)	(78,684)	(74,875)	(77,482)	(79,769)	(85,812)	(84,093)	(84,347)	(83,082)
Subordinate Revenues	[C]=[A-B]	$ 90,617	$ 87,478	$ 87,810	$ 83,330	$ 79,697	$ 79,965	$ 77,495	$ 80,896	$ 78,555	$ 81,444
Rate Covenant Calculation - Master Subordinate Indenture											
Requirement Section 5.04(a)											
Subordinate Revenues	[C]	$ 90,617	$ 87,478	$ 87,810	$ 83,330	$ 79,697	$ 79,965	$ 77,495	$ 80,896	$ 78,555	$ 81,444
Required Deposits to Subordinate Debt Service Funds /2	[D]	(32,107)	(33,235)	(32,358)	(31,805)	(37,994)	(36,736)	(36,628)	(36,629)	(33,060)	(32,820)
Required Deposits to Subordinate DSR Func		-	-	-	-	-	-	-	-	-	-
Must Not Be Less Than Zero	=[C- D]	$ 58,510	$ 54,243	$ 55,453	$ 51,524	$ 41,703	$ 43,229	$ 40,867	$ 44,266	$ 45,496	$ 48,625
Requirement Section 5.04(b)											
Subordinate Revenues	[C]	$ 90,617	$ 87,478	$ 87,810	$ 83,330	$ 79,697	$ 79,965	$ 77,495	$ 80,896	$ 78,555	$ 81,444
Transfer	[E]=[D*10%]	3,211	3,324	3,236	3,181	3,799	3,674	3,663	3,663	3,306	3,282
Total Available	[F]=[C+E]	$ 93,827	$ 90,801	$ 91,046	$ 86,511	$ 83,496	$ 83,639	$ 81,158	$ 84,559	$ 81,861	$ 84,726
Annual Debt Service Sub. Airport Revenue Bonds Times 110% /3	[G]	(26,598)	(35,739)	(34,755)	(34,692)	(34,459)	(41,283)	(39,911)	(39,771)	(39,747)	(35,912)
Must Not Be Less Than Zero	=[F-G]	$ 67,230	$ 55,062	$ 56,291	$ 51,818	$ 49,037	$ 42,356	$ 41,248	$ 44,788	$ 42,114	$ 48,815
Pro Forma Coverage on Sub. Airport Revenue Bonds											
Coverage with Transfer	=[F/D]	388%	279%	288%	274%	267%	223%	224%	234%	227%	260%
Coverage without Transfer	=[C/D]	375%	269%	278%	264%	254%	213%	214%	224%	217%	249%
Pro Forma Coverage on Total Debt											
Annual Debt Service - Senior & Subordinate	[H]=[B+(G/1.1)]	$ 103,140	$ 111,353	$ 110,280	$ 106,413	$ 108,808	$ 117,299	$ 122,095	$ 120,249	$ 120,481	$ 115,729
Coverage with Master Senior Indenture Transfer Amount	=[A+B*.25]/[H]	176%	160%	161%	159%	155%	147%	145%	149%	147%	154%
Coverage without Transfer	=[A/H]	164%	149%	151%	149%	144%	136%	134%	137%	135%	142%

Sources: Metropolitan Airports Commission and Jacobs Consultancy.

Notes:
1. Annual Debt Service per Master Senior Indenture, which are net of amounts paid from PFC receipts, see Exhibit D
2. Deposits required from Net Revenues per Master Subordinate Indenture during Fiscal Year to provide for payment of debt service when due.
3. Annual Debt Service per Master Subordinate Indenture, which are net of amounts paid from PFC receipts, see Exhibit D

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APPENDIX B

AUDITED BASIC FINANCIAL STATEMENTS OF THE METROPOLITAN AIRPORTS COMMISSION FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

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MINNEAPOLIS/ST. PAUL, MINNESOTA
METROPOLITAN AIRPORTS COMMISSION

Financial Statements and Independent Accountant's Report

For the Years Ended December 31, 2009 and 2008

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MINNEAPOLIS/ST. PAUL, MINNESOTA
METROPOLITAN AIRPORTS COMMISSION

For the Years Ended December 31, 2009 and 2009

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Independent Accountants' Report on Financial Statements and Supplementary Information

To Members of the Commission of
Minneapolis/St. Paul Metropolitan Airports Commission

We have audited the accompanying basic financial statements of Minneapolis/St. Paul Metropolitan Airports Commission (Commission) as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Commission as of and for the year ended December 31, 2008, before they were retroactively restated for the matters discussed in Note A, were audited by other accountants whose report dated May 18, 2009, (July 15, 2010, as to the effects of the restatement discussed in Note R to those statements), expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of Minneapolis/St. Paul Metropolitan Airports Commission as of December 31, 2009, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A, the Commission retroactively changed its method of accounting for Part 150 sound insulation costs, land and related costs and bond and commercial paper issuance costs during 2009.

The accompanying management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

BKD, LLP

Indianapolis, Indiana
May 27, 2010, except for the Change in Accounting Principle
in Note A and Note T, as to which the date is July 16, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Section

The following discussion and analysis of the financial performance and activity of the Minneapolis/St. Paul Metropolitan Airports Commission (the Commission or MAC) is to provide an introduction and understanding of the basic financial statements of the Commission for the year ended December 31, 2009 with selected comparative information for the years ended December 31, 2008 and 2007. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

USING THE FINANCIAL STATEMENTS

The MAC's financial report includes three financial statements: the Balance Sheets, the Statements of Revenues, Expenses and Changes in Net Assets and the Statements of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the *Governmental Accounting Standards Board* (GASB) principles. The MAC has also adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus – an Amendment of GASB Statements No. 21 and No. 34* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures.* The objective of these reporting standards is to enhance the understandability and usefulness of the basic external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors.

ACTIVITY HIGHLIGHTS

Minneapolis/St. Paul International Airport (the airport or MSP) is classified by the FAA to be one of the large hub airports in the United States. According to Airports Council International statistics, in calendar year 2008, MSP was the 16th busiest airport in the United States in terms of passenger volume, 12th in terms of takeoffs and landings and 25th in cargo traffic. In March 2009, Southwest Airlines commenced 8 flights per day from MSP to Chicago-Midway. Southwest has also added service from MSP to Denver during 2009.

Passengers

In 2009, MSP carried approximately 31.3 million passengers, which represented a decrease of 5.0% from 2008 levels. The majority of the decrease was for passengers carried by major airlines and charter carriers. However, regional carrier passengers increased over 2008 levels. The top five carriers in 2009 by enplaned passengers serving MSP are shown below. The total enplaned passengers for 2009, including connecting, was 15,546,905. The totals may differ from the passenger statistics reported by the air carriers to the Department of Transportation.

Carrier	Enplaned Passengers	% of Total Enplaned Passengers
1. Northwest/Delta	8,967,602	57.7%
2. Mesaba [1]	1,577,271	10.2
3. Compass [1]	905,487	5.8
4. Pinnacle [2]	722,510	4.7
5. American	508,470	3.3
	12,681,340	81.7%

1 a wholly-owned subsidiary of Northwest/Delta

2 Operates as Northwest Airlink under a contractual agreement with Northwest/Delta Airlines

Operations

Aircraft operations represent the total number of takeoffs and landings at the airport. Aircraft operations at MSP decreased in 2009 to 432,395 from 450,044 the previous year, down 3.92%.

Operations at the reliever airports decreased 8.3% from 2008 levels.

FACTORS AFFECTING FINANCIAL CONDITION

Over the last several years, several incidents and general trends, some of which are continuing, have had an adverse impact on air travel and the airline industry which, in turn, have had an adverse effect on the airport.

Northwest/Delta airlines is the dominant carrier at the airport, which serves as a primary hub in Northwest/Delta's route system. Northwest/Delta currently leases 104 of the 117 full service jet gates in the Lindbergh Terminal. In 2009, Northwest/Delta and its affiliates accounted for approximately 78.2% of passenger enplanements at the airport (Also see Note P). Any significant financial or operational difficulties incurred by Northwest/Delta may have a material effect on the Commission's finances. In addition, no assurances can be given that the airport will continue as a system hub for Northwest/Delta.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability or losses of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks on September 11, 2001.

Growing competition from low cost, low fare carriers (such as Southwest) has forced legacy carriers (such as Northwest/Delta) to implement route rationalization, including route transfers to regional partners and the reduction or elimination of service to unprofitable markets. Airlines have reduced schedules, simplified fleets, deferred new aircraft delivery, implemented pay cuts, and reduced workforces. In addition, legacy carriers have shown increasing flexibility in adjusting fares to match discount fares offered by low cost carriers.

The future levels of aviation activity and enplaned passenger traffic at the airport will depend upon several factors, many of which cannot be controlled by the Commission, including, among others, the financial condition of individual airlines and the viability of continued service, as well as local, regional, national and international economic and political conditions, international hostilities, world health concerns, airline service and route networks, availability and price of aviation fuel, airline economics (including labor relations), airline bankruptcies, competition, airfares, airline industry consolidation and capacity of both the national air traffic control system and the airport.

The Commission cannot predict the duration or extent of the reduction in air travel revenues or the extent of the adverse impact on net revenues, Passenger Facility Charges (PFC) revenues, passenger enplanements, operations or the financial condition of the airport. However, in the event that the Commission's tenants would default on their lease obligations, the Commission has the authority to levy property taxes to support its general obligation revenue debt. As a result of the current environment, the Commission continues to actively pursue opportunities to achieve greater cost effectiveness in the deliveries of its services while meeting the mandates for greater security.

Assumption or Rejection of Agreements

In the event an airline that has executed an airline lease agreement or other agreement with the Commission seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee, must determine whether to assume or reject its agreements with the Commission (a) within 60 days (or later if ordered by the court) with respect to its airline lease agreement or leases of non-residential real property, or (b) prior to confirmation of a plan of reorganization with respect to any other agreement. However, bankruptcy courts are courts of equity and can, and often do, grant exceptions to these statutory limitations. In the event of assumption and/or assignment of any agreement to a third party, the airline would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable airline lease agreement or other agreements.

Rejection of an airline lease agreement or other agreement or executory contract will give rise to an unsecured claim of the Commission for damages, the amount of which in the case of an airline lease agreement or other agreement is limited by the U.S. Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an airline lease agreement or other agreement could be considerably less than the maximum amounts allowed under the U.S. Bankruptcy Code. Certain amounts unpaid as a result of a rejection of an airline lease agreement or other agreement in connection with an airline in bankruptcy, such as airfield, terminal, concourse and ramp costs, would be passed on to the remaining airlines under their respective airline lease agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs.

TWA, Sun Country, US Airways, Delta, Comair, Mesaba, Northwest, United, Air Canada and ATA were each operating at the airport under an airline lease agreement at the time of their respective filings for bankruptcy protection. TWA's Airline Lease Agreement was assigned over and assumed by American. While Sun Country rejected its airline lease agreement, the new airline, also known as Sun Country, which was created by an investor group that purchased the assets of the defunct Sun Country, has signed an airline lease agreement. Sun Country filed its second bankruptcy on October 6, 2008 and has assumed the Airline Lease Agreement. US Airways, which emerged from its second bankruptcy filing on September 27, 2005, assumed its airline lease agreement. Air Canada assumed its airline lease agreement. United, which emerged from bankruptcy protection on February 1, 2006, assumed its airline lease agreement. ATA rejected its airline lease agreement. Delta and Comair, which emerged from bankruptcy protection on April 30, 2007, assumed their respective airline lease agreements. Mesaba, which emerged from bankruptcy on April 24, 2007, assumed its airline lease agreement. Northwest Airlines, which emerged from bankruptcy protection on May 31, 2007, assumed its airline lease agreement.

On May 1, 2007, Mesaba rejected an aircraft hangar facility lease. The Commission took possession of the hangar and subsequently signed a 10-year lease with an option of another 10 years with Petters Aviation to occupy that facility. Petters Aviation declared bankruptcy on October 6, 2008 and the Commission entered into a lease in 2009 with a new tenant until March 2011.

With respect to an airline in bankruptcy proceedings in a foreign country, the Commission is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Pre-Petition Obligations

During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Commission on account of goods and services provided prior to the bankruptcy. Thus, the Commission's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees. All of the pre-petition obligations of TWA, United, Air Canada, ATA, Northwest Airlines, Mesaba, Delta and Comair have been paid in full. Under Sun Country's second bankruptcy filing in 2008, Sun Country owed the Commission approximately $471,000 in pre-petition obligations and paid this amount in 2009.

PFCs

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508) (the "1990 PFC Act"), the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181) ("AIR 21") and the Vision 100 – Century of Aviation Reauthorization Act (P.L. 108-176) ("Vision 100," and collectively with the 1990 PFC Act and AIR 21, the "PFC Acts"), the FAA has approved the Commission's applications to require the airlines to collect and remit to the Commission a $4.50 PFC on each enplaning revenue passenger at the airport.

The PFC Acts provide that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Commission) imposing the PFCs, except for any handling fee (which currently is $0.11 per PFC) or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFC collections with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Commission cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the airport. The PFC Act, require an airline in bankruptcy protection to segregate PFC collections from all of its other revenues.

It is possible that the Commission could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Commission cannot predict whether an airline operating at the airport that files for bankruptcy protection would have properly accounted for the PFCs owed to the Commission or whether the bankruptcy estate would have sufficient moneys to pay the Commission in full for the PFCs owed by such airline. All of the airlines that were operating at the airport at the time of their respective filings for bankruptcy protection and during the time they operated at the airport while under bankruptcy protection submitted to the Commission all of the PFC's collected by them.

Amendments to Airline Lease Agreement
In 2007 and in February 2009, the Commission agreed to amend its airline lease agreements. The 2009 amendment was related to Northwest and Delta Airlines only.

2007 Amendments
The 2007 amendments include the following changes to the airline rates and charges methodology set forth in the Airline Lease Agreements:

(a) Recoverable Costs allocated to each of the costs centers will include annual debt service costs, plus reasonable amortization of commercial paper for rate-based related projects (including capital equipment), rather than direct and indirect depreciation and imputed interest (the "Rate Changes").

(b) PFCs will be applied, to the fullest extent of eligibility, to the debt service on Senior Bonds and Subordinate Obligations issued to finance airfield projects, including Runway 17/35 (the Commission will be required to amend certain of its PFC applications in order to implement this provision of the amendment).

(c) Certain deferred charges previously agreed to in the airline lease agreement are eliminated.

(d) $15 million in 2006 dollars (escalated by 3% per year) will be prorated annually among the cost centers to be deposited to a repair and replacement subaccount within the Commission Construction Fund for major maintenance and minor capital projects.

(e) Food and beverage, merchandise and auto-rental annual gross concession revenues to the Commission ("Selected Concession Revenues") will be shared with the Passenger Signatory Airlines (allocated among the Passenger Signatory Airlines based upon their proportionate share of enplanements at the Airport for the applicable fiscal year) under the following schedule (the "Shared Concession Revenues"):

Selected Concession Revenues[1]	Percent Shared with Passenger Signatory Airlines
Greater than $35,972,275	25% up to $35,972,275 and 50% for amounts above $35,972,275
$27,842,319 to $35,972,275	25
$26,728,626 to $27,842,318	20
$25,614,935 to $26,728,625	15
$24,501,242 to $25,614,934	10
$23,387,548 to $24,501,241	5

[1] Selected Concession Revenues were $34,955,262 for fiscal year 2009, resulting in shared concession revenues of $8,738,815. The selected concession revenues thresholds are subject to change annually.

The total amount of Shared Concession Revenues will be structured as a credit against the rates and charges in the current year, payable to the Passenger Signatory Airlines in the subsequent fiscal year. Notwithstanding the above schedule, the amount of Shared Selected Concession Revenues will be reduced to the extent necessary so that Net Revenues, after subtracting the Shared Concession Revenues, will not be less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission. In the event that the Shared Concession Revenues are reduced in any year, such reduction will be deferred until the next fiscal year and will be credited against the rates and charges payable by the Passenger Signatory Airlines in the next fiscal year to the extent that Net Revenues, after subtracting the applicable Shared Concession Revenues, are not less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission.

The amendments to the Airline Lease Agreements provide that, in the event any Signatory Airline is not in compliance with its payment obligations under any agreement with the Commission, during the period following any applicable notice and cure period under such agreement and continuing until payment of any such amounts (the "Payment Default Period"), the Commission will have the right, upon written notice to such Signatory Airline (provided that if such Signatory Airline is in bankruptcy, no notice will be required for the effectiveness of the following although invoices will reference the additional amounts due and the applicable rate that applies), to: (i) have such Signatory Airline's payment obligations under their applicable Airline Lease Agreement during the Payment Default Period revert to the Existing Rate Structure, and (ii) apply the amount of any Rate Differential for such Signatory Airline during such period and the amount of any accrued and unpaid Shared Concession Revenues credits, if any, due to such Signatory Airline for such period (collectively, "Application") against any amounts owed by such Signatory Airline to the Commission to the extent necessary to cure such payment defaults.

2009 Amendments

In 2008, Delta Airlines acquired Northwest Airlines in an all-stock transaction. On December 31, 2009, Delta completed the integration of Northwest Airlines with world headquarters in Atlanta but continuing a hub at MSP. As a result of the merger, an amendment to the Airline Lease Agreements discussed above was approved by the Commission in February 2009, the Northwest Airline and Delta Airline Lease Agreements are further amended to include the following terms:

(i) Northwest/Delta Airlines will covenant to maintain significant functions in the Minneapolis/St. Paul metropolitan area (the "Delta Minnesota Functions Covenant"). Northwest/Delta would agree to maintain several significant functions in the State of Minnesota- a) the "Delta North" headquarters, comprised of various corporate functions as determined by Delta; b) Delta's headquarters for its Delta Connection management (regional airline) function; c) Mesaba and Compass Airlines headquarters; d) Pilot and flight attendant bases; e) Reservations centers in Chisholm, Minnesota and the Twin Cities; f) Delta's primary or secondary technology/data center; g) Pilot training center. These provisions would be subject to an exception if a sufficient number of employees with the skills required for the job or function are not available in the area; or if, after three years, the function, entity or operation is "wholly" outsourced, sold or no longer exists at Delta. In the event of a breach of the Delta Minnesota Functions Covenant, Northwest/Delta may cure the breach by replacing the function with another function in the State of Minnesota with an equivalent or greater average monthly payroll.

(ii) Northwest/Delta Airlines will maintain not less than substantially 400 departing Delta and code-share airlines flights per day from MSP, calculated annually with not less than 250 of those flights being serviced by aircraft with less than 70 passenger seats, calculated annually. The Commission also included these covenants in an amendment to the Northwest Airlines Building C hangar and office Lease Agreement.

(iii) In the event Northwest/Delta Airlines breaches either of these covenants (subject to the force majeure exception set forth below), Northwest/Delta Airlines' credit from the Shared Concession Revenues will be eliminated for such year it violates either of the covenants and if violation continues for three consecutive years, or if either of the covenants is determined to be unenforceable, Northwest/Delta Airlines' credit from the Shared Concession Revenues will be eliminated permanently.

(iv) The rent payable by Delta/Northwest under the Building C Lease would be increased by $500,000 per year through 2014 and an additional $500,000 per year beginning in 2015.

FINANCIAL HIGHLIGHTS

General

The Commission has entered into, and receives payment under, different agreements with various air carriers and other parties, including the airline lease agreement relating to landing fees and the leasing of space in terminal buildings, other building leases regarding the leasing of cargo and miscellaneous hangar facilities, concession agreements relating to sale of goods and services at the airport and specific project leases relating to the construction of buildings and facilities for specific tenants. Below is a brief description of each agreement along with the revenue generated in 2009.

Airline Lease Agreements

The airline lease agreements relate to the use of the airport for air carrier operations, the leasing of space within the terminal buildings of the airport, ramp fees for parking aircraft at the Lindbergh terminal and the establishment of landing fees. Except for rental amounts based primarily upon the square feet rented, the terms, conditions and provisions of each airline lease agreement are substantially the same. Also see Amendments to Airline Lease Agreement.

In the airline lease agreements, the Commission has leased to each particular air carrier a certain specified square footage portion of the terminal area in the airport. Annual rents are computed on the basis of various charges per square foot for various types of space within the existing terminal area and, in certain cases, the costs of certain improvements of the existing terminal area. The airline lease agreements also provide that each air carrier is required to pay a basic landing fee. The landing fee is calculated by dividing the cost of operations, maintenance and debt service at the airfield by total landed weight of aircraft utilizing the airport. The airline lease agreements also require each air carrier leasing gate space at Lindbergh Terminal to pay an aircraft parking ramp fee that is computed on a lineal foot basis. The ramp fee includes the cost of operations, maintenance and debt service to the ramp area surrounding the terminal building gates.

For the year ended December 31, 2009, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately $81,999,000. The annual rentals due under each lease may be adjusted each year to reflect actual costs of the airport.

Other Building and Miscellaneous Leases

The other building and miscellaneous leases relate to rentals and other fees associated with the Hubert H. Humphrey Terminal (Humphrey Terminal), miscellaneous hangar facilities, and office rentals for non-airline tenants in the Lindbergh Terminal. For the year ended December 31, 2009, the aggregate annual rentals under these leases were approximately $21,988,000.

Specific Project Leases

The Commission has constructed various buildings and facilities for specific tenants including a fueling facility for Servisair & Shell Fuel Services, and hangars and office buildings for Northwest/Delta, Federal Express, Champion and Mesaba Airlines. The specific project leases relate to the use of these buildings and facilities by, Northwest/Delta, Servisair & Shell Fuel Services, Federal Express, Champion and Mesaba. On May 1, 2007, Mesaba rejected an aircraft hangar facility lease. The Commission took possession of the hangar on that date. In September 2007, the Commission was able to lease the hangar to Petters Aviation which in 2008 subsequently filed for bankruptcy and rejected the hangar lease. In 2009, the Commission was able to find another tenant to lease the hangar until March 2011. Champion Airlines ceased operations on May 31, 2008. During 2008, the Commission entered into a lease with Mesaba Airlines to occupy the hangar formerly leased by Champion Airlines through April 30, 2009. In 2009, NWA/Delta airlines currently occupy the hangar formerly leased to Champion and Mesaba airlines.

If bonds were issued by the Commission to finance the construction of a facility, the lessee is required to pay annual lease payments equal to the debt service requirements on the bonds issued to construct the facility, due in the following year. The lease remains in effect until the total debt service on the bonds has been paid. Bond funds were used to finance certain facilities for Northwest/Delta Airlines, Mesaba and Federal Express.

If the construction of a facility is financed from funds the Commission has on hand, the lessee is required to make lease payments equal to the debt service requirements, which would have been required, if bond funds were used. Commission funds were used to finance facilities for Servisair & Shell Fuel Services, Champion Airlines and certain facilities for Northwest/Delta Airlines including the extension of the "G" Concourse.

For the year ended December 31, 2009, the aggregate lease rentals paid to the Commission under specific project leases was approximately $38,430,000.

Concession Agreements

The Commission has entered into separate concession agreements with various firms to operate concessions inside the terminal building at the airport including, among others, food and beverage services, newsstands, advertising, amusements/games, insurance, personal service shops, and telephones. For the year ended December 31, 2009, the aggregate fees earned by the Commission under the existing concession agreements were approximately $24,911,000. Such fees are computed on the basis of different percentages of gross sales for the various types of concessions, with the larger concessions guaranteeing a minimum payment each year.

Concession agreements for rental car agencies require such concessionaires to pay fees based on a percentage of their gross revenues and special charges such as parking fees and a per-square-foot land rental. The Commission also has a management contract with a firm for the operation of the airport parking lot and garage facilities. For the year ended December 31, 2009, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot management contract were approximately $86,065,000. Of this amount, parking revenue was approximately $61,546,000 and auto rental revenue for both on and off airport auto rentals was approximately $24,519,000.

Reliever Airports
The Commission has entered into various other leases and agreements with tenants at its reliever airport system. These reliever airport tenant leases include fuel flowage fees, hangar rentals, storage lots, commercial fees and other miscellaneous amounts. For the year ended December 31, 2009, revenues from these agreements were approximately $4,905,000.

Miscellaneous Off-Airport Concession Leases and Ground Transportation Fees
The Commission has entered into certain leases with off-airport concessionaires that provide off-airport advertising and auto services. Additionally, the Commission charges fees for employee parking, permits and licenses to operate shuttles, vans, buses and taxis at the airport. Such fees are set by Commission ordinances. For the year ended December 31, 2009, the Commission earned $7,370,000.

Miscellaneous Revenues
In addition to the above agreements, the Commission enters into various other leases and agreements. These include utility charges, ground space rentals, office rentals for commuter airlines and concessionaires, commuter and general aviation fees, and other miscellaneous amounts. For the year ended December 31, 2009, the revenues from these agreements were approximately $13,637,000.

Operating Revenues
Operating revenues for the MAC are derived entirely from user fees that are established for various services and facilities that are provided at Commission airports. While the Commission has the power to levy taxes to support its operations, it has adopted policies to provide adequate revenues for the system to operate since 1969 without general tax support. Revenue sources have been grouped into the following categories in the Statement of Revenues, Expenses and Changes in Net Assets:

Airline Rates & Charges - Revenue from landing & ramp fees and terminal building rates
Concessions - Revenue from food & beverage sales, merchandise sales, auto parking, etc.
Other Revenues:
Rentals/fees - Fees for building rentals
Utilities and other revenues - Charges for tenants use of ground power, water and sewer, and other services provided by MAC

For the fiscal years ended December 31, 2008 and 2009, the top ten operating revenue sources for the MAC are as follows:

Top Ten Operating Revenue Sources:

Source	2008 Revenue
1. Parking	$ 62,748,000
2. Landing Fees	48,082,000
3. Terminal Rent-Airlines	33,976,000
4. Auto Rental (Off and On-Airport)	17,725,000*
5. Other Building Rent	15,047,000
6. Food and Beverage	12,807,000
7. Merchandise	8,689,000
8. Ground Rent	7,511,000
9. Ramp Fees	5,693,000
10. Ground Transportation Fee	3,685,000

*Excludes Customer Facility Charge

Source	2009 Revenue
1. Parking	$ 61,546,000
2. Landing Fees	49,455,000
3. Terminal Rent-Airlines	32,774,000
4. Auto Rental (Off and On-Airport)	15,808,000*
5. Other Building Rent	15,800,000
6. Food and Beverage	13,052,000
7. Ground Rent	9,177,000
8. News/Retail	8,082,000
9. Ramp Fees	6,531,000
10. Ground Transportation Fee	3,951,000

*Excludes Customer Facility Charge

The top ten revenue providers for 2009 for the MAC are as follows:

Top Ten Operating Revenue Providers:

1. Northwest/Delta Airlines
2. HMS Host
3. Minnesota Retail Partners
4. Hertz
5. National/Alamo Car Rental
6. Avis
7. Sun Country Airlines
8. Enterprise Rent a Car
9. United Airlines
10. American Airlines

During 2009, MAC total revenues and capital contributions decreased by 3.0% to $366,104,000 from $381,641,000 in 2008. Changes in major categories are summarized below (dollars in thousands):

Operating Revenues	**2009**	**% of Total**	**2008**	**% of Total**	**Dollar Change**	**Percent Change**
Airline Rates & Charges	$89,867	24.5%	$87,244	22.9%	$ 2,623	3.0%
Concessions	109,636	29.9%	112,365	29.5%	(2,729)	(2.4)%
Rentals/Fees	28,435	7.8%	28,632	7.5%	(197)	(0.7)%
Utilities and Other Revenues	12,937	3.5%	13,313	3.5%	(376)	(2.8)%
Total Operating Revenues	240,875		241,554		(679)	
Nonoperating Revenues						
Investment Income	30,625	8.4%	49,938	13.1%	(19,313)	(38.7)%
Gain on Sale of Assets/Other	205	0.1%	5,178	1.4%	(4,973)	(96.0)%
Passenger Facility Charges (PFC)	67,481	18.4%	54,682	14.3%	12,799	23.4%
Total Nonoperating Revenues	98,311		109,798		(11,487)	
Capital Contributions and Grants	26,918	7.4%	30,149	7.8%	(3,231)	(10.7)%
Total Revenues and Capital Contributions	$366,104	100.0%	$381,501	100.0%	($15,397)	(4.0)%

Airline rates and charges increased 3.0%. The increase is mainly attributed to an increase in debt service. During 2009, the Commission retired an equipment related financing debt that had a large principal payment at maturity.

Concessions decreased $2,729,000 or 2.4%. The decrease is primarily in the areas of public parking and car rentals. Lower passenger counts as well as shorter length of stays attributed to this decrease.

Rentals and Fees decreased slightly by $197,000 or 0.7%. Increases in building rentals for non-airline tenants were offset by decreases in ground rentals and customer facility charges collected by auto rental firms.

Utilities and Other Revenues decreased $376,000 or 2.8%. Decreases in utility rates along with decreases in general aviation landing fees and airside fees contributed to the majority of the decreases in this category.

Investment income decreased due to lower cash balances along with lower interest rates earned on investments.

Gain on sale of assets and other income decreased $4,973,000. During 2008, the Commission received $3.2 million from a bankruptcy claim against Mesaba Airlines. In addition, the Commission sold a hangar at St. Paul downtown airport to 3M Corporation for a gain.

PFC revenue increased from 2008 levels as a result of a decrease in passenger levels and offset by a decrease in deferred revenue.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The decrease in 2009 comes primarily from a slight decrease in grant eligible projects.

During 2008, MAC total revenues and capital contributions and grants decreased by 4.2% to $381,501,000 from $398,160,000 in 2007. Changes in major categories are summarized below (dollars in thousands):

Operating Revenues	2008	% of Total	2007	% of Total	Dollar Change	Percent Change
Airline Rates & Charges	$87,244	22.9%	$84,451	21.3%	$ 2,793	3.3%
Concessions	112,365	29.4%	115,857	29.1%	(3,492)	(3.0)%
Rentals/Fees	28,632	7.5%	24,328	6.1%	4,304	17.7%
Utilities and Other Revenues	13,313	3.5%	13,615	3.4%	(302)	(2.2)%
Total Operating Revenues	241,554		238,251		3,303	
Nonoperating Revenues						
Investment Income	49,938	13.1%	62,271	15.6%	(12,333)	(19.8)%
Gain on Sale of Assets/Other	5,178	1.4%	-	-	5,178	-
Passenger Facility Charges (PFC)	54,682	14.3%	66,662	16.7%	(11,980)	(18.0)%
Total Nonoperating Revenues	109,798		128,933		(19,135)	
Capital Contributions	30,149	7.8%	30,976	7.8%	(827)	(2.7)%
Total Revenues and Capital Contributions	$381,501	100.0%	$398,160	100.0%	($16,659)	(4.2)%

Airline rates and charges increased 3.3%. The increase is mainly attributed to an increase in terminal building rentals which was a result of increases in utilities, building maintenance and cleaning expenses.

Concessions decreased $3,492,000 or 3.0%. The decrease is primarily a result in public parking. Lower passenger counts as well as shorter length of stays attributed to this decrease.

Rentals/Fees increased $4,304,000 as a result of an increase in the Customer Facility Charge rate and activity collected by the auto rental firms. Also, ground rentals increased as a result of new ground space rentals and an increase in certain rental rates for facilities leased by Northwest/Delta Airlines.

Utilities and Other revenues decreased slightly primarily as a result of lower miscellaneous revenues.

Investment income decreased due to lower cash balances along with lower interest rates earned on investments.

Gain on sale of assets and other income increased $5,178,000. During 2008, the Commission received $3.2 million from a bankruptcy claim against Mesaba Airlines. In addition, the Commission sold a hangar at St. Paul downtown airport to 3M Corporation for a gain.

PFC revenue decreased from 2007 levels as a result of a decrease in passenger levels and an increase in deferred revenue.

Capital contributions represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The slight decrease in 2008 comes primarily from a decrease in grant eligible projects.

Expenses

In 2009, MAC total expenses decreased by 0.8% to $340,778,000 from $343,403,000 in 2008. Changes in major categories are summarized below (dollars in thousands):

Operating Expenses	2009	% of Total	2008	% of Total	Dollar Change	Percent Change
Personnel	$59,304	17.9%	$59,811	17.9%	$(507)	(0.8)%
Administrative	1,301	0.4%	1,298	0.4%	3	0.2%
Professional services	4,004	1.2%	4,161	1.2%	(157)	(3.8)%
Utilities	16,553	5.0%	18,089	5.4%	(1,536)	(8.5)%
Operating services	16,043	4.9%	17,540	5.3%	(1,497)	(8.5)%
Maintenance	23,718	7.2%	22,140	6.6%	1,578	7.1%
Depreciation	123,060	37.2%	117,999	35.4%	5,061	4.3%
Other	2,510	0.8%	3,696	1.1%	(1,186)	(32.1)%
Operating Expenses	246,493		244,734		1,759	
Nonoperating Expenses						
Interest Expense	84,198	25.4%	88,722	26.7%	(4,524)	(5.1)%
Total Nonoperating Expenses	84,198		88,722		(4,524)	
Total Expenses	$330,691	100.0%	$333,456	100.0%	$ (2,765)	(0.8)%

Personnel expenses decreased $507,000 or 0.8%. This is primarily a result of lower overtime costs; delaying and/or freezing employee pay rates and slightly lower medical costs.

Professional services decreased $157,000 from 2008 levels primarily in the area of legal fees offset partially by increase in airport planning fees.

Utilities decreased 8.5% from 2008 levels. The result of this increase is attributed to a decrease in rates in natural gas, water and sewer.

Operating services decreased $1,497,000 or 8.5%. The decreases in this category were in parking management fees, advertising, shuttle bus and events. Parking management fees and advertising decreased due to lower spending in these areas. Shuttle bus decreased due to a decrease in service as a result of the opening of a new parking ramp at the HHH Terminal and events decreased as a result of the Twin Cities area hosting national conventions in 2008.

Maintenance increased 7.1% from 2008 levels. The majority of the increases were in the contract cleaning and mechanical areas. Contract cleaning increased as a result of an increase on the frequency of cleaning certain areas of the terminal building as well as a general rate increase. Mechanical areas increased due to increased prices on the automated people mover and escalator maintenance contracts.

Depreciation increased by 4.3% as a result of a parking ramp addition at the HHH Terminal which came into full service in February 2009 as well as incurring a full years' depreciation on projects that were completed in 2008.

Other expenses decreased due to a lower general insurance premiums as well as lower spending for non capital equipment and miscellaneous expenses.

Interest expense decreased due to the refunding of debt that occurred in 2008 and 2009.

In 2008, MAC total expenses decreased by 0.9% to $343,403,000 from $346,584,000 in 2007. Changes in major categories are summarized below (dollars in thousands):

Operating Expenses	2008	% of Total	2007	% of Total	Dollar Change	Percent Change
Personnel	$59,811	17.9%	$56,278	16.7%	$3,533	6.3%
Administrative	1,298	0.4%	1,538	0.5%	(240)	(15.6)%
Professional services	4,161	1.2%	4,474	1.3%	(313)	(7.0)%
Utilities	18,089	5.4%	16,466	4.9%	1,623	9.9%
Operating services	17,540	5.3%	15,437	4.6%	2,103	13.6%
Maintenance	22,140	6.6%	21,527	6.4%	613	2.8%
Depreciation	117,999	35.4%	116,510	34.7%	1,489	1.3%
Other	3,696	1.1%	8,922	2.6%	(5,226)	(58.6)%
Operating Expenses	244,734		241,152		3,582	
Nonoperating Expenses						
Interest Expense	88,722	26.7%	95,556	28.3%	(6,834)	(7.2)%
Loss on disposal of assets	-	-	70	-	(70)	(100.0)%
Total Nonoperating Expenses	88,722		95,626		(6,904)	
Total Expenses	$333,456	100.0%	$336,778	100.0%	($3,322)	(1.0)%

Personnel expenses increased $3,533,000 or 6.3%. This is primarily a result of a general wage adjustments for the Commission's employees, additional headcount as well as overtime costs associated with snow events in 2008.

Administrative expenses decreased by $240,000 as a result of reduced spending in this area.

Professional services decreased $313,000 from 2007 levels primarily in the area of legal fees offset partially by increase in airport planning fees.

Utilities increased 9.9% from 2007 levels. The result of this increase is attributed to an increase in rates in electricity, natural gas and sewer.

Operating services increased $2,103,000 or 13.6%. The increases in this category were in service agreements, parking management fees, storm water monitoring and events. Service agreements increased as a result of maintaining the Commission's computer systems; parking management fees increased due to higher labor and benefit costs; storm water monitoring increased due to an increase in snow events in 2008 and events increased as a result of the Twin Cities area hosting national conventions.

Maintenance increased 2.8% from 2007 levels. The majority of the increases were in the contract cleaning and mechanical areas. Contract cleaning increased as a result of an increase on the frequency of cleaning certain areas of the terminal building as well as a general rate increase. Mechanical areas increased due to increased prices on the automated people mover and escalator maintenance contracts.

Depreciation increased by 1.3% as a result of approximately $174 million of airports and facilities were placed into service in 2007 and 2008.

Other expenses decreased due to a 2007 write-off of receivables from an amendment of the Building B lease with Northwest Airlines as well as a partial impairment charge recognized in 2007 for a hangar leased by Champion Airlines.

Interest expense decreased 7.2% due to the refunding of debt that occurred in 2007 and 2008.

Net Revenues

In order to promote and encourage the efficient use of facilities at all MAC airports, as well as attempting to minimize the environmental impact of MSP on the surrounding community, MAC has implemented a policy of subsidizing its reliever airports by establishing relatively low user charges as an incentive for pilots to use these facilities rather than MSP. In order to maintain this subsidy, MAC sets its rates and charges to assure that total system revenues will be sufficient to pay total system expenses.

Net revenues generated by the Commission are designated for construction and debt service payments. These net revenues provide the Commission with a portion of the money to meet the funding requirements of its capital improvement program. This reduces the need to issue bonds and, therefore, allows the Commission to avoid the interest expense of additional debt.

Following is a summary of the Statements of Revenues, Expenses and Changes in Net Assets:
(in thousands)

	2009	2008	2007
Operating revenues	$ 240,875	$ 241,554	$ 238,251
Operating expenses	(246,493)	(244,734)	(241,152)
Operating loss	(5,618)	(3,180)	(2,901)
Nonoperating revenues	98,311	109,798	128,933
Nonoperating expenses	(84,198)	(88,722)	(95,626)
Capital contributions	26,918	30,149	30,976
Increase in Net Assets	$ 35,413	$ 48,045	$ 61,382

The Commission shows a decrease in the total change in its net assets in 2009 from 2008 and 2007. The primary cause for the fiscal year 2009 net asset decrease is due to a decrease in PFC deferred revenue which resulted in higher PFC revenues. The increase in PFC's revenues was partially offset by a decrease in interest earnings as a result of lower cash balances and a reduction in interest rates earned on investments by the Commission. The Commission shows a growing operating loss as a result of its methodology of charging airline rates and charges and the revenue recognition of PFC's. For its airline rates and charges model, the Commission uses debt service instead of depreciation as a basis of recovering capital costs. Therefore projects constructed with internally generated funds are not recoverable under the airline agreement. Further contributing to the operating loss is the accounting treatment of PFC's and federal grants. The Commission can not charge the users of the airport for any of its capital costs that were funded by PFC's and/or capital contributions. Therefore under operating expenses the full cost of the capital project is depreciated over its useful life however the corresponding revenue from that particular project shows below the operating loss line item as a nonoperating revenue (PFC) item or a capital contribution. We believe we are well positioned to increase the long-term financial stability and air service competitiveness of MSP. In addition, our 10-year history of airline rates and charges as shown in the statistical section is very competitive and, as one of the few airports with an AA- rating from both Fitch Investor Services and Standard & Poors, we feel we are positioned well for growth in the future.

BALANCE SHEETS

The Balance Sheets present the financial position of the MAC at the end of the fiscal year. The Statements include all assets and liabilities of the MAC. Net assets are the difference between total assets and total liabilities and are an indicator of the current financial health of the MAC. A summarized comparison of the MAC's assets, liabilities and net assets at December 31, 2009, 2008 and 2007 is as follows (in thousands):

	12/31/09	12/31/08	12/31/07
Assets			
Current assets-unrestricted	$ 247,749	$ 311,873	$ 438,528
Restricted assets-current	154,070	249,231	354,712
Noncurrent assets:			
Other noncurrent assets	579,710	618,063	850,446
Capital assets-net	2,475,603	2,456,421	2,470,047
Total assets	$ 3,457,132	$ 3,635,588	$ 4,113,733
Liabilities			
Current liabilities-unrestricted	$ 46,829	$ 121,995	$ 260,088
Payable from restricted current assets	129,511	221,038	470,299
Noncurrent liabilities:			
Bonds payable	1,657,546	1,710,300	1,859,945
Other noncurrent liabilities	64,303	58,725	55,820
Total liabilities	1,898,189	2,112,058	2,646,152
Net Assets			
Invested in capital assets, net of debt	1.146.633	1.097.417	1,186,470
Restricted	252.975	272.695	150,032
Unrestricted	159,335	153,418	131,079
Total net assets	1,558,943	1,523,530	1,467,581
Total liabilities and net assets	$ 3,457,132	$ 3,635,588	$ 4,113,733

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash (in thousands):

	2009	2008	2007
Cash received from operating activities	$ 240,962	$ 240,407	$ 237,679
Cash expended from operating activities	(125,479)	(151,507)	(95,591)
Net cash provided by operating activities	115,483	88,900	142,088
Net cash used in capital and related financing activities	(180,757)	(249,671)	(199,409)
Net cash provided by investing activities	75,510	168,316	70,367
Net increase in cash and cash equivalents	10,236	7,545	13,046
Cash and cash equivalents, beginning of year	33,782	26,237	13,191
Cash and cash equivalents, end of year	$ 44,018	$ 33,782	$ 26,237

Cash temporarily idle during the year is invested according to legal requirements established by the Legislature of the State of Minnesota. In accordance with state law, investments are restricted to various United States government securities, certificates of deposits, commercial paper and repurchase agreements. All securities must mature within three years from the date of purchase. During 2009, the MAC's average portfolio balance was $507,399,000 and total investment earnings were $10,608,000 for an average yield on investments during the year of 2.09%. This compares to an average portfolio balance of $560,742,000; investment earnings of $29,042,000 and average yield of 5.18% in fiscal year 2008.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2009, the Commission has in its operating fund approximately $55 million over and above its 2009 six-month working capital requirement. The Commission is currently considering how to apply or use some or all of these excess-operating funds.

CAPITAL CONSTRUCTION

During 2009, the MAC expended $138 million in its on-going capital improvement program. Major projects that were completed in 2009 were projects associated with the construction of an additional parking ramp at the Humphrey Terminal, various improvements in the Lindbergh Terminal and the reconstruction of a segment of Runway 12L/30R and Taxiway C-D-Phase 5. Projects that began or continued construction during 2009 were the construction of a skyway from the Humphrey parking ramp to the Humphrey Terminal building and the ongoing implementation of the residential sound insulation program. Average monthly capital construction spending in 2009 was approximately $11.5 million.

During 2008, the MAC expended $114 million in its on-going capital improvement program. Major projects that were completed in 2008 were projects associated with the reconstruction of Taxiway P, various improvements in the Lindbergh Terminal, a dike at St. Paul Downtown Airport and the reconstruction of Taxiway C-D-Phase 4. Projects that began or continued construction during 2008 were the construction of an additional parking ramp adjacent to the Humphrey Terminal, and implementation of the residential sound insulation program. Average monthly capital construction spending in 2008 was approximately $9.5 million.

Further information can be found in the letter of transmittal as well as Note E.

CAPITAL FINANCING AND DEBT MANAGEMENT

The MAC has issued three forms of indebtedness: Notes Payable, General Airport Revenue Bonds and General Obligation Revenue Bonds. General Obligation Revenue Bonds are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven county Metropolitan Area. In 1998-2009, the MAC issued General Airport Revenue Bonds, which are not backed by the MAC's taxing authority.

The MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 10 of each year to an amount equal to all principal and interest to become due on all General Obligation Revenue Bonds payable from October 10 to the end of the second following year. The required balance as of October 10 in the Debt Service Account for the General Obligation Revenue Bonds for the next five years is as follows (in thousands):

October 10, 2010	$65,330
October 10, 2011	$59,444
October 10, 2012	$60,110
October 10, 2013	$60,724
October 10, 2014	$58,853

Statutory authority for issuing bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 2009 permits the issuance of an additional $55 million of General Obligation Revenue Bonds.

The following table summarizes the Commission's capital financing activity from December 31, 2008 to December 31, 2009 (in thousands):

Capital Financing Activity	Balance 12/31/2008	Issued	Retired	Balance 12/31/2009
Commercial Paper	$33,887	$-	($3,300)	$30,587
Notes Payable	5,839	4,984	(4,486)	6,337
General Obligation Revenue Bonds	275,990	-	(15,085)	260,905
General Airport Revenue Bonds	1,481,040	151,910	(194,055)	1,438,895
	$1,796,756	$156,894	($216,926)	$1,736,724

On October 29, 2009, the MAC issued $151,910,000 Series 2009A and 2009B General Airport Revenue Bonds to advance refund $92,460,000 of General Airport Revenue Bond Series 1999B and $62,355,000 of General Airport Revenue Bond Series 2000B which were called on January 1, 2010.

On January 10, 2008, the Commission issued $72,035,000 General Airport Revenue Bond Series 2008A to advance refund General Airport Revenue Bond Series 1998B which were called on January 1, 2009.

In addition, in late February and early March 2008, the Commission retired $103,350,000 of the Series 2004A airport revenue bonds. These bonds were retired with PFC funds on hand.

The MAC is financing its construction program through a combination of the MAC's revenues, entitlement and discretionary grants received from the FAA, state grants, PFCs and revenue bonds. Long-term debt is the principal source of funding of the capital improvement program. The MAC, through its Master Indenture, has covenanted to maintain a debt service coverage ratio of 1.25. Debt service coverage is calculated based on a formula included in the Master Indenture and the airport use agreement. Also see Note F, G and H.

CONTACTING THE MAC'S FINANCIAL MANAGEMENT

The financial report is designed to provide the MAC's Commissioners, management, investors, creditors and customers with a general view of the MAC's finances and to demonstrate the MAC's accountability for the funds it receives and expends. For further information about this report, or if you need additional financial information, please contact Director of Finance, 6040 28th Avenue South, Minneapolis, MN 55450 or access the Commission's website – http://www.mspairport.com/mac/organization/financial/default.aspx.

Financial Section **BALANCE SHEETS**

(Dollars in Thousands)

	December 31 2009	December 31 2008 (As Restated)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 16,181	$ 12,288
Investments	220,405	219,344
Security lending agreement investments	-	68,159
Accounts receivable (net of allowances for uncollectibles of $191 and $143, respectively)	8,362	9,644
Other	2,801	2,438
Restricted Assets:		
Cash, cash equivalents and Investments restricted for:		
Debt service	94,228	108,430
Construction and other	34,223	43,620
Securities lending agreement investments	-	68,914
Leases receivable	3,673	2,659
Receivable - Government grants in aid of construction	16,483	21,843
Passenger facility charge receivable	5,463	3,765
Total Current Assets	401,819	561,104
Noncurrent Assets:		
Investments restricted for:		
Debt service	167,041	165,794
Construction and other	127,737	144,989
Leases receivable, restricted	268,029	289,307
Other receivable, restricted	1,563	1,653
Bond and commercial paper issue costs, net	15,340	16,320
Capital Assets:		
Land	397,767	397,780
Airport improvements and buildings	3,223,703	3,002,220
Moveable equipment	94,337	91,221
Construction in progress	103,827	191,675
Less accumulated depreciation	(1,344,031)	(1,226,475)
Total Capital Assets (net of accumulated depreciation)	2,475,603	2,456,421
Total noncurrent assets	3,055,313	3,074,484
TOTAL ASSETS	**$ 3,457,132**	**$ 3,635,588**

See notes to the financial statements

Financial Section **BALANCE SHEETS**

(Dollars in Thousands)

	December 31 2009	December 31 2008 (As Restated)
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 28,866	$ 31,710
Accounts payable due to airlines	10,383	10,828
Notes payable	1,579	3,689
Security lending agreement obligations	-	68,159
Employee compensation, payroll taxes and other	6,001	7,609
Payable from restricted current assets:		
Current portion bonds payable	37,500	44,675
Construction and other	3,636	9,733
Deferred revenue	16,746	17,896
Interest payable	41,042	45,933
Commercial paper	30,587	33,887
Security lending agreement obligations	-	68,914
Total Current Liabilities	176,340	343,033
Noncurrent Liabilities:		
Deferred revenue, restricted	16,381	16,426
Employee compensation and other	335	327
Notes payable	4,758	2,150
Postretirement medical	42,829	39,822
Bonds payable	1,657,546	1,710,300
Total noncurrent liabilities	1,721,849	1,769,025
TOTAL LIABILITIES	**1,898,189**	**2,112,058**
NET ASSETS		
Invested in capital assets, net of related debt	1,146,633	1,097,417
Restricted for debt service and other	252,975	272,695
Unrestricted	159,335	153,418
TOTAL NET ASSETS	**1,558,943**	**1,523,530**
TOTAL LIABILITIES AND NET ASSETS	**$ 3,457,132**	**$ 3,635,588**

See notes to the financial statements

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

(Dollars in Thousands)

	Fiscal Years Ended December 31 2009	Fiscal Years Ended December 31 2008 (As Restated)
OPERATING REVENUES		
Airline rates and charges	$ 89,867	$ 87,244
Concessions	109,636	112,365
Rentals/fees	28,435	28,632
Utilities and other revenues	12,937	13,313
TOTAL OPERATING REVENUES	**240,875**	**241,554**
OPERATING EXPENSES		
Personnel	59,304	59,811
Administrative	1,301	1,298
Professional services	4,004	4,161
Utilities	16,553	18,089
Operating services	16,043	17,540
Maintenance	23,718	22,140
Depreciation	123,060	117,999
Other	2,510	3,696
TOTAL OPERATING EXPENSES	**246,493**	**244,734**
OPERATING LOSS	**(5,618)**	**(3,180)**
NONOPERATING REVENUES (EXPENSES)		
Investment income	30,625	49,938
Passenger facility charges	67,481	54,682
Gain on disposal of assets	205	5,178
Interest expense	(84,198)	(88,722)
TOTAL NONOPERATING REVENUES-NET	**14,113**	**21,076**
INCOME BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	**8,495**	**17,896**
Capital contributions and grants	26,918	30,149
CHANGE IN NET ASSETS	**35,413**	**48,045**
NET ASSETS - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,523,530	1,412,574
PRIOR PERIOD ADJUSTMENTS	-	62,911
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	1,523,530	1,475,485
NET ASSETS - END OF YEAR	**$ 1,558,943**	**$ 1,523,530**

See notes to the financial statements

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

	Fiscal Years Ended December 31 2009	Fiscal Years Ended December 31 2008 (As Restated)
Cash flows provided by (used in) operating activities:		
Cash received from customers and users	$ 240,962	$ 240,407
Cash paid to employees and benefit providers	(57,897)	(55,537)
Cash paid to suppliers	(67,582)	(95,970)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**115,483**	**88,900**
Cash flows provided by (used in) capital and related financing activities:		
Payments for airport improvements and facilities	(138,239)	(114,369)
Proceeds from bond/note issuance	161,558	78,896
Receipt of lease payments	20,827	19,582
Receipt of passenger facility charges	57,638	64,126
Payment on bonds/notes	(219,685)	(234,423)
Interest paid on bonds	(95,134)	(94,978)
Receipt of government grants	32,278	31,495
NET CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	**(180,757)**	**(249,671)**
Cash flows provided by (used in) investing activities:		
Purchase of investment securities	(955,034)	(1,234,894)
Proceeds from maturities of investment securities	993,911	1,357,216
Investment income	36,633	45,994
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**75,510**	**168,316**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**10,236**	**7,545**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**33,782**	**26,237**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 44,018**	**$ 33,782**
Reconciliation of Operating Loss to Net Cash Flows Provided by Operating Activities:		
Operating loss	$ (5,618)	$ (3,180)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	123,060	117,999
Changes in assets and liabilities:		
Accounts receivable	1,285	(92)
Other assets	(363)	(887)
Accounts payable and accrued expenses	(3,289)	(28,381)
Post retirement medical	3,007	3,740
Other restricted liabilities	196	222
Employee compensation and payroll taxes	(1,600)	534
Deferred revenue	(1,195)	(1,055)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**$ 115,483**	**$ 88,900**
Noncash investing, capital and related financing activities:		
Changes in fair value of investments	$ (5,434)	$ 3,892
Additions to capital assets included in construction and accounts payables	11,882	16,134

See notes to financial statements.

Fiscal years ended December 31, 2009 and 2008

NOTE A
NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Minneapolis/St. Paul Metropolitan Airports Commission (the Commission) was created by an act of the Minnesota State Legislature in 1943 as a public corporation. Its purpose is to promote air navigation and transportation (international, national, and local) in and through the State of Minnesota, promote the efficient, safe, and economical handling of air commerce, assure the inclusion of the state in national and international programs of air transportation, and to those ends develop the full potentialities of the metropolitan area as an aviation center. It has the responsibility to assure residents of the metropolitan area the minimum environmental impact from air navigation and transportation, promote the overall goals of the state's environmental policies, and minimize the public's exposure to noise and safety hazards around airports.

The area over which the Commission exercises its jurisdiction is the Minneapolis/St. Paul metropolitan area, which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. The Commission controls and operates seven airports within the metropolitan area, including the Minneapolis/St. Paul International Airport, which services scheduled air carriers and six reliever airports, serving general aviation.

The Commission is governed independently by a 15-member Board of Commissioners. The governor of the State of Minnesota appoints 13 commissioners. The mayors of Minneapolis and St. Paul also have seats on the Commission with the option to appoint a surrogate to serve in their place. Certain large capital improvement projects having metropolitan significance must be reviewed by the Metropolitan Council, which is a public agency established by law with powers of regulation over the development of the metropolitan area.

In applying Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB No. 39, *Determining Whether Certain Organizations Are Component Units*), the State of Minnesota and the Commission have agreed that the Commission is not financially accountable to any other organization and is considered a stand-alone governmental unit.

Basis of Accounting

Under GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*, the Commission is considered to be a special purpose government engaged primarily in business type activities (BTA). As a BTA, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus. Under the accrual basis of accounting revenues are recognized when they are earned or when services are provided, and expenses are recognized when they are incurred.

The Commission has applied GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.* Under GASB Statement No. 20, the Commission applies all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations and Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Fiscal years ended December 31, 2009 and 2008

Under the provisions of GASB 20, the Commission has elected to not apply FASB Statements and Interpretations issued after November 30, 1989

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Expense and Net Assets Recognition

The Commission considers revenues and expenses carried out in the operation and the maintenance of the Commission's system of airports to be operating in nature. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants.

When both restricted and unrestricted net assets are available for use, it is the Commission's policy to use restricted net assets first, and then unrestricted net assets as they are needed.

Budgeting Process

As required by Minnesota Statutes, the Commission adopts an annual operating and capital expenditures budget for purposes of determining required taxes, if any, to be levied by counties in its jurisdiction. Budgets are established on a departmental basis using the accrual method of accounting.

The process to amend the budget is set forth in the Commission bylaws, Article III, Section 8(a), and presented below:

"8(a) Establishment of the annual budget setting out anticipated expenditures by type of expenditure and/or upward or downward revision of that budget in the course of the corporation's fiscal year shall constitute prior approval of each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among line items or to appropriate additional funds for each line item. The Executive Director is directed to provide for the daily operation and management of the Commission within the expenditure guidelines of the annual budget. Commission approval of a contract shall constitute prior approval of disbursements made pursuant to terms of the contract within the constraints of the budget for all contract payments, except final construction contract payments, which shall require Commission approval.

The Executive Director shall have the responsibility of securing adequate quantities of office, janitorial, maintenance and repair materials and supplies, and the rent of sufficient equipment necessary for the smooth, continuous operation of the Commission's system of airports and all facilities associated with the system of airports. The Executive Director's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the line-item budget constraints of the annual budget.

Fiscal years ended December 31, 2009 and 2008

At any time during the fiscal year, the Executive Director may recommend to the full Commission that all or any unencumbered appropriation balances of individual line-items be transferred to those line-items that require additional budgeted funds. In addition, the Executive Director may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption."

The Commission is not required to demonstrate statutory compliance with its annual operating budget. Accordingly, budgetary data are not included in the basic financial statements. All budgets are prepared in accordance with airport lease and use agreements. Unexpended appropriations lapse at year-end.

Cash and Cash Equivalents

In accordance with Minnesota Statutes, the Commission maintains deposits at those depository banks which are members of the Federal Reserve System, as authorized by the Commission.

For purposes of the statements of cash flows, the Commission considers cash on hand plus overnight investments to be cash and cash equivalents.

Investments

The Commission's investments are reported at fair value as determined by quoted market prices in the balance sheets and changes in the fair value of investments are reported as investment income in the statements of revenues, expenses and changes in net assets.

Inventory

Inventories, primarily fuel, are valued at cost on a first-in, first-out basis. The cost of the Commission's inventories included in other assets is recorded as an expense when consumed rather than purchased.

Leases

Substantially all airport improvements and buildings are leased or charged to users under various agreements. Certain facilities are leased under self-liquidating lease agreements which require the lessee to pay annual payments equal to the debt service requirements of the bonds issued to construct the facilities or the debt service requirements which would have been required if bond funds were used. Other facilities at Minneapolis/St. Paul International Airport are charged to user airlines under lease agreements which provide for compensatory rental rates designed to recover agreed-upon portions of costs incurred, including debt service, in the terminal building, ramp, and runway areas. Other facilities, to the extent they are leased, are leased under conventional agreements, primarily percentage leases.

Federal and State Grants

Outlays for airport capital improvements and certain airport operating expenses, primarily those relating to airport security, are subject to reimbursement from federal grant programs. Funds are also received for airport development from the State of Minnesota. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Commission records government grants in aid of construction as capital contributions..

Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

Passenger Facility Charges

In June 1992, the Commission began collecting Passenger Facility Charges (PFCs). PFCs are fees imposed on enplaned passengers by airport authorities for the purpose of generating revenue for airport projects that increase capacity, increase safety, or mitigate noise impacts.

The following table sets forth a summary of the Commission's approved PFC applications.

PFC Application	Approval Date	Initial Approval Amount	Amended Approval Amount
1	June, 1992	$ 66,356,000	$ 92,714,000
2	August, 1994	113,064,000	140,717,000
3	June, 1998	32,700,000	36,377,000
4	April, 1999	55,460,000	47,801,000
5	August, 1999	106,874,000	112,533,000
6	April, 2003	1,161,479,000	779,146,000
7	April, 2003	-	14,109,000
8	August, 2005	191,380,000	191,380,000
9	February, 2006	7,316,000	8,659,000
10	May, 2008	128,448,000	128,448,000
		$ 1,863,077,000	$ 1,551,884,000

Applications one through five were originally approved for the collection of a $3.00 PFC on each enplaning passenger. However, as a result of the AIR 21, the Commission amended its fifth PFC application, which was subsequently approved by the FAA, authorizing the Commission to collect an additional $1.50 PFC per enplaning passenger. The collection of a $4.50 PFC was approved by the FAA for PFC applications six, eight, nine and ten. PFC applications one through five are fully funded and have been closed out .

PFC's, which are recognized as earned, are included in nonoperating revenues and amounted to $67,481,000 and $54,682,000 for 2009 and 2008, respectively.

Debt Issuance Costs

Bond issue costs are deferred and amortized over the life of the respective bond issue using the straight-line method. Commercial paper issuance costs are being amortized on a straight-line basis over the original term of the respective letter of credit that secures each debt issuance.

Intangible Assets

The Commission has incurred, and continues to incur, substantial costs in relation to its ongoing Part 150 Sound Insulation Program. The Sound Insulation Program pays for a home within the airport's impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Commission. Because the Commission receives an avigation release from each affected homeowner in return for providing sound insulation improvements, the associated costs are being recorded as an intangible asset and amortized to expense over a ten-year period, which approximates the estimated useful lives of such improvements. Amortization expense for capitalized Part 150 Sound Insulation expenses were $14,424,000 and $14,511,000 for the years ended December 31, 2009 and 2008, respectively. This amortization expense is included as a component of depreciation expense on the statement of revenues, expenses and changes in net assets. The unamortized costs included in airport improvements and buildings at December 31, 2009 and 2008 was $39,303,000 and $56,382,000 respectively.

Airports and Facilities

As required under Chapter 500, Laws of Minnesota 1943—the law under which the Commission was created—certain properties, classified as airports and facilities, were contributed by the cities of Minneapolis and St. Paul. Fee title to the land and improvements remain with the two cities.

Land contributed to the Commission from the cities has been recorded at the cost reported by the cities. The fair market value of the land when it was contributed was not determinable. However, it is the Commission's belief that the difference between the cost and the fair market value in 1943 is immaterial. Additions to the property accounts have been recorded at cost since 1943, unless contributed, in which case such additions are recorded at fair value.

It is the Commission's policy to amortize the carrying amount of the properties, including those acquired using government grants in aid of construction, over their estimated useful lives on a straight-line basis by annual depreciation charges to income. Estimated useful lives on depreciable assets are as follows:

Airport improvements and buildings	10-40 years
Moveable equipment	3-15 years

Costs incurred for major improvements are carried in construction in progress until disposition or completion of the related projects. Costs relating to projects not pursued are expensed, while costs relating to completed projects are capitalized. The capitalization threshold for capital assets is $5,000.

Capitalized Interest

Interest capitalized on projects funded by internally generated funds is based on the weighted average borrowing rate of the Commission and actual project expenditures during the period of construction. Interest capitalized on projects funded from bond proceeds is base on the interest cost of the specific borrowing less interest earned on undisbursed invested funds during the construction period. Interest is not capitalized on project costs that are reimbursed by government grants in aid of construction or PFCs.

Total interest paid during 2009 and 2008 was $95,134,000 and $94,978,000, respectively. Total interest expense was $84,198,000 and $88,722,000 for the years ended December 31, 2009 and 2008, respectively, while interest capitalized as part of the cost of constructed assets was $2,419,000 and $5,186,000, respectively.

Compensated Absences

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal time is accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Substantially all employees receive compensation for vacations, holidays, illness and certain other qualifying absences. Liabilities relating to these absences are recognized as incurred and included in employee compensation, payroll taxes and other in the balance sheets.

Deferred Revenue

Deferred revenue represents advance interest payments on direct financing leases received from certain airlines, which will be recognized as investment income over the term of the lease agreement as well as rental payments received in advance of billing.

Original Issue Discounts/Premiums

Original issue discounts/premiums on bonds are amortized using the straight-line method over the lives of the bonds to which they relate.

Deferred Loss on Refundings

The Commission defers recognition of losses incurred with refundings according to GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The losses incurred in refundings are amortized on a straight-line basis over the lesser of the remaining life of the original bonds or the life of the new bonds.

Net Assets

GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following four net asset categories:

- Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding balances of debt attributable to the acquisition, construction or improvements of those assets.

- Restricted:
  - Nonexpendable-Net assets subject to externally imposed stipulations that the Commission maintain them permanently. For the fiscal years ended December 31, 2009 and 2008, the Commission does not have nonexpendable net assets.

  - Expendable-Net assets whose use by the Commission is subject to externally imposed stipulations that can be fulfilled by actions of the Commission pursuant to those stipulations or that expire by the passage of time.

- Unrestricted: Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the management or the governing board of the Commission or may otherwise be limited by contractual agreements with outside parties.

Fiscal years ended December 31, 2009 and 2008

Rental Income

Rental income is generally recognized as it becomes receivable over the respective lease terms. The Commission may, from time to time, have leases which provide for waived rent during the initial period of the lease term and/or rental escalations throughout the lease term. In accordance with GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, the related rental income for leases in which the rental income stream is not systematic, if significant, is reported using the straight-line method rather than using the terms of the lease agreements.

Customer Facility Charges

With respect to on-airport rental car companies, the Commission is assessing a customer facility charge (CFC) per transaction day to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to Terminal 1 (formerly the Lindbergh Terminal), as well as to recover certain maintenance costs relating to the auto rental facilities. Through 2009, the CFC was $3 per rental car transaction per day. Beginning in 2010, the fee will be $3.25 per rental car transaction per day.

Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. These reclassifications had no effect on the change in net assets.

Fiscal years ended December 31, 2009 and 2008

Change in Accounting Principle

During 2009, the Commission changed its method of accounting for Part 150 sound insulation costs, depreciation related to land purchased for the Runway 17-35 project and amortization of bond and commercial paper costs. The 2008 financial statements have been retroactively restated to represent this change in accounting principle. The following table presents the impact of these restatements on net assets as previously reported:

	Invested in Capital Assets, Net of Related Debt	Restricted for Debt Service	Unrestricted	Total
Net assets, January 1, 2008, as previously reported	$ 1,083,959	$ 197,535	$ 131,079	$ 1,412,573
Effect of prior period adjustments				
To capitalize Part 150 sound insulation costs that were reimbursed with PFC or federal grant dollars and expensed	45,878	—	—	45,878
To eliminate prior depreciation expense recognized on land acquired in connection with the Runway 17-35 project	21,137	—	—	21,137
To adjust the estimated bond and commercial paper issuance costs, as well as the costs deferred related to bonds that have been refunded	(4,103)	—	—	(4,103)
Total prior period adjustments	62,912	—	—	71,223
Net assets, January 1, 2008, as restated	$ 1,146,871	$ 197,535	$ 131,079	$ 1,475,485

The effect of these adjustments on the December 31, 2008, change in net assets was an increase of $8,728,000.

NOTE B
DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. Minnesota Statutes require that all Commission deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% for mortgage notes pledged). Authorized collateral includes allowable investments as discussed below, certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral.

Certain financial institutions holding the Commission's deposit accounts are participating in the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee Program. Under that program, all noninterest-bearing accounts are fully guaranteed by the FDIC for the entire amount in the accounts. Effective October 3, 2008, the FDIC's insurance limits increased to $250,000 for all interest-bearing accounts. These increases in federally insured limits are currently set to expire June 30, 2010.

Fiscal years ended December 31, 2009 and 2008

Cash deposits which are insured or collateralized by securities held in the Commission's name by a financial institution (Commission's agent) other than that furnishing the collateral are as follows (dollars in thousands):

	12/31/09	12/31/08
Cash on hand	$ 81	$ 61
Bank balances	$ 109	$ 70

Securities Lending Transactions

State statutes and Commission policies permit the Commission to use its investments to enter into securities lending transactions–loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The Commission's securities custodian acts as the Commission's agent in lending the Commission's securities for cash collateral of 100% plus accrued interest. At year-end, the Commission has limited credit risk exposure to borrowers because the amounts the Commission owes the borrowers exceed the amounts the borrowers owe the Commission. Contracts with the lending agents require them to indemnify the Commission if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Commission for income distributions by the securities' issuers while the securities are on loan.
All securities loans can be terminated on demand by either the Commission or the borrower, although the average term of the loans is one week. The Commission does not have the authority to pledge or sell collateral without borrower default. In lending securities, cash collateral is invested in securities authorized by Minnesota Statutes. At December 31, 2009, the Commission had no security lending transactions outstanding. At December 31, 2008, the fair value of collateral pledged was $137,073,000.

Investments

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Commission's investments are reported at fair value in the balance sheets and changes in the fair value of investments are reported in the statements of revenues, expenses and changes in net assets.

The Commission may invest idle funds as authorized by Minnesota Statute, Section 118A, and the Commission's internal investment policy as set forth below:

a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as high risk by Minnesota Statute, Section 118A.04 subd. 6;
b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
c) General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
d) Bankers' acceptances of United States banks;
e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally rating agencies and matures in 270 days or less; and

f) With certain restrictions, in repurchase agreements, security lending agreements, joint powers investment trusts, and guaranteed investment contracts.

The Commission addresses certain risks to which it is currently exposed as follows:

Interest rate risk - the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. The Commission may not invest in securities maturing more than 3 years from the date of purchase. The Commission manages interest rate risk by maintaining sufficient liquidity to enable the Commission to meet anticipated cash requirements.

Below is a table of segmented time distribution for the Commission's debt investments at December 31, 2009:

		Maturing in Months (Dollars in thousands)				
Security Type	**Ratings**	**0-6**	**7-12**	**13-18**	**19-24**	**Total**
U.S. Agency Obligations						
Federal Ag. Mtg Corp	Aaa/AAA	$ -	$ 4,125	$ 4,176	$ -	$ 8,301
Federal Home Loan Mtg Corp	Aaa/AAA	40,932	34,807	16,897	19,827	112,463
Federal National Mtg Assn	Aaa/AAA	38,053	3,876	7,901	9,978	59,808
Federal Home Loan Bank	Aaa/AAA	42,604	87,817	36,575	80,683	247,679
Federal Farm Credit	Aaa/AAA	7,114	-	5,050	2,502	14,666
Wells Fargo Gov. Money Market		198,330	-	-	-	198,330
	Totals	$ 327,033	$ 130,625	$ 70,599	$ 112,990	$ 641,247

Ratings: Aaa Moody's; AAA Standard & Poors

Credit risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statute 118A (as referenced on the previous page) limits the types of investment instruments that may be purchased by the Commission. The ratings of the Commission's debt investments are shown in the table on the previous page.

Concentration of credit risk - the Commission requires a diversified investment portfolio to avoid risk of losses resulting from an over concentration of assets in a specific maturity, issuer, or class of securities.

In respect to U.S. Treasury and Agency Obligations, the Commission places no limit on the amount that may be invested in any one issuer. For commercial paper securities, the Commission can not hold more than 30% of its portfolio in commercial paper and further can not hold more than 4% in any one corporation. The investments listed above held by the Commission are not explicitly guaranteed by the U.S. Government and the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Home Loan Bank securities are subject to concentration of credit risk.

Custodial credit risk - the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2009 and 2008, all of the Commission's investments in U.S. agency obligations were exposed to custodial credit risk. According to Commission policy, all securities purchased by the Commission are held by a third party safekeeping agent appointed as custodian. The Commission's investment in money market mutual funds was not subject to custodial credit risk at December 31, 2009 and 2008, as their existence is not evidenced by securities that exist in physical or book entry form.

Foreign currency risk - the risk of adverse effects on the fair value of an investment form changes in exchange rates. The Commission's investment policy does not allow investments in foreign investments, thus the Commission has no foreign currency risk with respect to its deposits or investments.

The Commission's cash, cash equivalents and investments are reported as follows in the balance sheets at December 31 (dollars in thousands):

	2009	2008
Cash and cash equivalents-unrestricted	$ 16,181	$ 12,288
Investments-unrestricted	220,405	219,344
Securities lending agreement-unrestricted	-	68,159
Cash, cash equivalents and investments-restricted	128,451	152,050
Investments-restricted for debt service	167,041	165,794
Investments-restricted for construction	127,737	144,989
Securities lending agreement-restricted	-	68,914
Total cash, cash equivalents and investments	$ 659,815	$ 831,538

Investment income for the Commission for the years ended December 31, consisted of the following (dollars in thousands):

	2009	2008
Investment income from leases	$ 20,017	$ 20,896
Investment income from investments	16,042	25,150
Net (decrease) increase in fair value of investments	(5,434)	3,892
	$ 30,625	$ 49,938

Fiscal years ended December 31, 2009 and 2008

NOTE C
RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are restricted as follows (dollars in thousands):

	2009	2008
General Obligation Revenue Bond Fund	$ 71,534	$ 71,362
Coverage Account	17,094	17,272
Police Federal Forfeiture Fund	498	385
Police State Forfeiture Fund	85	72
Passenger Facility Charge Fund	157,721	165,368
911 Emergency Communications Fund	368	311
Revenue Bond Interest and Principal Fund	52,852	66,638
Revenue Bond Reserve Fund	119,787	118,951
Revenue Bonds Construction Fund	3,242	22,474
Revenue Bond Cost of Issuance Fund	48	-
	$ 423,229	$ 462,833

Minnesota Statutes require the Commission to have a balance on hand in a debt service account on October 10 of every year equal to the total amount of principal and interest due on all general obligation revenue bonds outstanding to the end of the second following year. Cash and investments to meet this requirement, plus interest earned thereon, are restricted.

NOTE D
GRANTS RECEIVABLE

Grants receivable from government agencies represent reimbursements due from the federal government and/or the State of Minnesota for allowable costs incurred on federal and state award programs. Grants receivable at December 31, 2009 and 2008 consist of (dollars in thousands):

	2009	2008
State of Minnesota	$ -	$ 425
Federal Aviation Administration	16,191	21,418
U.S. Department of Homeland and Security	292	-
	$ 16,483	$ 21,483

Fiscal years ended December 31, 2009 and 2008

NOTE E
CAPITAL ASSETS

Changes in capital assets by major classification are as follows (dollars in thousands):

Capital Assets	Balance January 1, 2009	Additions	Transfers In (Out)	Retirements Or Disposals	Balance Dec. 31, 2009
Capital Assets-Not Depreciated:					
Land	$ 397,780	$ -	$ (13)	$ -	$ 397,767
Projects-in-Progress	191,675	134,722	(222,570)	-	103,827
Total Capital Assets-Not Depreciated	589,455	134,722	(222,583)	-	501,594
Capital Assets-Depreciated:					
Airport Improvements and Buildings	3,002,220	1,504	219,979	-	3,223,703
Less Accumulated Depreciation	(1,162,176)	(115,999)	-	-	(1,278,175)
Net Airport Improvements and Buildings	1,840,044	(114,495)	219,979	-	1,945,528
Equipment	91,221	6,017	2,604	(5,505)	94,337
Less Accumulated Depreciation	(64,299)	(7,062)	-	5,505	(65,856)
Net Equipment	26,922	(1,045)	2,604	-	28,481
Total Capital Assets-Depreciated	1,866,966	(115,540)	222,583	-	1,974,009
Net Capital Assets	$ 2,456,421	$ 19,182	$ -	$ -	$ 2,475,603

Capital Assets	Balance January 1, 2008	Additions	Restated Transfers In (Out)	Retirements Or Disposals	Balance Dec. 31, 2008
Capital Assets-Not Depreciated:					
Land	$ 398,379	$ -	$ (599)	$ -	$ 397,780
Projects-in-Progress	155,323	113,734	(77,382)	-	191,675
Total Capital Assets-Not Depreciated	553,702	113,734	(77,981)	-	589,455
Capital Assets-Depreciated					
Airport Improvements and Buildings	2,934,106	504	72,915	(5,305)	3,002,220
Less Accumulated Depreciation	(1,057,131)	(108,433)	-	3,388	(1,162,176)
Net Airport Improvements and Buildings	1,876,975	(107,929)	72,915	(1,917)	1,840,044
Equipment	82,331	5,067	5,066	(1,443)	91,221
Less Accumulated Depreciation	(59,133)	(6,609)	-	1,443	(64,299)
Net Equipment	23,198	(1,542)	5,066	-	26,922
Total Capital Assets-Depreciated	1,900,373	(109,471)	77,981	(1,917)	1,866,966
Net Capital Assets	$ 2,454,075	$ 4,263	$ -	$ (1,917)	$ 2,456,421

Fiscal years ended December 31, 2009 and 2008

NOTE F
SHORT-TERM DEBT – COMMERCIAL PAPER

From time to time, the Commission issues commercial paper, the proceeds of which are used to finance various capital projects under the Commission's long-term capital improvement program. The commercial paper is a short-term promissory note that is sold in traunches with maturities ranging from 1 to 270 days. At maturity, interest is paid to the investor and the commercial paper is resold. The Commission is authorized to issue and have outstanding, from time to time, up to $125,000,000 in Minneapolis/St. Paul Metropolitan Airports Commission Subordinate Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the Subordinate Series ABC Commercial Paper Notes). Additionally, the Commission is authorized to issue and have outstanding, from time to time, up to $75,000,000 in Minneapolis/St. Paul Metropolitan Airports Commission Subordinate Revenue Commercial Paper Notes, Series D (Non-AMT), Series E (AMT) and Series F (Taxable) (the Subordinate Series DEF Commercial Paper Notes).

To mitigate the risk of an unsuccessful remarketing, the Subordinate Series ABC Commercial Paper Notes are backed by a direct pay letter of credit aggregating $125,000,000, which is set to expire October 16, 2016. The Subordinate Series DEF Commercial Paper Notes are backed by a direct pay letter of credit aggregating $75,000,000, which is set to expire May 5, 2010. The commercial paper is payable from and secured by a lien on net revenues of the airport system. This lien is subordinate to the lien of the Commission's Senior General Airport Revenue Bonds, and therefore, the commercial paper notes are considered to be a Subordinate Obligations as defined in the Master Subordinate Indenture. At December 31, 2009, the Commission had $30,587,000 in commercial paper outstanding with an interest rate ranging from 0.40% to 0.55%. At December 31, 2008, the Commission had $33,887,000 in commercial paper outstanding with an interest rate ranging from 1.10% to 2.75%.

Currently, the Commission expects the direct pay letters of credit to terminate and/or expire on May 5, 2010. The Commission is reviewing its options with respect to acquiring substitute letters of credit for the Subordinate Commercial Paper Notes.

The following is a summary of commercial paper transactions for the Commission for the years ended December 31, 2009 and 2008 (dollars in thousands):

	Balance 1/01/09	Issued	Retired	Balance 12/31/09
Commercial paper	$ 33,887	$ -	$ (3,300)	$ 30,587

	Balance 1/01/08	Issued	Retired	Balance 12/31/08
Commercial paper	$ 45,887	$ -	$ (12,000)	$ 33,887

NOTE F
LONG-TERM DEBT

The Commission's long-term bonds issued and outstanding were as follows:

Long Term Debt (dollars in thousands)

Type of issue:	Issue Date	Interest Rates	Maturing On January 1	Amount	Outstanding at December 31, 2009	2008
General Airport Revenue Bonds						
* Series 1999B	07/01/1999					
Original amount-$135,095					$ -	$ 103,610
* Series 2000B	05/16/2000					
Original amount-$88,745					-	70,015
* Series 2001B	05/30/2001	5.500%	2010-2011	7,585		
Original amount-$98,815		5.750%	2012-2017	28,485		
		5.625%	2018	5,745		
		5.250%	2019-2024	35,850	77,665	81,165
** Series 2001D	05/30/2001	5.250%	2010-2011	11,060		
Original amount-$70,210		5.750%	2012-2016	28,180	39,240	44,360
** Series 2003A	07/09/2003	5.250%	2016-2017	8,845		
Original amount-$102,690		5.000%	2018-2028	67,825		
		4.500%	2029-2031	26,020	102,690	102,690
** Series 2005A	05/26/2005	5.000%	2013-2018	34,665		
Original Amount-$136,110		4.250%	2026	2,700		
		5.000%	2027-2035	98,745	136,110	136,110
** Series 2005B	05/26/2005	5.000%	2010-2026	105,870	105,870	109,600
Original Amount-$113,155						
** Series 2005C	05/26/2005	3.500%	2010-2011	705		
Original Amount-$123,750		3.625%	2012	370		
		3.750%	2013	385		
		4.000%	2014-2021	3,675		
		5.000%	2022-2031	104,150		
		4.500%	2032	13,490	122,775	123,110
* Series 2007A	01/09/2007	5.000%	2017-2026	223,090		
Original Amount-$440,985		4.500%	2027-2032	217,895	440,985	440,985
** Series 2007B	01/09/2007	5.000%	2016-2025	108,150		
Original Amount-$197,360		4.500%	2027-2032	89,210	197,360	197,360

Fiscal years ended December 31, 2009 and 2008

Type of issue:	Issue Date	Interest Rates	Maturing On January 1	Amount	Outstanding at December 31 2009	2008
* Series 2008A	01/10/2008	5.000%	2010-2016	64,290	64,290	72,035
Original Amount-$72,035						
* Series 2009A	10/29/2009	2.000%	2011-2012	3,480		
Original Amount-$23,075		3.000%	2013-2014	3,770		
		4.000%	2015-2019	10,700		
		5.000%	2020-2021	4,920		
		4.125%	2022	205	23,075	-
* Series 2009B	10/29/2009	4.000%	2011	8,080		
Original Amount-$128,835		5.000%	2012-2017	63,260		
		4.500%	2018	2,000		
		5.000%	2018	10,465		
		4.700%	2019	2,000		
		5.000%	2019	11,075		
		4.800%	2020	2,000		
		5.000%	2020-2022	29,955	128,835	-
Total General Airport Revenue Bonds					**1,438,895**	**1,481,040**
General Obligation Revenue Bonds						
Series 13	11/01/1998	5.000%	2010	2,735		
Original amount-$38,750		5.250%	2011-2013	8,980		
		4.500%	2014-2015	6,655	18,370	20,950
Series 14	10/31/2001	5.500%	2010-2011	6,740	6,740	9,875
Original amount-$25,690						
Series 15	01/29/2002	6.000%	2010-2011	21,410		
Original amount-$287,825		6.050%	2012	12,180		
		6.150%	2013	13,320		
		6.250%	2014	14,520		
		6.350%	2015	15,830		
		6.450%	2016	18,185		
		6.550%	2017	19,770		
		6.850%	2018-2022	120,580	235,795	245,165
Total General Obligation Revenue Bonds					**260,905**	**275,990**
Notes Payable					**6,337**	**5,839**
					1,706,137	**1,762,869**
Unamortized premium –net					44,838	45,014
Deferred loss on refundings					(49,592)	(47,069)
Current portion of long-term debt					(39,079)	(48,364)
Total Long Term Bonds and Notes Payable					**$ 1,662,304**	**$ 1,712,450**

* Senior General Airport Revenue Bonds

** Subordinated General Airport Revenue Bonds

Future debt service requirements as of December 31, 2009 are as follows (in thousands):

Years	Notes Payable	General Airport Revenue Bonds	General Obligation Revenue Bonds	Total Debt Outstanding	Interest	Total Principal & Interest
2010	$ 1,579	$ 21,250	$ 16,250	$ 39,079	$ 83,792	$ 122,871
2011	1,374	32,080	17,475	50,929	84,024	134,953
2012	1,370	41,440	15,160	57,970	81,232	139,202
2013	964	43,530	16,480	60,974	78,097	139,071
2014	148	45,745	17,785	63,678	74,782	138,460
2015-2019	778	263,790	100,740	365,308	317,343	682,651
2020-2024	124	319,735	77,015	396,874	209,021	605,895
2025-2029	-	409,975	-	409,975	111,119	521,094
2030-2034	-	248,120	-	248,120	21,866	269,986
2035	-	13,230	-	13,230	331	13,561
	$ 6,337	$ 1,438,895	$ 260,905	$ 1,706,137	$ 1,061,607	$ 2,767,744

The Commission's General Airport Revenue Bonds were first issued in 1998 and, subsequently, in 1999-2001, 2003-2005 and 2007-2009. The General Airport Revenue Bonds are not general obligations, but are limited obligations of the Commission payable solely from and secured by a pledge of net revenues. Neither the full faith and credit nor the taxing power of the Commission, the City of Minneapolis, the City of St. Paul, the State, or any political subdivision or public agency of the State, other than the Commission, to the extent of net revenues, is pledged to the payment of the General Airport Revenue Bonds.

The proceeds of these issues were used to finance a portion of the Commission's long-term capital improvement program. The long-term capital improvement program details the expansion of the airport system including the construction of a new runway at the airport, the construction of two new public/car rental garages at the airport, the expansion and upgrading of the passenger terminal facilities at the airport and certain other projects at the reliever airports.

In November 2009, the Commission issued $151,910,000 of Series 2009A and 2009B General Airport Revenue Bonds. The net proceeds were used to advance refund and defease $92,460,000 of General Airport Revenue Bonds, Series 1999B, and $62,355,000 of General Airport Revenue Bonds, Series 2000B, with the balance being used to pay for cost of issuance.
General Obligation Revenue Bonds are general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven-county metropolitan area in order to pay debt service on outstanding General Obligation Revenue Bonds. The Commission has not levied taxes for the payment of debt service since 1969. Since then, Commission revenues have been sufficient to pay principal and interest due on General Obligation Revenue Bonds.

Fiscal years ended December 31, 2009 and 2008

The Commission has statutory authority for issuing General Obligation Revenue Bonds. The present statutory general obligation bonding limit as of December 31, 2009, would permit the issuance of an additional $55 million of General Obligation Revenue Bonds.

The Commission currently has $260,905,000 outstanding in General Obligation Revenue Bonds. The Series 14 General Obligation Revenue Bonds were used to retire the Series 8 Bonds that were issued in 1992. The Series 8 Bonds were used primarily to finance the construction of improvements to the terminal building, runways, taxiways and public roadways.

The Series 13 and Series15 General Obligation Revenue Bonds were issued by the Commission in order to finance facilities for Delta Airlines (formerly Northwest Airlines) and/or refinance previously issued bonds. The Series 13 Bonds were used to retire the Series 7 Bonds that were issued in 1988. The proceeds were also used to construct a 747-400 hangar for Delta Airlines. The Series 15 Bonds were used to retire the Series 9 Bonds that were issued in 1992. Lease agreements underlying the Series 13 and Series 15 General Obligation Revenue Bonds require Delta Airlines to make annual payments equal to the debt service requirements of the bonds. Further information on the Series 13/15 Bonds can be found later in these notes.

With respect to the General Obligation Revenue Bonds, Series 15, Delta Airlines is required to maintain certain collateral. The value of the collateral is to be determined by periodic independent appraisals. The value (based upon use of the assets by an airline) of the collateral must be at least 125% of the principal amount of the General Obligation Revenue Bond Series 15.

Rental agreements between the Commission and its tenants, including compensatory rental agreements, self-liquidating agreements, and other arrangements, are intended to provide for revenues which allow for the payment of required principal and interest payments on long-tem debt.

NOTE G
BOND REFUNDINGS

On January 10, 2008, the Commission issued $72,035,000 of General Airport Revenue Bonds, Series 2008A, to advance refund General Airport Revenue Bonds, Series 1998B which were called on January 1, 2009. As of December 31, 2009, $98,180,000 of the Series 1999B Bonds were still outstanding.

As a result of the January, 2008 refunding, the Commission reduced its total debt service requirements by $2,923,482, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) in the amount of $2,464,366. The Commission recognized an accounting loss of $3,510,080 in connection with this refunding that has been deferred and will be amortized to interest expense on a straight-line basis through January 1, 2016.

Also in late February and early March 2008, the Commission retired $103,350,000 of the Series 2004A General Airport Revenue Bonds.

Fiscal years ended December 31, 2009 and 2008

On October 29, 2009, the Commission issued $151,910,000 of General Airport Revenue Bonds, Series 2009A and 2009B to advance refund the General Airport Revenue Bonds, Series 1999B and 2000B which were called on January 1, 2010. As of December 31, 2009, $98,180,000 of the Series 1999B Bonds and $66,285,000 of the Series 2000B Bonds were still outstanding.

As a result of the November, 2009 refunding, the Commission reduced its total debt service requirements by $11,186,269, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) in the amount of $8,141,630. The Commission recognized an accounting loss of $5,218,671 in connection with this refunding that has been deferred and will be amortized to interest expense on a straight-line basis through January 1, 2022.

At December 31, 2009, $353,795,000 of defeased bonds remain outstanding.

NOTE H
CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009 and 2008 was as follows (dollars in thousands):

	Balance 1/01/09	Additions	Retirements and Other	Balance 12/31/2009	Amounts Recognized /Due in One Year
Deferred Revenue	$ 34,322	$ 30,244	$ (31,439)	$ 33,127	$ 16,746
Employee Compensation & Other	7,936	335	(1,935)	6,336	6,001
Notes Payable	5,839	4,984	(4,486)	6,337	1,579
Bonds Payable	1,754,975	154,521	(214,450)	1,695,046	37,500
	$ 1,803,072	$ 190,084	$ (252,310)	$ 1,740,846	$ 61,826

	Balance 1/01/08	Additions	Retirements and Other	Balance 12/31/2008	Amounts Recognized /Due in One Year
Deferred Revenue	$ 35,377	$ 29,433	$ (30,488)	$ 34,322	$ 17,896
Employee Compensation & Other	7,402	534	-	7,936	7,609
Notes Payable	3,863	3,480	(1,504)	5,839	3,689
Bonds Payable	1,904,575	68,738	(218,338)	1,754,975	44,675
	$ 1,951,217	$ 102,185	$ (250,330)	$ 1,803,072	$ 73,869

Fiscal years ended December 31, 2009 and 2008

NOTE I
DIRECT FINANCING LEASES

The Commission leases certain facilities to tenants under self-liquidating lease agreements. Self-liquidating lease agreements require the lessee to pay annual rentals equal to the debt service requirements of the bonds issued to construct the facilities, or the debt service requirements that would have been required if bond financing was used. These leases are classified as direct financing leases and expire in various years through 2030. The Commission records the interest portion of the lease payments as investment income. The following lists the components of the Commission's direct financing leases as of December 31 (dollars in thousands):

	2009	**2008**
Total minimum lease payments to be received	$ 433,575	$ 475,253
Less: Unearned income	(147,863)	(170,312)
Net investment in leases	285,712	304,941
Less: Prepaid principal	(14,010)	(12,975)
Leases receivable - current and noncurrent	$ 271,702	$ 291,966

As of December 31, 2009, future minimum lease payments are as follows (in thousands):

Year	**Amount**
2010	$ 36,584
2011	36,967
2012	37,448
2013	37,823
2014	38,260
2015-2019	173,401
2020-2024	72,162
2025-2029	775
2030	155
	$ 433,575

NOTE J
PENSION AND RETIREMENT PLANS

All full-time and certain part-time employees of the Commission participate in the Minneapolis Employees Retirement Fund (MERF) (participation restricted to employees hired prior to July 1, 1978) or the Public Employees Retirement Association of Minnesota (PERA).

1. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

A. Plan Description

All full-time and certain part-time employees of the Commission (hired after June 30, 1978) are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Using Method 2, the annuity accrual rate is 1.7% of average salary for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For PERF members and for all PEPFF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equals at least 90.

Normal retirement age is 55 for PEPFF and 65 for Coordinated Plan members hired prior to July 1,1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement. There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contribution in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes set the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The Commission makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Coordinated Plan members are required to contribute 6.00% of their annual covered salary. PEPFF members are required to contribute 9.40% of their annual covered salary. The Commission is required to contribute the following percentages of annual covered payroll: 6.75% for Coordinated Plan PERF members and 12.90% for PEPFF members. Employer contribution rates for the Coordinated Plan increased to 7.00% effective January 1, 2010. The Commission's required contributions to the Public Employees Retirement Fund for the years ended December 31, 2009, 2008, and 2007 were $1,989,000, $1,927,000, and $1,721,000, respectively. The Commission's required contributions to the Public Employees Police and Fire Fund for the years ended December 31, 2009, 2008, and 2007 were $1,421,000, $1,321,000, and $1,159,000, respectively. The Commission's contributions were equal to the contractually required contributions for each year as set by state statute.

2. MINNEAPOLIS EMPLOYEES RETIREMENT FUND

A. Plan Description

All full-time and certain part-time employees of the Commission (hired before July 1, 1978) are covered by a defined benefit pension plan administered by the Minneapolis Employees Retirement Fund (MERF). MERF is a cost-sharing, multiple-employer retirement plan.

MERF provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after ten years of credited service. Members are eligible for service retirement either:

A) With 30 or more years of service at any age; or
B) At age 60 with three or more years of service; or
C) At age 65 with one year of service; or
D) With 20 or more years of service at age 55, if a MERF member prior to June 28, 1973.

The defined retirement benefits are based on the average of the highest five years' salary within the last ten years of employment. The member will receive a benefit amount of 2% of that average salary for each of the first ten years of service and 2.5% of that salary for each year over ten years of service. The formulas used in calculating pension benefit increases are contained in Minnesota State Law. Increases may only be paid from investment earnings which exceed the actuarial assumption of a 5% return set for Minnesota public employment retirement funds. The annual increase for MERF is calculated from information supplied by the consulting actuary who determines the reserves required to maintain MERF as an actuarially and financially sound pension fund. Increases in pension benefits are permanent and guaranteed because they are fully funded, that is, the amount necessary to sustain the increase has been set aside.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members leaving public service any time before retirement and before age 60 may receive a refund of all personal contributions, with interest, except for the survivor benefit contribution which is the equivalent of a nonrefundable term insurance premium. Employees who leave public service after age 60 may not withdraw personal contributions with interest unless they have worked less than three years and do not qualify for monthly retirement benefits. The survivor benefits contribution is nonrefundable.

MERF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MERF, 800 Baker Building, 706 Second Avenue South, Minneapolis, MN 55402 or by calling (612) 335-5950.

B. Contributions Required and Contributions Made

Minnesota Statutes require members to contribute 9.75% of their earnings to MERF which includes .5% for survivor benefits. Required employer contributions are also established by Minnesota Statutes and include the normal cost, as reported in the annual actuarial valuation, plus an amount to cover administrative costs. Employers also contribute an additional 2.68% of covered employees' payroll and an annual total of $3.9 million which is required by Minnesota Statutes to be applied against the unfunded liability. Commencing in 1986, the Commission is required to make additional contributions toward the unfunded liability. This contribution was previously made by the State of Minnesota. Minnesota Laws of 1991 provide for a maximum $9,000,000 annual contribution by the State of Minnesota to MERF for the purpose of amortizing the unfunded liability by June 30, 2020. The consulting actuary for the fund determines the unfunded liability at the end of the fiscal year. By using a 6% interest assumption rate, an annual contribution to provide full funding by June 30, 2020 is determined. That amount is reduced by the employer's 2.68% of payroll and further reduced by the $3.9 million and the additional contributions made by the Commission and others. If the balance exceeds the amount of the state maximum contribution, the excess is contributed by the employers.

Current required contribution rates are as follows:

	Employee	Employer	Additional Employer
Retirement Contribution	9.25%	13.80%	2.68%
Survivor Benefits	.50%		

Total required contributions made by the Commission for the fiscal year ended December 31 are as follows (in thousands):

Contributions	2009	2008	2007
Employer (100% of required)	$ 393	$ 415	$ 823

Fiscal years ended December 31, 2009 and 2008

NOTE K
POSTRETIREMENT BENEFITS

The Commission implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2006. In accordance with this Statement, the Commission recognizes postemployment benefits on the full accrual basis of accounting over a period that approximates an employee's years of service.

The Commission provides health insurance benefits for certain retired employees under a single employer self-insured plan. Active employees who retire from the Commission and who have become vested in either the Minneapolis Employees Retirement Fund (MERF) or the Public Employees Retirement Association (PERA), and who do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the Commission's health benefits program.

The contribution requirements of employees and retirees are established and may be amended by the Commission. The required contribution is based upon projected pay-as-you-go financing requirements and funding for future benefits. The Commission will make contributions (as specified in union agreements or the Commission's personnel policy) toward required premiums at the same percentages applicable to active employees and their eligible dependent(s) until becoming eligible for Medicare Part A or B, or both. The Commission will then pay 100% of the premium for the retired employee, spouse over age 65, and legal dependents, provided that the retired employee is receiving benefits from either MERF or PERA, and is enrolled in Medicare Part A and B as their primary health insurance. As of January 1, 1991, all employees hired by the Commission will only be able to participate in the Commission medical plan up to age 65. During 2004, the Commission approved that non-organized employees hired after October 1, 2004 will be able to participate in the Commission medical plan provided that the retiree pay 100% of the total premium cost plus a 2% administrative fee. During 2006 and 2007, the Commission was successful in getting language in all eligible labor groups that provides that employees hired after the date of the signed contract will be able to participate in the Commission medical plan provided that the retiree pay 100% of the total premium cost plus a 2% administrative fee. As of December 31, 2009 there were 248 retired employees and 517 active employees receiving health benefits from the Commission's health plan. The Commission does not issue a stand-alone financial report for its retiree health plan.

The Commission contributed $2,547,140 to the plan in fiscal year 2009, $1,305,818 to the plan in fiscal year 2008 and $2,479,650 in fiscal year 2007. Plan participants contributed $245,511 for fiscal year 2009, $205,717 for fiscal year 2008 and $184,202 for fiscal year 2007. Monthly contributions for retirees under 65 for 2009 are shown below:

Plan	Retiree Only	Family
Plan 1	$30.00	$183.00
Plan 2	$23.00	$148.00
HRA/HSA	$13.00	$97.00

Annual OPEB Cost and Net OPEB Obligation

The Commission's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Commission's annual OPEB cost for 2009, 2008 and 2007, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation:

	2009	2008	2007
Annual required contribution (ARC)	$ 6,269,416	$ 5,706,877	$ 6,262,502
Interest on net OPEB obligation	1,603,292	1,483,574	1,315,411
Adjustment to ARC	(2,317,964)	(2,144,880)	(1,901,758)
Annual OPEB cost	5,554,744	5,045,571	5,676,155
Contributions during the year	(2,547,140)	(1,305,818)	(2,479,650)
Increase in net OPEB obligation	3,007,604	3,739,753	3,196,505
Net OPEB-beginning of year	39,821,522	36,081,770	32,885,265
Net OPEB-End of year	$ 42,829,126	$ 39,821,523	$ 36,081,770

The percentage of the Commission's annual OPEB cost as a percent of the net OPEB obligation were: 15.7% for 2007; 12.7% for 2008; and, 13.0% for 2009.

Funding Status

The Commission has set aside cash and investments to pay for future health benefits of $45,229,000, $43,169,000 and $39,525,000 in 2009, 2008 and 2007, respectively. However, since such designated cash has not been irrevocably deposited in trust for future health benefits, the actuarial value of assets is zero. The table below shows the funding status for fiscal year 2009 based on a January 1, 2009 actuarial date.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability- Projected Unit Credit	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/2007	-	$ 78,934,932	$ 78,934,932	-	$ 33,507,125	235.6%
01/01/2008	-	$ 70,248,393	$ 70,248,393	-	$ 37,573,402	187.0%
01/01/2009	-	$ 80,406,333	$ 80,406,333	-	$ 37,735,411	213.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions in 2009 included a 4% investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 5% after five years. The UAAL is being amortized as a level dollar amount over 30 years on an open basis.

NOTE L
ARBITRAGE

Every five years, the Commission is required to rebate arbitrage profits earned in relation to certain General Obligation Revenue and General Airport Revenue Bond issues. Arbitrage profits are earned when investment income relating to these issues exceeds the yield on the bonds. The Commission has recorded a liability in accrued expenses at December 31, 2009 and 2008 of $4,601,000 and $1,724,000, respectively.

NOTE M
RISK MANAGEMENT

The Commission is self-insured for workers' compensation and health/dental claims. Claims paid for workers compensation for 2009 and 2008 were $331,496 and $419,347, respectively. Claims paid for health and dental coverage for 2009 and 2008 were $5,733,519 and $5,701,447, respectively. The unpaid claims for workers compensation at December 31, 2009 and 2008 were $1,482,355 and $1,487,832, respectively. The health and dental unpaid claims at December 31, 2009 and 2008 were $522,882 and $654,436, respectively. The liability recorded under employee compensation and payroll taxes by the Commission includes estimated settlements for claims reported but not settled as of December 31, 2009 and 2008, as well as an estimate of claims incurred. Changes in the balances of claim liabilities during the past two years are as follows:

	2009	2008
Unpaid Claims – Beginning of Year	$ 2,142,268	$ 2,322,460
Incurred Claims and Changes in Estimates	5,927,984	5,940,602
Claims Paid	(6,065,015)	(6,120,794)
Unpaid Claims – End of Year	$ 2,005,237	$ 2,142,268

Fiscal years ended December 31, 2009 and 2008

NOTE N
JOINT VENTURE

The Commission is a participant with the City of Bloomington, the City of Eden Prairie and the City of Edina in a joint venture to construct and operate a facility to be used for the training of law enforcement officers and firefighters. The South Metro Public Safety Training Facility Association (PSTF) is governed by a Board consisting of one representative from each member. On dissolution of the Association, the facility shall revert to the City of Edina, and all remaining assets shall be divided among members based on a cost sharing formula.

In accordance with the joint venture agreement, each member of the association will share in the cost of construction and operation based on the cost sharing formula. Complete financial statements for the PSTF can be obtained from the City of Edina, 4801 West 50th Street, Edina, MN 55424.

NOTE O
CONTINGENT LIABILITIES AND COMMITMENTS

The nature of the business of the airport generates certain litigation against the Authority arising in the ordinary course of business. The Commission believes that existing and pending lawsuits and claims are either billable to airport users or would not materially affect the financial statements of the Commission.

Contractual obligations for construction were approximately $103,266,000 at December 31, 2009.

Noise Abatement

On October 19, 2007, the Minnesota State District Court, Fourth Judicial District (the District Court) approved a Consent Decree negotiated by the City of Minneapolis, the Minneapolis Public Housing Authority in and for the City of Minneapolis, the City of Eagan and the City of Richfield (collectively, the “Noise Plaintiffs”) and the Commission to settle noise abatement lawsuits.

Under the Consent Decree, the Commission would provide noise mitigation to homes and apartments in the 60 to 64 DNL contours. Noise mitigation activities would vary based on noise contour, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multi-family dwellings (those with more than three living units) would receive less extensive mitigation than single-family homes. The total cost to the Commission is uncertain until the program is complete in 2014, and is dependent upon submission of applications by homeowners to receive noise mitigation and approval by the Commission, but the program is estimated to cost as much as $127 million. Program costs are in 2007 dollars and will be adjusted annually for inflation according to the Consumer Price Index. As discussed in previously in the notes, noise mitigation costs are being capitalized as incurred and amortized over ten years.

On November 30, 2007 the FAA issued a determination that the settlement agreement with the Noise Plaintiffs and the plaintiffs in the related class action lawsuit cities is an appropriate use of airport revenue and consistent with federal grant obligations.

The costs related to the noise abatement settlements will be funded from internally generated funds of the Commission and rates and charges paid by air carriers operating at the Airport.

Runway 17/35 Land Acquisition

Certain remaining property acquisitions in association with Runway 17/35 may result in damage awards of an indeterminate amount. Any damage awards associated with these acquisitions would be capitalized as a cost of the project and recovered through airline rates and charges.

NOTE P
MAJOR CUSTOMER

Delta Airlines, Inc. (Delta), as successor by merger to Northwest Airlines, Inc. (NAI), is in the business of transporting air passengers, mail, and property. Northwest Aerospace Training Corporation (NATCO) is a Minnesota corporation in the business of pilot training. NATCO is a wholly owned subsidiary of Delta. Delta operates both domestic and international air route systems. Minneapolis/St. Paul International Airport is one of Delta's major hubs. Airport revenues from Delta account for approximately 28% of operating revenues and 78% of total revenues from major airlines.

On October 29 2008, Delta acquired NAI through a merger of NAI's parent company, Northwest Airlines Corp. (NWA Corp.), with a wholly-owned subsidiary of Delta. On December 31, 2009, Delta completed the integration of NAI by merging NAI into Delta. Effective December 14, 2009, NWA Corp. was converted into a Delaware limited liability company and re-named "Northwest Airlines, LLC."

On September 14, 2005 NWA Corp. and its affiliated debtors filed for protection under Chapter 11 of the Bankruptcy Code. The Airport's pre-petition amounts owed by NAI were $4,144,000. NAI emerged from bankruptcy protection on May 31, 2007 and paid its pre-petition obligations to the airport in full during 2007.

On April 23, 1992, the Commission issued $270,000,000 of taxable General Obligation Revenue Bonds, Series 9 (Bonds). In January 2002, the Commission issued $287,825,000 in General Obligation Revenue Bonds to refund General Obligation Revenue Bonds Series 9 (refinanced as Series 15 Bonds). (See Note F) The Bonds were used to acquire and lease back (a) a flight training center in Eagan, Minnesota, owned by NATCO, NAI, and NWA (collectively, the Northwest Entities), consisting of land, a building, flight simulators, and related equipment and (b) certain leasehold interests of the Northwest Entities and certain additional properties located at Minneapolis/St. Paul International Airport (collectively the Leased Facilities). The lease obligations initially were secured by the Leased Facilities, by guarantees of the Northwest Entities and NWA Corp., and by a pledge of certain additional collateral consisting of aircraft engine parts and international route authorities. Under the documents in effect when the Bonds were issued, during the term of the Bonds, the Northwest Entities were required to maintain collateral, as determined by periodic independent appraisals, with a value (based upon use of the assets by an airline) of at least 145% (reducible to 135% under certain circumstances) of the sum of the principal amount of Bonds outstanding. At the time NAI emerged from bankruptcy protection, the Commission and NAI amended certain provisions of the leases entered into with respect to the Series 15 Bonds and the Collateral Agreement, including modifying the collateral requirements to 125% of the principal amount of outstanding Series 15 Bonds and certain other amounts described in the Collateral Agreements based upon its "orderly liquidation value" and agreed to accept "aircraft" as an additional collateral category. The collateral was last appraised in April 1, 2008. NAI posted additional collateral, which caused the collateral currently pledged to be valued at $307.4 million, an amount that is in excess of the collateral value requirement of $306.5 million. When the collateral posted is valued in excess of 125%, the Commission may under certain circumstances be required to release collateral (mutually agreeable to the Commission and NAI) so long as the remaining collateral value exceeds 125% of the principal amount of outstanding Series 15 Bonds and certain other amounts described in the Collateral Agreements. Additionally, the Commission and NAI agreed that NAI can pledge to the Commission its right to receive Shared Concession Revenue credits during the term of the NAI Lease Agreement to secure its obligations related to the Series 15 bonds. These transactions were accounted for as a capital lease. In February, 2009, Delta guaranteed the lease obligations of the Northwest entities.

The financial condition of Delta, on a consolidated basis, is material to Delta's ability to perform their rental and other payment obligations to the Commission under various agreements. Leases and accounts receivable from Delta represent 7.3% of the Commission's total assets at December 31, 2009.

For the years ended December 31, 2009, and 2008, Delta had audited consolidated net (loss) income of approximately $(1.2) billion and $8.9 billion, respectively. On December 31, 2009 Delta's audited total consolidated assets were $43.5 billion and their total audited consolidated liabilities were $43.3 billion, resulting in Delta's audited consolidated net equity of $245 million. These audited numbers were derived from the audited consolidated financial statements of Delta. In the event that Delta and its subsidiaries are unable to meet their lease commitments, the Commission has the authority to levy property taxes to support the debt obligations on the Bonds.

NOTE Q
NEW FINANCIAL REPORTING STANDARDS

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 was effective for the Commission on January 1, 2008. The adoption of GASB Statement No. 49 had no material impact on the balance sheet, the statement of revenues, expenses and changes in net assets, or financial reporting disclosures.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures - an amendment of GASB Statements No. 25 and No. 27*. GASB Statement No. 50 aligns the financial reporting requirements for pensions with those for other postemployment benefits. The Commission adopted GASB Statement No. 50 on January 1, 2008, and there was no material impact on the balance sheet, the statement of revenues, expenses and changes in net assets, or financial reporting disclosures.

In June 2007, the GASB issued Statement No. 51*, Accounting and Financial Reporting for Intangible Assets* related to accounting and reporting assets such as easements, water rights, timber rights, patents, trademarks, and computer software. GASB Statement No. 51 is effective for the Commission in 2010. The Commission expects to adopt GASB Statement No. 51 on January 1, 2010 and does not expect a material impact on the balance sheet, the statement of revenues, expenses and changes in net assets, or financial reporting disclosures.

Fiscal years ended December 31, 2009 and 2008

NOTE R
CURRENT ECONOMIC CONDITIONS

The protracted economic downturn presents the Commission and similar entities with difficult circumstances and challenges that, in some cases, may result in large declines in the fair value of investments and other assets, declines in passengers and related revenue, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Commission.

The Commission's operations are heavily dependent on passenger-related revenue, in addition to nonpassenger-related revenue sources. A significant decline in such revenues or the inability of the Commission to collect these revenues from business partners could have an adverse impact on the Commission's future operating results and its ability to meet debt covenants, evaluate financing needs or formulate operating and capital needs, should other revenue sources not be sufficient to mitigate these effects.

NOTE S
SUBSEQUENT EVENT – GENERAL AIRPORT REVENUE BONDS SERIES 2010A

In June 2010, the Commission will be issuing the General Airport Revenue Bonds Series 2010 in an amount not to exceed $175 million. The proceeds will be used to finance certain capital improvements at MSP, refund all of the Commission's outstanding Commercial Paper Notes, satisfy the reserve fund requirements, and pay the cost of issuance.

NOTE T
Restatement

Subsequent to the issuance of the Commission's 2008 financial statements, the Commission's management determined that it incorrectly recorded certain transactions. Following is description of the adjustments:

Grant Revenue Recognition - Historically, the Commission has recognized grant revenue when the costs were submitted for reimbursement to the granting agency. To conform with generally accepted accounting principles, the Commission has adjusted the financial statements to recognize grant revenue when the allowable expenditures are incurred. The adjustment resulted in a $8,311,000 increase to the January 1, 2008 Net Asset balance, a $11,130,000 increase to the Capital Contribution balance within the Statement of Revenues, Expenses and Changes in Net Assets, and a $19,441,000 increase in the December 31, 2008 Government Grants in Aid of Construction Receivable balance within the Balance Sheet.

Net Asset and Restricted Asset Classifications - The Commission made certain reclassifications to net asset and restricted asset categories to better align the components of the net asset and restricted asset categories to those prescribed by generally accepted accounting principles.

The effect of these adjustments on the December 31, 2007, change in net assets was an increase of $480,000 from $52,084,000 as originally reported to $52,564,000.

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APPENDIX C

CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE

CERTAIN DEFINITIONS

The following are definitions of certain terms used in this Official Statement including the summaries of the Master Senior Indenture and the Eighth Supplemental Senior Indenture.

"*Accreted Value*" means (a) with respect to any Capital Appreciation Senior Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Senior Indenture, as the amount representing the initial principal amount of such Capital Appreciation Senior Bond, plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Senior Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Senior Bonds, plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value will be determined in accordance with the provisions of the Supplemental Senior Indenture authorizing the issuance of such Capital Appreciation Senior Bonds or Original Issue Discount Senior Bonds.

"*Act*" means Minnesota Statutes, Sections 473.601, *et seq*., as amended from time to time.

"*Aggregate Annual Debt Service*" means for any Fiscal Year the aggregate amount of Annual Debt Service on all Outstanding Senior Bonds and Unissued Senior Program Bonds. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service will be computed as follows:

(a) in determining the amount of principal to be funded in each year, payment will (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Senior Bonds and Unissued Senior Program Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Senior Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Senior Bonds or Original Issue Discount Senior Bonds maturing or scheduled for redemption in such year; in determining the amount of interest to be funded in each year, interest payable at a fixed rate will (except to the extent subsection (b), (c) or (d) of this definition applies) be assumed to be made at such fixed rate and on the required funding dates; provided, however, that interest payable on the Senior Bonds will be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(b) if all or any portion or portions of an Outstanding Series of Senior Bonds, or Unissued Senior Program Bonds constitute Balloon Indebtedness (excluding Senior Program Bonds or Unissued Senior Program Bonds to which subsection (f) applies), then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness will, unless otherwise provided in the Supplemental Senior Indenture pursuant to which such Balloon Indebtedness is issued or unless provision (c) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation will be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Commission, or if the Commission fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Senior Bonds of a corresponding term issued under the Master Senior Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Senior Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Senior Bonds, Unissued Senior Program Bonds or Senior Program Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion will be treated as described in (a) above or such other provision of this definition as will be applicable and, with respect to any Series or Senior Bonds, Unissued Senior Program Bonds or Senior Program Bonds or that portion of a Series thereof which constitutes Balloon Indebtedness, all funding requirements of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness will be treated as described in (a) above or such other provision of this definition as will be applicable;

(c) any maturity of Senior Bonds which constitutes Balloon Indebtedness as described in provision (b) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Aggregate Annual Debt Service is made, will be assumed to become due and payable on the stated maturity date and provision (b) above will not apply thereto unless there is delivered to the entity making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Commission Representative stating that the Commission intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Commission is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness will be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms will be used for purposes of calculating Aggregate Annual Debt Service, provided that such assumption will not result in an interest rate lower than that which would be assumed under provision (b) above and will be amortized over a term of not more than 30 years from the date of refinancing;

(d) if any Outstanding Senior Bonds (including Senior Program Bonds) or any Senior Bonds which are then proposed to be issued constitute Senior Tender Indebtedness (but excluding Senior Program Bonds or Senior Bonds as to which a Qualified Swap is in effect and to which subsection (g) or (h) applies), then, for purposes of determining Aggregate Annual Debt Service, Senior Tender Indebtedness will be treated as if the principal amount of such Senior Bonds were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Annual Debt Service payments and extending not later than 30 years from the date such Senior Tender Indebtedness was originally issued; the interest rate used for such computation will be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Commission, or if the Commission fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Senior Bonds of a corresponding term issued under the Master Senior Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Senior Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; and with respect to all funding requirements of principal and interest payments becoming due prior to the year in which such Senior Tender Indebtedness is first subject to tender, such payments will be treated as described in (a) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date will be determined as provided in (e) or (f) below, as appropriate;

(e) if any Outstanding Senior Bonds constitute Variable Rate Senior Indebtedness, including obligations described in subsection (h)(ii) to the extent it applies (except to the extent subsection (b) or (c) relating to Balloon Indebtedness or (d) relating to Senior Tender Indebtedness or subsection (h)(i) relating to Synthetic Fixed Rate Debt applies), the interest rate on such Senior Bonds will be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Commission, or if the Commission fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for variable-rate Senior Bonds of a corresponding term issued under the Master Senior Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Senior Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(f) with respect to any Senior Program Bonds or Unissued Senior Program Bonds (i) debt service on Senior Program Bonds then Outstanding will be determined in accordance with such of the foregoing provisions of this definition as will be applicable, and (ii) with respect to Unissued Senior Program Bonds, it will be assumed that the full principal amount of such Unissued Senior Program Bonds will be amortized over a term certified by an Authorized Commission Representative at the time the initial Senior Program Bonds of such Senior Program are issued to be the expected duration of such Senior Program or, if such expectations have changed, over a term certified by an Authorized Commission

Representative to be the expected duration of such Senior Program at the time of such calculation, but not to exceed 30 years from the date the initial Senior Program Bonds of such Senior Program are issued and it will be assumed that debt service will be paid in substantially level Annual Debt Service payments over such assumed term; the interest rate used for such computation will be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Commission, or if the Commission fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Senior Bonds of a corresponding term issued under the Master Senior Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Senior Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(g) debt service on Senior Repayment Obligations, to the extent such obligations constitute Senior Bonds under the Master Senior Indenture, will be calculated as provided in the Master Senior Indenture;

(h) (i) for purposes of computing the Aggregate Annual Debt Service of Senior Bonds which constitute Synthetic Fixed Rate Debt, the interest payable thereon will, if the Commission elects, be that rate as provided for by the terms of the Swap or the net interest rate payable pursuant to offsetting indices, as applicable; or, if the Commission fails to elect such rate, then it will be deemed to be the fixed interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Commission;

(ii) for purposes of computing the Aggregate Annual Debt Service of Senior Bonds with respect to which a Swap has been entered into whereby the Commission has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Senior Bonds to which such Swap pertains will be included in the calculation of Aggregate Annual Debt Service, and the interest rate with respect to such Senior Bonds will, if the Commission elects, be the sum of that rate as determined in accordance with subsection (e) relating to Variable Rate Senior Indebtedness plus the difference between the interest rate on the Designated Debt and the rate received from the Swap Provider;

(i) if moneys or Permitted Investments have been irrevocably deposited with and are held by the Senior Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Senior Bonds, then the principal and/or interest to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon will be disregarded and not included in calculating Annual Debt Service;

(j) if Passenger Facility Charges have been irrevocably committed or are held by the Senior Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal and/or interest, then the principal and/or interest to be paid from such Passenger Facility Charges or from earnings thereon will be disregarded (unless such Passenger Facility Charges are included in the definition of Revenues) and not included in calculating Aggregate Annual Debt Service; and

(k) for purposes of computing Aggregate Annual Debt Service on the General Obligation Revenue Bonds, the preceding subsections of this definition will apply, except that the term "Senior Bonds" will be read to mean the General Obligation Revenue Bonds.

"*Aggregate Annual Debt Service For Reserve Requirement*" means the computation of Aggregate Annual Debt Service for a Senior Debt Service Reserve Fund with respect to all Outstanding Senior Bonds participating in an identified Senior Debt Service Reserve Fund in the then current or any future Fiscal Year, excluding the General Obligation Revenue Bonds, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Aggregate Annual Debt Service For Reserve Requirement for the respective Senior Debt Service Reserve Fund, if any, for a Series of Senior Bonds, the annual debt service with respect to any Variable

Rate Senior Indebtedness will, upon the issuance of such Series participating in a Senior Debt Service Reserve Fund, be calculated on the basis of the assumptions set forth in subsection (e) of the definition of Aggregate Annual Debt Service, and the amount so determined will not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Senior Bonds containing Balloon Indebtedness or Senior Tender Indebtedness will not, with respect to such Series, require subsequent increases.

"*Airport Facilities*" or "*Airport Facility*" means a facility or group of facilities or category of facilities which constitute or are part of the Airport System.

"*Airport System*" means all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Commission, including Minneapolis-St. Paul International Airport, the St. Paul Downtown Airport, the Flying Cloud Airport, the Crystal Airport, the Anoka County-Blaine Airport, the Lake Elmo Airport and the Airlake Airport, and any successor entities thereto, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Commission or in which the Commission has other rights or from which the Commission derives revenues at such location; and including or excluding, as the case may be, such property as the Commission may either acquire or which will be placed under its control, or divest or have removed from its control.

"*Annual Debt Service*" means, with respect to any Senior Bond and General Obligation Revenue Bond, the aggregate amount of Revenues required to be set aside in the respective Senior Debt Service Fund or the Commission Debt Service Fund during the Fiscal Year to satisfy the funding requirements for future payments of principal and interest, and if a Qualified Swap is in effect for any Senior Bond, plus the amount payable by the Commission (or the Senior Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Commission from the Qualified Swap Provider pursuant to the Qualified Swap, calculated using the principles and assumptions set forth in the definition of Aggregate Annual Debt Service.

"*Authorized Amount*" means, when used with respect to Senior Bonds, including Senior Bonds issued pursuant to a Senior Program, the maximum Principal Amount of Senior Bonds which is then authorized by a resolution or Supplemental Senior Indenture adopted by the Commission pursuant to the Master Senior Indenture to be Outstanding at any one time under the terms of such Senior Program or Supplemental Senior Indenture. If the maximum Principal Amount of Senior Bonds or Senior Program Bonds authorized by a preliminary resolution or form of Supplemental Senior Indenture approved by the Commission pursuant to the Master Senior Indenture exceeds the maximum Principal Amount of Senior Bonds set forth in the final definitive Supplemental Senior Indenture executed and delivered by the Commission pursuant to which such Senior Bonds are issued or such Senior Program is established, the Principal Amount of such Senior Bonds or Senior Program Bonds as is set forth in said final definitive Supplemental Senior Indenture as executed and delivered by the Commission will be deemed to be the "Authorized Amount."

"*Authorized Commission Representative*" means the Executive Director of the Commission, or such other officer or employee of the Commission or other person which other officer, employee or person has been designated by the Executive Director as an Authorized Commission Representative by written notice delivered by the Executive Director to the Senior Trustee.

"*Authorized Denominations*" means $5,000 principal amount and integral multiples thereof.

"*Balloon Indebtedness*" means, with respect to any Series of Senior Bonds, fifty percent (50%) or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Senior Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any Fiscal Year. For purposes of this definition, the principal amount maturing on any date will be reduced by the amount of such Senior Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Senior Commercial Paper Program and the Commercial Paper constituting part of such Senior Program will not be Balloon Indebtedness.

"*Bond Counsel*" means a firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under the Master Senior Indenture and which are acceptable to the Commission.

"*Bondholder*," "*Holder*," "*holder*," "*Owner*," "*owner,*" "*Registered Owner*" or "*registered owner*" means the person in whose name any Senior Bond or Senior Bonds are registered on the books maintained by the Senior Registrar and will include any Credit Provider or Liquidity Provider to which a Senior Repayment Obligation is then owed, to the extent that such Senior Repayment Obligation is deemed to be a Senior Bond under the provisions of the Master Senior Indenture.

"*Business Day*" means a day on which banks located in New York, New York, in Minneapolis, Minnesota, and in the city in which the principal corporate trust office of the Senior Trustee is located are open, provided that such term may have a different meaning for any specified Series of Senior Bonds if so provided by Supplemental Senior Indenture.

"*Capital Appreciation Senior Bonds*" means Senior Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Senior Indenture and is payable only upon redemption or on the maturity date of such Senior Bonds. Senior Bonds which are issued as Capital Appreciation Senior Bonds, but later convert to Senior Bonds on which interest is paid periodically will be Capital Appreciation Senior Bonds until the conversion date and from and after such conversion date will no longer be Capital Appreciation Senior Bonds, but will be treated as having a principal amount equal to their Accreted Value on the conversion date.

"*Capitalized Interest*" means the amount of interest on Senior Bonds, if any, funded from the proceeds of the Senior Bonds or other monies that are deposited with the Senior Trustee in the Senior Debt Service Fund as will be described in a Supplemental Senior Indenture upon issuance of Senior Bonds to be used to pay interest on the Senior Bonds.

"*Chair*" means the chair of the Commission or such other title as the Commission may from time to time assign for such position.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

"*Commercial Paper*" means notes of the Commission 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 Senior Program adopted by the Commission.

"*Commission*" or "*MAC*" means the Metropolitan Airports Commission, created under the provisions of the Act, and any successor to its function. Any action required or authorized to be taken by the Commission in the Master Senior Indenture may be taken by the Authorized Commission Representative with such formal approvals by the Commission as are required by the policies and practices of the Commission and applicable laws; provided, however, that any action taken by the Authorized Commission Representative in accordance with the provisions of the Master Senior Indenture will conclusively be deemed by the Senior Trustee and the Owners to be the act of the Commission without further evidence of the authorization thereof by the Commission.

"*Commission Construction Fund*" means the "Commission Construction Fund" established by the Commission and held and maintained by the Commission.

"*Commission Debt Service Fund*" means the Commission Debt Service Fund created by the Commission pursuant to Section 473.667 Subd. 4 of the Act and Resolution No. 922, adopted by the Commission on May 19, 1975, and held and maintained by the Commission.

"*Commission General Counsel*" means the in-house general counsel to the Commission who is responsible for representing the Commission on legal matters.

"*Consultant*" means any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, or other expert recognized to be well-qualified for work of the character required and retained by the Commission to perform acts and carry out the duties provided for such consultant in the Master Senior Indenture.

"*Costs*" or "*Costs of a Project*" means all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and will include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the Commission or Independent Consultant; (d) costs of the Commission properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (e) financing expenses, including costs related to issuance of and securing of Senior Bonds, costs of Credit Facilities, Liquidity Facilities, Capitalized Interest, a Senior Debt Service Reserve Fund, if any, Senior Trustee's fees and expenses; (f) any Senior Swap Termination Payments due in connection with a Series of Senior Bonds or the failure to issue such Series of Senior Bonds; and (g) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Commission.

"*Costs of Issuance*" means all costs and expenses incurred by the Commission in connection with the issuance of the Senior Series 2010 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the official statement, the feasibility studies and the Senior Series 2010 Bonds, any bond insurance premium, any reserve fund surety policy premium, underwriters' compensation, and the fees, costs and expenses of rating agencies, the Senior Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

"*Coverage Account*" means the "Coverage Account" created by the Commission within the Operating Fund pursuant to the Master Senior Indenture.

"*Credit Facility*" means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Debt Service Reserve Fund Surety Policy or other financial instrument which obligates a third party to make payment of or provide funds to the Senior Trustee for the payment of the principal of and/or interest on Senior Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Commission fails to do so.

"*Credit Provider*" means the party obligated to make payment of principal of and interest on the Senior Bonds under a Credit Facility.

"*Debt Service Reserve Fund Surety Policy*" means an insurance policy or surety bond, or a letter of credit, deposited with the Senior Trustee for the credit of the Senior Debt Service Reserve Fund created for one or more series of Outstanding Senior Bonds in lieu of or partial substitution for cash or securities on deposit therein. The entity providing such Debt Service Reserve Fund Surety Policy will be rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

"*Designated Debt*" means a specific indebtedness, designated by the Commission, in which such debt will be offset with a Swap, such specific indebtedness to include all or any part of a Series of Senior Bonds or a Series or multiple Series of Subordinate Obligations, as the case may be.

"*Eighth Supplemental Senior Indenture*" means the Eighth Supplemental Trust Indenture, to be dated as of August 1, 2010, by and between the Commission and the Senior Trustee.

"*Estimated Completion Date*" means the estimated date upon which a specified Project will have been substantially completed in accordance with the plans and specifications applicable thereto or the estimated date upon which a specified Project is expected to have been acquired and payment therefor made, in each case, as that date will be set forth in a certificate of an Authorized Commission Representative delivered to the Senior Trustee at or prior to the time of issuance of the Senior Bonds which are issued to finance such specified Project.

"*Event of Default*" means any occurrence or event specified as a "Event of Default" in the Master Senior Indenture.

"*Executive Director*" means the person at a given time who is the executive director of the Commission or such other title as the Commission may from time to time assign for such position and the officer or officers succeeding to such position as certified to the Senior Trustee and the Subordinate Trustee by the Commission.

"*Facilities Construction Credit*" or "*Facilities Construction Credits*" means the amounts further described in the Master Senior Indenture resulting from an arrangement embodied in a written agreement of the Commission and another person or entity pursuant to which the Commission permits such person or entity to make a payment or payments to the Commission which is reduced by the amount owed by the Commission to such person or entity under such agreement, resulting in a net payment to the Commission by such person or entity. The "Facilities Construction Credit" will be deemed to be the amount owed by the Commission under such agreement which is "netted" against the payment of such person or entity to the Commission.

"*Fifth Supplemental Senior Indenture*" means the Fifth Supplemental Trust Indenture, dated as of January 1, 2007, by and between the Commission and the Senior Trustee.

"*First Supplemental Subordinate Indenture*" means the First Supplemental Subordinate Trust Indenture, dated as of October 1, 2000, by and between the Commission and the Subordinate Trustee.

"*Fiscal Year*" means the period of time beginning on January 1 of each given year and ending on December 31 of such given year, or such other similar period as the Commission designates as its fiscal year.

"*Fitch*" means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and its assigns, and, if such corporation will for any reason no longer perform the functions of a securities rating agency, "Fitch" will be deemed to refer to any nationally recognized rating agency designated by the Commission.

"*Fourth Supplemental Senior Indenture*" means the Fourth Supplemental Trust Indenture, dated as of May 1, 2001, by and between the Commission and the Senior Trustee.

"*Fourth Supplemental Subordinate Indenture*" means the Fourth Supplemental Subordinate Trust Indenture, dated as of July 1, 2003, by and between the Commission and the Subordinate Trustee.

"*General Obligation Revenue Bonds*" means all bonds of the Commission as described and issued pursuant to the General Obligation Revenue Bond Resolutions plus any additional bonds that may be issued under Section 473.667 of the Act as General Obligation Revenue Bonds.

"*General Obligation Revenue Bonds Resolutions*" means Resolution No. 1810, adopted by the Commission on October 19, 1998, which provided for the issuance of $38,750,000 Minneapolis-Saint Paul Metropolitan Airports Commission General Obligation Revenue Refunding Bonds Series 13 (the "Series 13 Bonds"); Resolution No. 1935, adopted by the Commission on August 20, 2001, as amended, which provided for the issuance of $25,690,000 Minneapolis-Saint Paul Metropolitan Airports Commission General Obligation Revenue Refunding Bonds Series 14 (the "Series 14 Bonds"); Resolution No. 1953, adopted by the Commission on December 17, 2001, which provided for the issuance of $287,825,000 Minneapolis-Saint Paul Metropolitan Airports Commission Taxable General Obligation Revenue Refunding Bonds Series 15 (the "Series 15 Bonds"); and any additional resolutions adopted by the Commission authorizing the issuance of additional General Obligation Revenue Bonds in accordance with the Act.

"*Government Obligations*" means (a) United States Obligations (including obligations issued or held in book-entry form), (b) prerefunded municipal obligations meeting the following conditions: (i) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (ii) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (iii) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (iv) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (v) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (vi) the municipal obligations are rated in their highest rating category by one or more of the Rating Agencies, but only if such Rating Agencies have been requested by the Commission to maintain a rating on the Senior Bonds and such Rating Agencies are then maintaining a rating on any of the Senior Bonds, and (c) any other type of security or obligation which the Rating Agencies then maintaining ratings on the Senior Bonds to be defeased have determined to be permitted defeasance securities.

"*Health Self-Insurance Trust Fund*" means the "Health Self-Insurance Trust Fund" established by the Commission and held and maintained by the Commission.

"*Independent*" means, when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the Commission, other than the payment to be received under a contract for services to be performed, and (b) is not connected with the Commission as an official, officer or employee.

"*Investment Agreement*" means an investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a)(ii)(A) or (B) or (b)(ii)(A) or (B), as the case may be, of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Senior Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Senior Trustee, (iii) subject to a perfected first lien on behalf of the Senior Trustee, and (iv) free and clear from all third-party liens.

"*Liquidity Facility*" means a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Senior Bonds.

"*Liquidity Provider*" means the entity, including the Credit Provider, which is obligated to provide funds to purchase Senior Bonds under the terms of a Liquidity Facility.

"*Mail*" means by first-class United States mail, postage prepaid.

"*Maintenance and Operation Expenses of the Airport System*" means, for any given period, the total operation and maintenance expenses of the Airport System as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues.

"*Maintenance and Operation Reserve Account*" means the "Maintenance and Operation Reserve Account" created by the Commission within the Operating Fund pursuant to the Master Senior Indenture.

"*Master Senior Indenture*" means the Master Trust Indenture, dated as of June 1, 1998, by and between the Commission and the Senior Trustee, together with all Supplemental Senior Indentures.

"*Master Subordinate Indenture*" means the Master Subordinate Trust Indenture dated as of October 1, 2000, by and between the Commission and the Subordinate Trustee, together with all Supplemental Subordinate Indentures.

"*Maximum Aggregate Annual Debt Service*" means the maximum amount of Aggregate Annual Debt Service with respect to all Senior Bonds, Unissued Senior Program Bonds, the Authorized Amount of all Senior Bonds then proposed to be issued and General Obligation Revenue Bonds in the then current or any future Fiscal Year.

"*Maximum Aggregate Annual Debt Service For Reserve Requirement*" means the computation of Maximum Aggregate Annual Debt Service for a Senior Debt Service Reserve Fund with respect to all Outstanding Senior Bonds participating in an identified Senior Debt Service Reserve Fund in the then current or any future Fiscal Year, excluding General Obligation Revenue Bonds, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Maximum Aggregate Annual Debt Service For Reserve Requirement for the respective Senior Debt Service Reserve Fund, if any, for a Series of Senior Bonds the annual debt service with respect to any Variable Rate Senior Indebtedness will, upon the issuance of such Series participating in an identified Senior Debt Service Reserve Fund, be calculated on the basis of the assumptions set forth in subsection (e) of the definition of Aggregate Annual Debt Service, and the amount so determined will not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Maximum Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Senior Bonds containing Balloon Indebtedness or Senior Tender Indebtedness will not, with respect to such Series, require subsequent increases.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation will for any reason no longer perform the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized rating agency designated by the Commission.

"*Net Proceeds*" means insurance proceeds received as a result of damage to or destruction of Airport Facilities or any condemnation award or amounts received by the Commission from the sale of Airport Facilities under the threat of condemnation less expenses (including attorneys' fees and expenses and any fees and expenses of the Senior Trustee) incurred in the collection of such proceeds or award.

"*Net Revenues*" means, for any given period, the Revenues for such period less, for such period, all amounts which are required to be used to pay the Maintenance and Operation Expenses of the Airport System.

"*Non-Qualified Swap*" means any Swap which is not a Qualified Swap.

"*Operating Fund*" means the "Operating Fund" established by the Commission and held and maintained by the Commission.

"*Original Issue Discount Senior Bonds*" means Senior Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Senior Bonds by the Supplemental Senior Indenture under which such Senior Bonds are issued.

"*Outstanding*" when used with respect to Senior Bonds means all Senior Bonds which have been authenticated and delivered under the Master Senior Indenture, except:

(a) Senior Bonds cancelled or purchased by the Senior Trustee for cancellation or delivered to or acquired by the Senior Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Senior Bonds deemed to be paid in accordance with the Master Senior Indenture;

(c) Senior Bonds in lieu of which other Senior Bonds have been authenticated under the provisions of the Master Senior Indenture;

(d) Senior Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Senior Trustee or a Senior Paying Agent;

(e) Senior Bonds which, under the terms of the Supplemental Senior Indenture pursuant to which they were issued, are deemed to be no longer Outstanding;

(f) Senior Repayment Obligations deemed to be Senior Bonds under the Master Senior Indenture to the extent such Senior Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Senior Bonds acquired by the Liquidity Provider; and

(g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Senior Bonds under the Master Senior Indenture, Senior Bonds held by or for the account of the Commission or by any person controlling, controlled by or under common control with the Commission, unless such Senior Bonds are pledged to secure a debt to an unrelated party.

"*Passenger Facility Charges*" means charges collected by the Commission 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 Airport 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.

"*Payment Date*" means, with respect to any Senior Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

"*Permitted Investments*" means:

(i) those investments specified in Minnesota Statutes, Sections 118A.01 *et seq*., and 473.606 Subd. 3, and which further comply with any investment policy of the Commission; and

(ii) any of the following, but only to the extent Minnesota Statutes, Sections 118A.01 *et seq*., and 473.606 Subd. 3, as amended from time to time, permits the Commission to set forth in a Supplemental Senior Indenture or resolution entered into in connection with the issuance of a Series of Senior Bonds to provide for other permitted investments:

(A) United States Obligations;

(B) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration;

(C) Direct and general long-term obligations of any state, which obligations are rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(D) Direct and general short-term obligations of any state which obligations are rated in the highest Rating Category by one or more of the Rating Agencies;

(E) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC") or by savings and loan associations that are members of the FDIC, which deposits or interests must either be (1) continuously and fully insured by FDIC and with banks that are rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies; or (2) fully secured by obligations described in item (a)(ii)(A) or (B) of this definition of Permitted Investments (a) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (b) held by the Senior Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Senior Trustee, (b) subject to a perfected first lien in favor of the Senior Trustee, and (d) free and clear from all third-party liens;

(F) Long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(G) Repurchase agreements which are (1) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from one or more of the Rating Agencies and (2) fully secured by investments specified in items (a)(ii)(A) or (B) of this definition of Permitted Investments (a) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (b) held by the Senior Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Senior Trustee, (c) subject to a perfected first lien in favor of the Senior Trustee and (d) free and clear from all third-party liens;

(H) Prime commercial paper of a United States corporation, finance company or banking institution rated in the highest short-term Rating Category of one or more of the Rating Agencies;

(I) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (1) a money market fund that has been rated in one of the two highest Rating Categories by one or more of the Rating Agencies or (2) a money market fund or account of the Senior Trustee or any state or federal bank that is rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or whose one bank holding company parent is rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or that has a combined capital and surplus of not less than $50,000,000;

(J) Interest bearing notes issued by a banking institution having a combined capital and surplus of at least $500,000,000 and whose senior debt is in the highest Rating Category by one or more of the Rating Agencies;

(K) Public housing bonds issued by public agencies which are either unconditionally guaranteed as to principal and interest by the United States of America, or rated in the highest Rating Category by one or more of the Rating Agencies;

(L) Obligations issued or guaranteed by Private Export Funding Corporation, Resolution Funding Corporation and any other instrumentality or agency of the United States of America;

(M) Investment Agreements;

(N) any other type of investment consistent with Commission policy in which the Commission directs the Senior Trustee to invest provided that there is delivered to the Senior Trustee a certificate of an Authorized Commission Representative stating that each of the Rating Agencies then maintaining a rating on the Senior Bonds has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such rating agency to any of the Senior Bonds; and

(O) any other investment which is a permitted investment of the Commission in accordance with the laws of the State.

"*PFC Resolution*" means Resolution No. 2021 adopted by the Commission on May 19, 2003, as amended by Resolution No. 2037 adopted by the Commission on April 19, 2004, as may be further amended or supplemented from time to time.

"*Principal Amount*" or "*principal amount*" means, as of any date of calculation, (a) with respect to any Capital Appreciation Senior Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), (b) with respect to any Original Issue Discount Senior Bond, the Accreted Value thereof, unless the Supplemental Senior Indenture under which such Senior Bond was issued will specify a different amount, in which case, the terms of the Supplemental Senior Indenture will control, and (c) with respect to any other Senior Bonds, the principal amount of such Senior Bond payable at maturity.

"*Project*" means any and all facilities, improvements and other expenditures related to the Airport System financed in whole or in part with proceeds of a Series of Senior Bonds.

"*Qualified Swap*" means any Swap (a) whose Designated Debt is all or part of a particular Series of Senior Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Senior Trustee by the Commission as a Qualified Swap with respect to such Senior Bonds.

"*Qualified Swap Provider*" means a financial institution whose senior long-term debt obligations, or whose obligations under any Qualified Swap are (i) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (ii) fully secured by obligations described in items (ii)(A) or (B)of the definition of Permitted Investments which are (A) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (B) held by the Senior Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Senior Trustee, (C) subject to a perfected first lien on behalf of the Senior Trustee, and (D) free and clear from all third-party liens.

"*Rating Agency*" or "*Rating Agencies*" means Fitch, Moody's or S&P, or any other nationally recognized rating agency of municipal obligations, but only if such Rating Agencies have been requested by the Commission to maintain a rating on the Senior Bonds, and such Rating Agencies are then maintaining a rating on any of the Senior Bonds.

"*Rating Category" or "Rating Categories*" means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"*Rebate Fund*" means any fund created by the Commission pursuant to a Supplemental Senior Indenture in connection with the issuance of any Series of Senior Bonds for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

"*Record Date*" means, with respect to any Series of Senior Bonds, the record date as specified in the Supplemental Senior Indenture which provides for the issuance of such Series. With respect to the Senior Series 2010 Bonds, "Record Date" means for a January 1 Interest Payment Date the preceding December 15 and for a July 1 Interest Payment Date the preceding June 15.

"*Refunding Senior Bonds*" means any Senior Bonds issued pursuant to the Master Senior Indenture to refund or defease all or a portion of any series of Outstanding Senior Bonds, any Subordinated Obligations, or any General Obligation Revenue Bonds.

"*Regularly Scheduled Swap Payments*" means the regularly scheduled payments under the terms of a Swap which are due absent any termination, default or dispute in connection with such Swap.

"*Reserve Requirement*" means, an amount equal to the lesser of (a) Maximum Aggregate Annual Debt Service for Reserve Requirement for all Series of Senior Bonds participating in the Senior Debt Service Reserve Fund, (b) ten percent (10%) of the principal amount of the Series of Senior Bonds that have been issued and are participating in the Senior Debt Service Reserve Fund, less the amount of original issue discount with respect to such Series of Senior Bonds if such original issue discount exceeded 2% on such Series of Senior Bonds at the time of their original sale and (c) 125% of the average Aggregate Annual Debt Service for Reserve Requirement for all Series of Senior Bonds participating in the Senior Debt Service Reserve Fund.

"*Resolution*" means Resolution No. 2130 adopted by the Commission on June 21, 2010, as amended or supplemented.

"*Responsible Officer*" means an officer or assistant officer of the Senior Trustee assigned by the Senior Trustee to administer the Master Senior Indenture.

"*Revenues*" means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by the Commission from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Commission for the use or availability of the Airport System, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Commission, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Commission or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Commission receives payments which are attributable to the Airport System or activities or undertakings related thereto. Additionally, "Revenues" will also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earning allowed to be pledged by the terms of a Supplemental Senior Indenture or Supplemental Subordinate Indenture, as the case may be, to fund a Senior Construction Fund or a subordinate construction fund, as the case may be) from the investment of amounts held in the Operating Fund, any Senior Construction Fund, any subordinate construction fund, any Senior Debt Service Fund or subordinate debt service fund (except capitalized interest on deposit therein), any Senior Debt Service Reserve Fund or subordinate debt service reserve fund, the Commission Construction Fund, and such additional revenues, if any, as are designated as "*Revenues*" under the terms of any Supplemental Senior Indenture. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the Commission from the imposition of ad valorem taxes (except ad valorem taxes which have been specifically levied to pay principal and interest on the General Obligation Revenue Bonds or to pay Maintenance and Operation Expenses of the Airport System), (ii) gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Bonds or the Subordinate Obligations, (iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Senior Bonds or the Subordinate Obligations (except to the extent Net Proceeds are utilized to pay Maintenance and Operating Expenses of the Airport System), (iv) any Transfer, and (v) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in the Master Senior Indenture). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Senior Indenture or pursuant to a certificate of an Authorized Commission Representative: (a) any Swap Termination Payments paid to the Commission pursuant to a Qualified Swap, (b) Facilities Construction Credits, (c) Passenger Facility Charges, (d) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Senor Bonds or Subordinate Obligations, (e) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and (f) capitalized interest. Further, interest earnings or other investment earnings on any Senior Construction Fund or subordinate construction fund, as the case may be, established by any Supplemental Senior Indenture or Supplemental Subordinate Indenture, as the case may be, are specifically excluded from "Revenues," unless otherwise provided for in such Supplemental Senior Indenture or Supplemental Subordinate Indenture, as the case may be.

"*Second Supplemental Subordinate Indenture*" means the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2001, by and between the Commission and the Subordinate Trustee.

"*Senior Bond*" or "*Senior Bonds*" means any debt obligation of the Commission issued as a taxable or tax-exempt obligation under and in accordance with the provisions of the Master Senior Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Commission, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Senior Repayment Obligations to the extent provided in the Master Senior Indenture. The term "Senior Bond" or "Senior Bonds" in the Master Senior Indenture does not include any Subordinated Obligation; provided, however, that the Commission may provide in a Supplemental Senior Indenture to the Master Senior Indenture that Subordinated Obligations may be thenceforth issued pursuant to the Master Senior Indenture having the terms applicable to the Senior Bonds, except that such Subordinated Obligations will be junior and subordinate in payment of such Subordinated Obligations from the Net Revenues. The term "Senior Bond" and "Senior Bonds" includes Senior Program Bonds.

"*Senior Commercial Paper Program*" means a Senior Program authorized by the Commission pursuant to which Commercial Paper will be issued and reissued from time to time, up to the Authorized Amount of such Senior Program.

"*Senior Construction Fund*" means any of the Construction Funds authorized to be created as provided by the Master Senior Indenture.

"*Senior Debt Service Fund*" or "*Senior Debt Service Funds*" means a Debt Service Fund or any of the Senior Debt Service Funds required to be created as provided by the Master Senior Indenture.

"*Senior Debt Service Reserve Fund*" means any Senior Debt Service Reserve Fund created by the Commission pursuant to a Supplemental Senior Indenture in connection with the issuance of any Series of Senior Bonds and that is required to be funded for the purpose of providing additional security for such Series of Senior Bonds and under certain circumstances to provide additional security for such other designated Series of Senior Bonds issued pursuant to the terms of the Master Senior Indenture and as specified in any Supplemental Senior Indenture.

"*Senior Notes*" means Senior Bonds issued under the provisions of the Master Senior Indenture which have a maturity of one year or less from their date of original issuance and which are not part of a Senior Commercial Paper Program.

"*Senior Paying Agent*" or "*Senior Paying Agents*" means, with respect to the Senior Bonds or any Series of Senior Bonds, the banks, trust companies or other financial institutions or other entities designated in a Supplemental Senior Indenture or a resolution of the Commission as the place where such Senior Bonds will be payable. The Senior Trustee will act as Senior Paying Agent with respect to the Senior Series 2010 Bonds.

"*Senior Program*" means a financing program identified in a Supplemental Senior Indenture, including but not limited to a Senior Commercial Paper Program, (a) which is authorized and the terms thereof approved by a resolution adopted by the Commission and the items required under the Master Senior Indenture have been filed with the Senior Trustee, (b) wherein the Commission has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in a Senor Authorized Amount, and (c) the Authorized Amount of which has met the additional bonds test set forth in the Master Senior Indenture and the Outstanding amount of which may vary from time to time, but not exceed the Authorized Amount.

"*Senior Program Bonds*" means Senior Bonds issued and Outstanding pursuant to a Senior Program, other than Unissued Senior Program Bonds.

"*Senior Registrar*" means, with respect to the Senior Bonds or any Series of Senior Bonds, the bank, trust company or other entity designated in a Supplemental Senior Indenture or a resolution of the Commission to perform the function of Registrar under the Master Senior Indenture or any Supplemental Senior Indenture, and which bank, trust company or other entity has accepted the position in accordance with the Master Senior Indenture. The Senior Trustee will act as Senior Registrar with respect to the Senior Series 2010 Bonds.

"*Senior Repayment Obligations*" means an obligation arising under a written agreement of the Commission and a Credit Provider pursuant to which the Commission agrees to reimburse the Credit Provider for amounts paid through a Credit Facility to be used to pay debt service on any Senior Bonds or an obligation arising under a written agreement of the Commission and a Liquidity Provider pursuant to which the Commission agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility to be used to purchase Senior Bonds.

"*Senior Series 2001B Bonds*" means the $98,815,000 original principal amount of Senior Bonds issued under the Master Senior Indenture and the Fourth Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Airport Revenue Bonds, Series 2001B."

"*Senior Series 2007A Bonds*" means the $440,985,000 original principal amount of Senior Bonds issued under the Master Senior Indenture and the Fifth Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Refunding Bonds, Series 2007A."

"*Senior Series 2008A Bonds*" means the $72,035,000 original principal amount of Senior Bonds issued under the Master Senior Indenture and the Sixth Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Refunding Bonds, Series 2008A."

"*Senior Series 2009A Bonds*" means the $23,075,000 original principal amount of Senior Bonds issued under the Master Senior Indenture and the Seventh Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Refunding Bonds, Series 2009A."

"*Senior Series 2009B Bonds*" means the $128,835,000 original principal amount of Senior Bonds issued under the Master Senior Indenture and the Seventh Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Refunding Bonds, Series 2009B."

"*Senior Series 2010A Bonds*" means the $62,210,000 original principal amount of Senior Bonds to be issued under the Master Senior Indenture and the Eighth Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Bonds, Series 2010A."

"*Senior Series 2010B Bonds*" means the $73,475,000 original principal amount of Senior Bonds to be issued under the Master Senior Indenture and the Eighth Supplemental Senior Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission, Senior Airport Revenue Bonds, Series 2010B."

"*Senior Series 2010 Bonds*" means, collectively, the Senior Series 2010A Bonds and the Senior Series 2010B Bonds.

"*Senior Swap Termination Payment*" means an amount payable by the Commission or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

"*Senior Tender Indebtedness*" means any Senior Bonds or portions of Senior Bonds a feature of which is an obligation on the part of the Bondholders, under the terms of such Senior Bonds, to tender all or a portion of such Senior Bonds to the Commission, the Senior Trustee, the Senior Paying Agent or other fiduciary or agent or Credit Provider for payment or purchase and requiring that such Senior Bonds or portions of Senior Bonds be purchased if properly presented.

"*Senior Trustee*" means Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, N.A.), until a successor replaces it and, thereafter, means such successor.

"*Serial Senior Bonds*" means Senior Bonds for which no sinking installment payments are provided.

"*Series*" means Senior Bonds designated as a separate Series by a Supplemental Senior Indenture and, with respect to Senior Program Bonds or a Senior Commercial Paper Program, means the full Authorized Amount of such program, regardless of when or whether issued, unless portions thereof are, by Supplemental Senior Indenture, designated as separate Series.

"*Seventh Supplemental Senior Indenture*" means the Seventh Supplemental Trust Indenture, dated as of November 1, 2009, by and between the Commission and the Senior Trustee.

"*Seventh Supplemental Subordinate Indenture*" means the Seventh Supplemental Subordinate Trust Indenture, dated as of January 1, 2007, by and between the Commission and the Subordinate Trustee.

"*Significant Portion*" means, for purposes of the Master Senior Indenture, any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the Commission at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition would have resulted in a reduction in Net Revenues for such annual period of more than 5% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Commission directly attributable to such Airport Facilities. The Commission will notify each of the Rating Agencies that the Commission has requested ratings from and who are then maintaining a rating on any of the Senior Bonds prior to the selling or disposing of a Significant Portion of any Airport Facilities or portions thereof.

"*Sixth Supplemental Senior Indenture*" means the Sixth Supplemental Trust Indenture, dated as of January 1, 2008, by and between the Commission and the Senior Trustee.

"*Sixth Supplemental Subordinate Indenture*" means the Sixth Supplemental Subordinate Trust Indenture, dated as of June 1, 2005, by and between the Commission and the Subordinate Trustee.

"*S&P*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, successor to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and if such corporation will for any reason no longer perform the functions of a securities rating agency, "S&P" will be deemed to refer to any other nationally recognized securities rating agency designated by the Commission.

"*Special Facilities*" or "*Special Facility*" means a facility or group of facilities or category of facilities which are designated as a Special Facility pursuant to the provisions of the Master Senior Indenture.

"*Special Facilities Revenue*" means the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the Commission from a Special Facility which are pledged to secure Special Facility Obligations.

"*Special Facility Obligations*" means bonds or other debt instruments issued pursuant to an indenture other than the Master Senior Indenture or the Master Subordinate Indenture to finance Special Facilities and which are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

"*Specified Project*" means a Project or a group of alternative Projects which are described in a certificate of an Authorized Commission Representative delivered to the Consultant preparing the certificate described in the Master Senior Indenture, the revenues and expenses of which Project or of the alternative Projects are to be taken into account by such Consultant in preparing the certificate.

"*State*" means the State of Minnesota.

"*Subordinate Commercial Paper Notes*" means, collectively, the $125,000 000 original principal amount of Commercial Paper authorized under the Master Subordinate Indenture and the First Supplemental Subordinate Indenture and designated as "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Revenue Commercial Paper Notes, Series A-C" and the $75,000 000 original principal amount of Commercial Paper authorized under the Master Subordinate Indenture and the Third Supplemental Subordinate Indenture and designated as "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Revenue Commercial Paper Notes, Series D-F"

"*Subordinated Obligation*" means any bond, note or other debt instrument issued or otherwise entered into by the Commission which ranks junior and subordinate to the Senior Bonds and which may be paid from moneys constituting Net Revenues only if all amounts of principal and interest which have become due and payable on the Senior Bonds whether by maturity, redemption or acceleration have been paid in full and the Commission is current on all payments, if any, required to be made to replenish all Senior Debt Service Reserve Funds. "Subordinated Obligations" are not Senior Bonds for purposes of the Master Senior Indenture; provided, however, that the Commission may henceforth by Supplemental Senior Indenture elect to have the provisions of the Master Senior Indenture applicable to the Senior Bonds apply to the Subordinated Obligations issued thereunder, except that such Subordinated Obligations will be secured on a junior and subordinate basis to the Senior Bonds from the Net Revenues. No bond, note or other instrument of indebtedness will be deemed to be a "Subordinated Obligation" for purposes of the Master Senior Indenture and payable on a subordinated basis from Net Revenues unless specifically designated by the Commission as a "Subordinated Obligation" in a Supplemental Senior Indenture or other written instrument. In connection with any Subordinated Obligation with respect to which a Swap is in effect or proposes to be in effect, the term "Subordinated Obligation" includes, collectively, both such Subordinated Obligation and either such Swap or the obligations of the Commission under each such Swap, as the context requires. The term "Subordinated Obligations" also includes a Swap or the obligations of the Commission under such Swap which has been entered into in connection with a Subordinated Obligation, as the context requires, although none of the Subordinated Obligations with respect to which such Swap was entered into remain outstanding. In connection with any Senior Bonds with respect to which a Qualified Swap is in effect or proposed to be in effect, the term "Subordinated Obligation" includes any Senior Swap Termination Payment if designated as a Subordinated Obligation in a Supplemental Senior Indenture.

"*Subordinate Obligation*" or "*Subordinate Obligations*" means any debt obligation of the Commission issued as a taxable or tax-exempt obligation under and in accordance with the provisions of the Master Subordinate Indenture, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other instruments creating an indebtedness of the Commission, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and subordinate repayment obligations to the extent provided in the Master Subordinate Indenture.

"*Subordinate Series 2001D Bonds*" means the $70,210,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Bonds, Series 2001D."

"*Subordinate Series 2003A Bonds*" means the $102,690,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Fourth Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Bonds Series 2003A."

"*Subordinate Series 2005A Bonds*" means the $136,110,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Sixth Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Bonds Series 2005A."

"*Subordinate Series 2005B Bonds*" means the $113,155,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Sixth Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Bonds Series 2005B."

"*Subordinate Series 2005C Bonds*" means the $123,750,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Sixth Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Refunding Bonds Series 2005C."

"*Subordinate Series 2007B Bonds*" means the $197,360,000 original principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture and designated "Minneapolis-St. Paul Metropolitan Airports Commission Subordinate Airport Revenue Refunding Bonds Series 2007B."

"*Subordinate Trustee*" means Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association), until a successor replaces it and, thereafter, means such successor.

"*Supplemental Senior Indenture*" means any document supplementing or amending the Master Senior Indenture or providing for the issuance of Senior Bonds and entered into as provided in the Master Senior Indenture.

"*Supplemental Subordinate Indenture*" means any document supplementing or amending the Master Subordinate Indenture or providing for the issuance of Subordinate Obligations and entered into as provided in the Master Subordinate Indenture.

"*Swap*" means any financial arrangement between the Commission and a Swap Provider which provides that (a) each of the parties will pay to the other an amount or amounts calculated as if such amount were interest accruing during the term of the arrangement at a specified rate (whether fixed or a variable rate or measured against some other rate or index) on a Designated Debt, and payable from time to time or at a designated time or times (whether before, during or after the term of the arrangement); (b) if such amount is to be paid *before* it is deemed to have accrued, the amount paid will reflect the present value of such future amount (i.e., an upfront premium), while an amount to be paid *after* it is deemed to have accrued will reflect the time value of such funds; (c) payment dates and calculated accrual rates need not be the same for each payor, but to the extent payment dates coincide, the arrangement may (but need not) provide that one will pay to the other any net amount due under such arrangement.

"*Swap Provider*" means a party to a Swap with the Commission.

"*Synthetic Fixed Rate Debt*" means indebtedness issued by the Commission which: (a) is combined, as Designated Debt, with a Qualified Swap, and creates, in the opinion of a Consultant, a substantially fixed-rate maturity or maturities for a term not exceeding such maturity or maturities, or (b) consisting of an arrangement in which two inversely related variable-rate securities are issued in equal principal amounts with interest based on off-setting indices resulting in a combined payment which is economically equivalent to a fixed rate.

"*Tax Compliance Certificate*" means the certificate of the Commission prepared by Bond Counsel and delivered by the Commission at the time of issuance and delivery of any Series of Senior Bonds the interest on which is excluded from gross income for federal income tax purposes pursuant to a favorable opinion of such Bond Counsel, making certifications and representations of the Commission as to the status of such Senior Bonds under the Code.

"*Term Senior Bonds*" means Senior Bonds of a Series which are payable on or before their specified maturity dates from sinking installment payments established pursuant to the Supplemental Senior Indenture for such series for that purpose and calculated to retire the Senior Bonds on or before their specified maturity dates.

"*Third Supplemental Subordinate Indenture*" means the Third Supplemental Subordinate Trust Indenture, dated as of November 1, 2002, by and between the Commission and the Subordinate Trustee.

"*Transfer*" means (a) the amount deposited on the last Business Day of the Fiscal Year from the Coverage Account into the Operating Fund plus (b) any amounts withdrawn from the Coverage Account during such Fiscal Year (i) to pay Maintenance and Operation Expenses of the Airport System or (ii) to make any required payments or deposits to pay or secure the payment of the principal or purchase price of or interest or redemption premium on the Outstanding Senior Bonds; less (c) any amounts deposited in the Coverage Account from Revenues during such Fiscal Year.

"*Unissued Senior Program Bonds*" means the bonds, notes or other indebtedness authorized to be issued pursuant to a Senior Program and payable from Net Revenues, issuable in an amount up to the Authorized Amount relating to such Senior Program, which have been approved for issuance by the Commission pursuant to a resolution adopted by the Commission and with respect to which Senior Program the items described in the Master Senior Indenture have been filed with the Senior Trustee but which have not yet been authenticated and delivered pursuant to the Senior Program documents.

"*United States Bankruptcy Code*" means Title 11 U.S.C., Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

"*United States Obligations*" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. "*United States Obligations*" will include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation securities.

"*Variable Rate Senior Indebtedness*" means any Senior Bond or Senior Bonds the interest rate on which is not, at the time in question, fixed to maturity, excluding any Senior Commercial Paper Program.

THE MASTER SENIOR INDENTURE

In addition to certain information contained under the captions "DESCRIPTION OF THE SENIOR SERIES 2010 BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS" in the forepart of this Official Statement, the following is a summary of certain provisions of the Master Senior Indenture. Such summary is only a brief description of limited provisions of such document and is qualified in its entirety by reference to the full text of the Master Senior Indenture.

Grant to Secure Bonds; Pledge of Net Revenues

To secure the payment of the interest, principal and premium, if any, on the Senior Bonds and the performance and observance by the Commission of all the covenants, agreements and conditions expressed or implied in the Master Senior Indenture or contained in the Senior Bonds, the Commission has pledged and assigned to the Senior Trustee and granted to the Senior Trustee a lien on and security interest in all right, title and interest of the Commission in and to all of the following and provides that, except with respect to the General Obligation Revenue Bonds (which are on parity with the Senior Bonds), such lien and security interest will be prior in right to any other pledge, lien or security interest created by the Commission in the following: (a) the Net Revenues, (b) all moneys and securities (excluding moneys and securities on deposit in any Rebate Fund) held from time to time by the Senior Trustee under the Master Senior Indenture, and to the extent provided in any Supplemental Senior Indenture moneys and securities held in any Senior Construction Fund whether or not held by the Senior Trustee, (c) earnings on amounts included in provisions (a) and (b) above (except to the extent excluded from the definition of "Revenues" by the Master Senior Indenture), and (d) any and all other funds, assets, rights, property or interests therein, of every kind or description which may from time to time hereafter, by delivery or by writing of any kind, be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Senior Trustee as additional security under the Master Senior Indenture, for the equal and proportionate benefit and security of all Senior Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, will, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any General Obligation Revenue Bond, or any Senior Bond over any other Senior Bond or Senior Bonds, except as to the timing of payment of the General Obligation Revenue Bonds and the Senior Bonds. Any Senior Debt Service Reserve Fund and any Debt Service Reserve Fund Surety Policy provided at any time in satisfaction of all or a portion of the Reserve Requirement and any other security, Liquidity Facility or Credit Facility provided for specific Senior Bonds, a specific Series of Senior Bonds or one or more Series of Senior Bonds may, as provided by a Supplemental Senior Indenture, secure only such specific Senior Bonds, Series of Senior Bonds or one or more Series of Senior Bonds and, therefore, will not be included as security for all Senior Bonds under the Master Senior Indenture unless otherwise provided by a Supplemental Senior Indenture and moneys and securities held in trust as provided in the Master Senior Indenture exclusively for Senior Bonds which have become due and payable and moneys and securities which are held exclusively to pay Senior Bonds which are deemed to have been paid under the Master Senior Indenture will be held solely for the payment of such specific Senior Bonds. All amounts held in the Commission Debt Service Fund, from time to time, with respect to the General Obligation Revenue Bonds will not be included as security for any Senior Bonds under the Master Senior Indenture.

Additional Senior Bonds

Subject to the provisions under subsection (a), (b) or (c) of the last paragraph of this section, as a condition to the issuance of any Series of Senior Bonds, there will first be delivered to the Senior Trustee either:

(a) a certificate prepared by an Authorized Commission Representative showing the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Senior Bonds or preceding the first issuance of the proposed Senior Program Bonds were at least equal to 110% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds, the proposed Series of Senior Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding; or

(b) a certificate prepared by an Authorized Commission Representative showing that the Net Revenues (as may be adjusted as described below) for the last completed Fiscal Year or 12-month period immediately preceding the date of issuance of the proposed Series of Senior Bonds or preceding the first issuance of the proposed Senior Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds, the proposed Series of Senior Bonds and outstanding General Obligation Revenue Bonds, calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding.

For purposes of subparagraphs (a) and (b) above, no Transfer will be taken into account in the computation of Revenues by the Authorized Commission Representative.

For purposes of subparagraph (b) above, the Commission will be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Series of Senior Bonds but which, during the last completed Fiscal Year or 12-month period, was not in effect for the entire period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of such Fiscal Year or last completed 12-month period, as shown by the certificate or opinion of a Consultant employed by the Commission.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the Commission which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Commission Representative will certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

Neither of the certificates described above under subsections (a) or (b) will be required:

(a) if Senior Bonds being issued are for the purpose of refunding then Outstanding Senior Bonds or General Obligation Revenue Bonds and there is delivered to the Senior Trustee, instead, a certificate of the Authorized Commission Representative showing that Maximum Aggregate Annual Debt Service after the issuance of such Refunding Senior Bonds will not exceed Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Senior Bonds;

(b) if the Senior Bonds being issued constitute Senior Notes and there is delivered to the Senior Trustee, instead, a certificate prepared by an Authorized Commission Representative showing that the principal amount of the proposed Senior Notes being issued, together with the principal amount of any Senior Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the 24 months immediately preceding the issuance of the proposed Senior Notes and there is delivered to the Senior Trustee a certificate of an Authorized Commission Representative setting forth calculations showing that for each of the Fiscal Years during which the Senior Notes will be Outstanding, and taking into account the debt service becoming due on such Senior Notes, the Commission will be in compliance with the rate covenant of the Master Senior Indenture; or

(c) if the Senior Bonds being issued are to pay costs of completing a Project for which Senior Bonds have previously been issued and the principal amount of such Senior Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of Senior Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Commission Representative and there is delivered to the Senior Trustee (i) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (ii) a certificate of an Authorized Commission Representative to the effect that (A) all of the proceeds (including investment earnings on amounts in the Senior Construction Fund allocable to such Project) of the original Senior Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (B) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Senior Construction Fund established for the Project (including unspent proceeds of Senior Bonds previously issued for such purpose).

Senior Repayment Obligations Afforded Status of Senior Bonds

If a Credit Provider or Liquidity Provider makes payment of principal of a Senior Bond or advances funds to purchase or provide for the purchase of Senior Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Commission, but is not reimbursed, the Commission's Senior Repayment Obligation under such written agreement may, if so provided in the written agreement, be afforded the status of a Senior Bond issued under the Master Senior Indenture, and, if afforded such status, the Credit Provider or Liquidity Provider will be the Bondholder and such Senior Bond will be deemed to have been issued at the time of the original Senior Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of the Master Senior Indenture; provided, however, notwithstanding the stated terms of the Senior Repayment Obligation, the payment terms of the Senior Bond held by the Credit Provider or Liquidity Provider under the Master Senior Indenture will be as follows (unless otherwise provided in the Supplemental Senior Indenture pursuant to which the Senior Bonds are issued): (a) interest will be due and payable semiannually and (b) principal will be due and payable not less frequently than annually and in such annual amounts as to amortize the principal amount thereof in (i) 30 years or, if shorter, (ii)(A) a term extending to the maturity date of the enhanced Senior Bonds or (B) if longer, the final maturity of the Senior Repayment Obligation under the written agreement, and providing substantially level Annual Debt Service payments, using the rate of interest set forth in the written repayment agreement which would apply to the Senior Repayment Obligation as of the date such amortization schedule is fixed. The principal amortized as described in the prior sentence will bear interest in accordance with the terms of the Senior Repayment Obligation. Any amount which comes due on the Senior Repayment Obligation by its terms and which is in excess of the amount treated as principal of and interest on a Senior Bond will be a Subordinated Obligation of the Commission. This provision will not defeat or alter the rights of subrogation which any Credit Provider may have under law or under the terms of any Supplemental Senior Indenture. The Senior Trustee may conclusively rely on a written certification by the Credit Provider or Liquidity Provider of the amount of such non-reimbursement and that such Senior Repayment Obligation is to be afforded the status of a Senior Bond under the Master Senior Indenture.

Revenues and Funds

Funding of Senior Debt Service Funds. The Senior Trustee will, at least fifteen (15) Business Days prior to each Payment Date on any Senior Bond, give the Commission notice by telephone, promptly confirmed in writing, of the amount after taking into account Capitalized Interest, if any, on deposit in the Senior Debt Service Fund, required to be deposited with the Senior Trustee to make each required payment of principal and interest due on such Payment Date. With respect to any Series of Senior Bonds, the Supplemental Senior Indenture under which such Senior Bonds are issued may provide for different times and methods of notifying the Commission of payment dates and amounts to accommodate the specific provisions of such Series and, in such event, the terms of such Supplemental Senior Indenture will control.

The Commission, at least five Business Days prior to each Payment Date, will withdraw from the Operating Fund and pay to the Senior Trustee the full amount required to make the interest and/or principal payments due on such Payment Date.

On any day on which the Senior Trustee receives funds from the Commission to be used to pay principal of or interest on Senior Bonds, the Senior Trustee will, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Senior Debt Service Funds for the Series of Senior Bonds for which such payments were made and any excess will be applied to pay all amounts of principal and interest becoming due on any subsequent Payment Dates. If, on any Payment Date, the Senior Trustee does not have sufficient amounts in the Senior Debt Service Funds (without regard to any amounts which may be available from Senior Debt Service Reserve Funds) to pay in full all amounts of principal and/or interest due on such date, the Senior Trustee will allocate the total amount which is available to make payment on such day (without regard to any amounts in the various Senior Debt Service Reserve Funds) as follows: first to the payment of interest then due on the Senior Bonds and, if the amount available will not be sufficient to pay in full all interest on the Senior Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal then due on the Senior Bonds and, if the amount available will not be sufficient to pay in full all principal on the Senior Bonds then due, then pro rata among the Series according to the Principal Amount then due on the Senior Bonds.

If a Senior Debt Service Reserve Fund or Senior Debt Service Reserve Funds (or a Credit Facility provided in lieu thereof) have been used to make payments on Senior Bonds secured thereby, then the Commission may be required by Supplemental Senior Indenture to replenish such Senior Debt Service Reserve Fund or Senior Debt Service Reserve Funds or reimburse the Credit Provider from Net Revenues provided that (a) no amount from Net Revenues may be used for such purpose until all payments of principal of and interest on all Senior Bonds which have become due and payable will have been paid in full, (b) the required payments to replenish any such Senior Debt Service Reserve Fund or reimburse the Credit Provider will be due in no more than twelve (12) substantially equal monthly installments commencing in the month following any such withdrawal and (c) if the aggregate amount of payments due on any date to replenish the Senior Debt Service Reserve Funds exceeds the amount available for such purpose, the payments made to the Senior Trustee for such purpose will be allocated among the various Senior Debt Service Reserve Funds pro rata on the basis of the Outstanding Principal Amount of Senior Bonds secured thereby.

Notwithstanding the foregoing, the Commission may, in the Supplemental Senior Indenture authorizing such Series of Senior Bonds, provide for different provisions and timing of deposits with the Senior Trustee and different methods of paying principal of or interest on such Senior Bonds depending upon the terms of such Senior Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the respective Senior Debt Service Fund created for the Series of Senior Bonds for which such Credit Facility is provided.

If the Net Revenues are at any time insufficient to make the deposits required to make payments on the Senior Bonds, the Commission may, at its election, pay to the Senior Trustee funds from any available sources with the direction that such funds be deposited into the Senior Debt Service Funds or into a specified account or accounts or subaccount or subaccounts therein.

Additional Security. The pledge of Net Revenues and the other security provided in the Granting Clauses of the Master Senior Indenture, secure all Senior Bonds issued under the terms of the Master Senior Indenture on an equal and ratable basis, except as to the timing of such payments. The Commission may, however, in its discretion, provide additional security or credit enhancement for specified Senior Bonds or Series of Senior Bonds with no obligation to provide such additional security or credit enhancement to other Senior Bonds.

Payment of Principal and Interest

The Commission has covenanted and agreed that it will duly and punctually pay or cause to be paid from the Net Revenues and to the extent thereof the principal of, premium, if any, and interest on every Senior Bond at the place and on the dates and in the manner in the Master Senior Indenture, in the Supplemental Senior Indentures and in the Senior Bonds specified, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements in the Master Senior Indenture and in the Senior Bonds contained, provided that the Commission's obligation to make payment of the principal of, premium, if any, and interest on the Senior Bonds will be limited to payment from the Net Revenues, the funds and accounts pledged therefor in the Granting Clauses of the Master Senior Indenture and any other source which the Commission may specifically provide for such purpose and no Bondholder will have any right to enforce payment from any other funds of the Commission.

Subordinated Obligations

The Commission may, from time to time, incur indebtedness which is subordinate to the Senior Bonds and which indebtedness is, in the Master Senior Indenture, referred to as Subordinated Obligations. Such indebtedness will be incurred at such times and upon such terms as the Commission will determine, provided that: (a) any Supplemental Senior Indenture authorizing the issuance of any Subordinate Obligations will specifically state that such lien on or security interest granted in the Net Revenues is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Senior Bonds; and (b) payment of principal of and interest on such Subordinated Obligations will be permitted, provided that all deposits required to be made pursuant to the Master Senior Indenture, if any, are then current in accordance with the Master Senior Indenture.

Special Facilities and Special Facility Obligations

The Commission is permitted to designate new or existing Airport Facilities as Special Facilities. The Commission may, from time to time, and subject to the terms and conditions of the Master Senior Indenture, (a) designate a separately identifiable existing facility or planned facility as an “Special Facility,” (b) pursuant to an indenture other than the Master Senior Indenture and without a pledge of any Net Revenues, incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility, (c) provide that certain of the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Commission from such Special Facility to the extent necessary to make the payments required by clause (i) of the second succeeding paragraph, be “Special Facilities Revenue” and not included as Revenues or Net Revenues unless on terms provided in any supplemental indenture, and (d) provide that the debt so incurred will be a “Special Facility Obligation” and the principal of and interest thereon will be payable solely from the Special Facilities Revenue. The Commission may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

Special Facility Obligations will be payable as to principal, redemption premium, if any, and interest solely from Special Facilities Revenue, which will include contractual payments derived by the Commission under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the Commission and another person, firm or corporation, either public or private, as will undertake the operation of a Special Facility.

No Special Facility Obligations will be issued by the Commission unless there will have been filed with the Senior Trustee a certificate of an Authorized Commission Representative stating that: (i) the estimated Special Facilities Revenue pledged to the payment of obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Commission and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and (ii) with respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Maintenance and Operation Expenses of the Airport System, will be sufficient so that the Commission will be in compliance with the rate covenant of the Master Senior Indenture; and (iii) no Event of Default then exists under the Master Senior Indenture.

To the extent Special Facilities Revenue received by the Commission during any Fiscal Year will exceed the amounts required to be paid pursuant to clause (i) of the immediately preceding paragraph for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, will constitute Revenues.

Maintenance and Operation of Airport System

Subject to the transfer of any Airport Facilities pursuant to the Master Senior Indenture, the Commission has covenanted that the Airport System will at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises will be complied with (provided the Commission will not be required to comply with any such orders so long as the validity or application thereof will be contested in good faith), and that all licenses and permits necessary to construct or operate any part of the Airport System will be obtained and maintained and that all necessary repairs, improvements and replacements of the Airport System will be made, subject to sound business judgment. Subject to the transfer of any Airport Facilities pursuant to the Master Senior Indenture, the Commission will, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Commission, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Airport System or upon any part thereof, or upon the Revenues or Net Revenues, when the same will become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Revenues or Net Revenues or Airport System or any part thereof constituting part of the Airport System.

Insurance; Application of Insurance Proceeds

Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions: (a) the Commission will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the Airport System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Commission, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports; and (b) the Commission will place on file with the Senior Trustee, if requested in writing by the Senior Trustee, annually within 120 days after the close of each Fiscal Year a certificate of an Authorized Commission Representative containing a summary of all insurance policies and self-insured programs then in effect with respect to the Airport System and the operations of the Commission. The Senior Trustee may conclusively rely upon such certificate and will not be responsible for the sufficiency or adequacy of any insurance required in the Master Senior Indenture or obtained by the Commission.

"*Qualified Self Insurance*" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Commission may have a material interest and of which the Commission may have control, either singly or with others. Each plan of Qualified Self Insurance will be established in accordance with law, will provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Commission determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance, and such self-insurance program will be reviewed at least once every 12 months by a Consultant who will deliver to the Commission a report on the adequacy of the reserves established thereunder. If the Consultant determines that such reserves are inadequate, he will make a recommendation as to the amount of reserves that should be established and maintained, and the Commission will comply with such recommendation unless it can establish to the satisfaction of and receive a certification from a Consultant that a lower amount is reasonable to provide adequate protection to the Commission.

If, as a result of any event, any part of the Airport System is destroyed or severely damaged, the Commission will create within the Operating Fund a special account and will credit the Net Proceeds received as a result of such event of damage or destruction to such account and such Net Proceeds will, within a reasonable period of time taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, be used to: (i) repair or replace the Airport System, or portion thereof, which were damaged or destroyed, (ii) provide additional revenue-producing Airport Facilities, (iii) redeem Senior Bonds, or (iv) create an escrow fund pledged to pay specified Senior Bonds and thereby cause such Senior Bonds to be deemed to be paid as provided in the Master Senior Indenture; provided, however, that the Commission will first deliver to the Senior Trustee a certificate of a Consultant showing that, after taking into account the use of the Net Proceeds for the redemption of such specified Senior Bonds, the rate covenant as set forth in the Master Senior Indenture is met.

Transfer of Airport Facility or Airport Facilities

The Commission will not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this section, any transfer of an asset over which the Commission retains substantial control in accordance with the terms of such transfer, will not, for so long as the Commission has such control, be deemed a disposition of an Airport Facility or Airport Facilities.

The Commission may transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions: (a) the property being disposed of is inadequate, obsolete or worn out; or (b) the property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Operating Fund to be used as described below and the Commission believes that such disposal will not prevent it from fulfilling its obligations under the Master Senior Indenture; or (c) the Commission receives fair market value for the property, the proceeds are deposited in the Operating Fund to be used as described below, and prior to the disposition of such property, there is delivered to the Senior Trustee a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Commission as evidenced by a certificate of an Authorized Commission Representative, the Consultant estimates that Commission will be in compliance with the rate covenant of the Master Senior Indenture during each of the five Fiscal Years immediately following such disposition.

Proceeds of the disposition of assets under paragraph (b) or (c) above will be deposited into the Operating Fund and used, within a reasonable period of time, not to exceed three years, to (i) provide additional revenue-producing Airport Facilities, (ii) redeem Senior Bonds or (iii) create an escrow fund pledged to pay specified Senior Bonds and thereby cause such Senior Bonds to be deemed to be paid as provided in the Master Senior Indenture.

Airport Facilities which were financed with the proceeds of obligations the interest on which is then excluded from gross income for federal income tax purposes will not be disposed of, except under the terms of paragraph (a) above, unless the Commission has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition will be made which would cause the Commission to be in default of any other covenant contained in the Master Senior Indenture.

Investments

Moneys held by the Senior Trustee in the funds and accounts created in the Master Senior Indenture and under any Supplemental Senior Indenture will be invested and reinvested as directed by the Commission, in Permitted Investments subject to the restrictions set forth in the Master Senior Indenture and such Supplemental Senior Indenture and subject to the investment restrictions imposed upon the Commission by the laws of the State. The Commission will direct such investments by written certificate (upon which the Senior Trustee may conclusively rely) of an Authorized Commission Representative or by telephone instruction followed by prompt written confirmation by an Authorized Commission Representative; in the absence of any such instructions, the Senior Trustee will, to the extent practicable, invest in Permitted Investments specified in item (ii)(A) of the definition thereof, which includes a money market fund comprised of United States Obligations, or in a money market fund or account (which is generally referred to as the U.S. Government Fund) of the Senior Trustee, provided it meets the requirements specified in (ii)(I) of the definition of Permitted Investments, which are Permitted Investments under State law.

Defeasance

Senior Bonds or portions thereof which have been paid in full or which are deemed to have been paid in full will no longer be secured by or entitled to the benefits of the Master Senior Indenture except for the purposes of payment from moneys or Government Obligations held by the Senior Trustee or a Senior Paying Agent for such purpose. When all Senior Bonds which have been issued under the Master Senior Indenture have been paid in full or are deemed to have been paid in full, and all other sums payable under the Master Senior Indenture by the Commission, including all necessary and proper fees, compensation and expenses of the Senior Trustee, the Senior Registrar and the Senior Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Senior Trustee in and to the pledge of Net Revenues and the other assets pledged to secure the Senior Bonds under the Master Senior Indenture will thereupon cease, terminate and become void, and thereupon the Senior Trustee will cancel, discharge and release the Master Senior Indenture.

A Senior Bond will be deemed to be paid within the meaning of and for all purposes of the Master Senior Indenture when payment of the principal, interest and premium, if any, either (a) will have been made or caused to be made in accordance with the terms of the Senior Bonds and the Master Senior Indenture or (b) will have been provided for by depositing with the Senior Trustee in trust and setting aside exclusively for such payment, (i) moneys sufficient to make such payment and/or (ii) noncallable Government Obligations, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment. At such times as Senior Bonds will be deemed to be paid under the Master Senior Indenture, such Senior Bonds will no longer be secured by or entitled to the benefits of the Master Senior Indenture, except for the purposes of payment from such moneys or Government Obligations.

Defaults and Remedies

Events of Default. Each of the following events will constitute and is referred to in the Master Senior Indenture as a "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Senior Bonds when the same will become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Senior Bonds when such interest will become due and payable;

(c) a failure to pay the purchase price of any Senior Bond when such purchase price will be due and payable upon an optional or mandatory tender date as provided in a Supplemental Senior Indenture;

(d) a failure by the Commission to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) of this section) that are to be observed or performed by the Commission and which are contained in the Master Senior Indenture or a Supplemental Senior Indenture, which failure, except for a violation under the rate covenant provisions of the Master Senior Indenture which will be controlled by the provisions set forth therein, will continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Commission by the Senior Trustee, which notice may be given at the discretion of the Senior Trustee and will be given at the written request of holders of 25% or more of the Principal Amount of the Senior Bonds then Outstanding, unless the Senior Trustee, or the Senior Trustee and the holders of Senior Bonds in a Principal Amount not less than the Principal Amount of Senior Bonds the holders of which requested such notice, will agree in writing to an extension of such period prior to its expiration; provided, however, that the Senior Trustee or the Senior Trustee and the holders of such principal amount of Senior Bonds will be deemed to have agreed to an extension of such period if corrective action is initiated by the Commission within such period and is being diligently pursued until such failure is corrected;

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the Commission and, if instituted against the Commission, said proceedings are consented to or are not dismissed within 60 days after such institution;

(f) the occurrence of any other Event of Default as is provided in a Supplemental Senior Indenture; or

(g) a default in the payment of principal of or interest on any General Obligation Revenue Bonds.

Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Senior Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the Principal Amount of the Senior Bonds then Outstanding and receipt of indemnity to its satisfaction, will, in its own name and as the Senior Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Commission to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and the Master Senior Indenture;

(ii) bring suit upon the Senior Bonds;

(iii) commence an action or suit in equity to require the Commission to account as if it were the trustee of an express trust for the Bondholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(b) The Senior Trustee will be under no obligation to take any action with respect to any Event of Default unless the Senior Trustee has actual knowledge of the occurrence of such Event of Default.

(c) In no event, upon the occurrence and continuation of a Event of Default will the Senior Trustee, the Bondholders, a Credit Provider or any other party have the right to accelerate the payment of principal of and interest on the Senior Bonds Outstanding.

Bondholders' Right to Direct Proceedings. Anything in the Master Senior Indenture to the contrary notwithstanding, holders of a majority in Principal Amount of the Senior Bonds then Outstanding will have the right, at any time, by an instrument in writing executed and delivered to the Senior Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Senior Trustee under the Master Senior Indenture to be taken in connection with the enforcement of the terms of the Master Senior Indenture or exercising any trust or power conferred on the Senior Trustee by the Master Senior Indenture; provided that such direction will not be otherwise than in accordance with the provisions of the law and the Master Senior Indenture and that there will have been provided to the Senior Trustee security and indemnity satisfactory to the Senior Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Senior Trustee.

Limitation on Right to Institute Proceedings. No Bondholder will have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Master Senior Indenture, or any other remedy under the Master Senior Indenture or on such Senior Bonds, unless such Bondholder or Bondholders previously will have given to the Senior Trustee written notice of a Event of Default as hereinabove provided and unless also holders of 25% or more of the Principal Amount of the Senior Bonds then Outstanding will have made written request of the Senior Trustee to do so, after the right to institute such suit, action or proceeding under the Master Senior Indenture will have accrued, and will have afforded the Senior Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also will have been offered to the Senior Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Senior Trustee will not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are thereby declared in every such case, at the option of the Senior Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders will have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Master Senior Indenture, or to enforce any right under the Master Senior Indenture or under the Senior Bonds, except in the manner in the Master Senior Indenture provided, and that all suits, actions and proceedings at law or in equity will be instituted, had and maintained in the manner in the Master Senior Indenture provided and for the equal benefit of all Bondholders.

The Senior Trustee

Standard of Care. If a Event of Default has occurred and is continuing, the Senior Trustee will exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Senior Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that: (i) the Senior Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer unless the Senior Trustee was negligent in ascertaining the pertinent facts; and (ii) the Senior Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the Commission in the manner provided in the Master Senior Indenture.

Notice of Defaults. If (a) a Event of Default has occurred or (b) an event has occurred which with the giving of notice and/or the lapse of time would be a Event of Default and, with respect to such events for which notice to the Commission is required before such events will become Senior Events of Default, such notice has been given, then the Senior Trustee will promptly, after obtaining actual notice of such Event of Default or event described in (b) of the first sentence of this section, give notice thereof to each Bondholder. Except in the case of a default in payment or purchase on any Senior Bonds, the Senior Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

Eligibility of Senior Trustee. The Master Senior Indenture will always have a Senior Trustee that is a trust company, banking association or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State, is subject to supervision or examination by United States, state or District of Columbia authority and has (together with its corporate parent) a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Replacement of Senior Trustee. The Senior Trustee may resign by notifying the Commission in writing prior to the proposed effective date of the resignation. The holders of a majority in Principal Amount of the Senior Bonds may remove the Senior Trustee by notifying the removed Senior Trustee and may appoint a successor Senior Trustee with the Commission's consent. The Commission may remove the Senior Trustee, by notice in writing delivered to the Senior Trustee at least 60 days prior to the proposed removal date; provided, however, that the Commission will have no right to remove the Senior Trustee during any time when a Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be a Event of Default.

No resignation or removal of the Senior Trustee under this section will be effective until a new Senior Trustee has taken office and delivered a written acceptance of its appointment to the retiring Senior Trustee and to the Commission. Immediately thereafter, the retiring Senior Trustee will transfer all property held by it as Senior Trustee to the successor Senior Trustee, the resignation or removal of the retiring Senior Trustee will then (but only then) become effective and the successor Senior Trustee will have all the rights, powers and duties of the Senior Trustee under the Master Senior Indenture.

If the Senior Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under the Master Senior Indenture, the Commission will promptly appoint a successor Senior Trustee. If a Senior Trustee is not performing its duties under the Master Senior Indenture and a successor Senior Trustee does not take office within 60 days after the retiring Senior Trustee delivers notice of resignation or the Commission delivers notice of removal, the retiring Senior Trustee, the Commission or the holders of a majority in Principal Amount of the Senior Bonds may petition any court of competent jurisdiction for the appointment of a successor Senior Trustee.

If the Senior Trustee, any Senior Paying Agent or Senior Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in the Master Senior Indenture, the resulting, surviving or transferee corporation without any further act will be the successor Senior Trustee, Senior Paying Agent or Senior Registrar.

Amendments

Amendments Without Consent of Bondholders. The Commission may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Senior Indentures supplementing and/or amending the Master Senior Indenture or any Supplemental Senior Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Senior Bonds under the provisions of the Master Senior Indenture and to set forth the terms of such Senior Bonds and the special provisions which will apply to such Senior Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, the Master Senior Indenture or any Supplemental Senior Indenture, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Commission in the Master Senior Indenture or any Supplemental Senior Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Commission, provided such supplement or amendment will not adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Senior Trustee in and to the pledge of Net Revenues or in and to the funds and accounts held by the Senior Trustee or in and to any other moneys, securities or funds of the Commission provided pursuant to the Master Senior Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Senior Bonds if such changes are authorized by the Supplemental Senior Indenture at the time the Series of Senior Bonds is issued and such change is made in accordance with the terms of such Supplemental Senior Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(g) to modify, alter, amend or supplement the Master Senior Indenture or any Supplemental Senior Indenture in any other respect which is not materially adverse to the Bondholders;

(h) to provide for uncertificated Senior Bonds or for the issuance of coupons and bearer Senior Bonds or Senior Bonds registered only as to principal;

(i) to qualify the Senior Bonds or a Series of Senior Bonds for a rating or ratings from a Rating Agency;

(j) to accommodate the technical, operational and structural features of Senior Bonds which are issued or are proposed to be issued or of a Senior Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Commission from time to time deems appropriate to incur;

(k) to accommodate the use of a Credit Facility or Liquidity Facility for specific Senior Bonds or a specific Series of Senior Bonds; and

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Senior Bonds, including, without limitation, the segregation of Revenues into different funds.

Before the Commission will, pursuant to this section, execute any Supplemental Senior Indenture, there will have been delivered to the Commission and Senior Trustee an opinion of Bond Counsel to the effect that such Supplemental Senior Indenture is authorized or permitted by the Master Senior Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Commission in accordance with its terms and will not cause interest on any of the Senior Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

Amendments Requiring Consent of Bondholders. Except for any amendments described above and any amendments described in the following paragraph, the holders of not less than a majority in aggregate Principal Amount of the Senior Bonds then Outstanding will have the right from time to time to consent to and approve the execution by the Commission of any Supplemental Senior Indenture deemed necessary or desirable by the Commission for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Master Senior Indenture or in a Supplemental Senior Indenture; provided, however, that, unless approved in writing by the holders of all the Senior Bonds then Outstanding or unless such change affects less than all Series of Senior Bonds and the following paragraph is applicable, nothing in the Master Senior Indenture contained will permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Senior Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Senior Bonds or the rate of interest thereon; and provided that nothing in the Master Senior Indenture contained, including the provisions of the following paragraph, will, unless approved in writing by the holders of all the Senior Bonds then Outstanding, permit or be construed as permitting (iii) the creation of a lien (except as expressly permitted by the Master Senior Indenture) upon or pledge of the Net Revenues created by the Master Senior Indenture, ranking prior to or on a parity with the claim created by the Master Senior Indenture, (iv) except with respect to additional security which may be provided for a particular Series of Senior Bonds, a preference or priority of any Senior Bond or Senior Bonds over any other Senior Bond or Senior Bonds with respect to the security granted therefor under the Granting Clauses of the Master Senior Indenture, or (v) a reduction in the aggregate Principal Amount of Senior Bonds the consent of the Bondholders of which is required for any such Supplemental Senior Indenture. Nothing in the Master Senior Indenture contained, however, will be construed as making necessary the approval by Bondholders of the execution of any Supplemental Senior Indenture as authorized in the Master Senior Indenture, including the granting, for the benefit of particular Series of Senior Bonds, security in addition to the pledge of the Net Revenues.

The Commission may, from time to time and at any time, execute a Supplemental Senior Indenture which amends the provisions of an earlier Supplemental Senior Indenture under which a Series or multiple Series of Senior Bonds were issued. If such Supplemental Senior Indenture is executed for one of the purposes set forth in the above section regarding amendments without consent of Bondholders, no notice to or consent of the Bondholders will be required. If such Supplemental Senior Indenture contains provisions which affect the rights and interests of less than all Series of Senior Bonds Outstanding and the above section regarding amendments without consent of Bondholders is not applicable, then this paragraph rather than the paragraph above will control and, subject to the terms and provisions contained in this paragraph and not otherwise, the holders of not less than 51% in aggregate Principal Amount of the Senior Bonds of all Series which are affected by such changes will have the right from time to time to consent to any Supplemental Senior Indenture deemed necessary or desirable by the Commission for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Senior Indenture and affecting only the Senior Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Senior Bonds of all the affected Series then Outstanding, nothing in the Master Senior Indenture contained will permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of, interest on or Accreted Value of any Outstanding Senior Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Senior Bonds of such Series or the rate of interest thereon. Nothing contained in the Master Senior Indenture, however, will be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Senior Indenture as authorized in the Master Senior Indenture, including the granting, for the benefit of particular Series of Senior Bonds, security in addition to the pledge of the Net Revenues.

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THE EIGHTH SUPPLEMENTAL SENIOR INDENTURE

In addition to certain information contained under the captions "DESCRIPTION OF THE SENIOR SERIES 2010 BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2010 BONDS" in the forepart of this Official Statement, the following is a summary of certain provisions of the Eighth Supplemental Senior Indenture. Such summary is only a brief description of limited provisions of such document and is qualified in its entirety by reference to the full text of the Eighth Supplemental Senior Indenture.

Terms of the Senior Series 2010 Bonds

The Eighth Supplemental Senior Indenture sets forth the terms of the Senior Series 2010 Bonds, most of which terms are described in the forepart of this Official Statement under "DESCRIPTION OF THE SENIOR SERIES 2010 BONDS."

Establishment of Funds and Accounts

Pursuant to the Eighth Supplemental Senior Indenture, the Senior Trustee will establish and maintain the following funds and accounts: the Series 2010A Debt Service Fund and the Series 2010B Debt Service Fund (collectively, the "Series 2010 Debt Service Funds") and within each Series 2010 Debt Service Fund an Interest Account, a Principal Account and a Redemption Account; the Series 2010A Construction Fund; the Series 2010B Construction Fund; the Series 2010 Costs of Issuance Fund (and within the Series 2010 Costs of Issuance Fund, the Series 2010A Costs of Issuance Account and the Series 2010B Costs of Issuance Account); the Series 2010 Reserve Account in the Reserve Fund; and the Series 2010 Rebate Fund.

Series 2010 Debt Service Funds. The Senior Trustee will deposit into the respective Interest Accounts of the Series 2010 Debt Service Funds amounts received from the Commission, as provided in the Senior Indenture, to be used to pay interest on the Senior Series 2010 Bonds. The Senior Trustee will also deposit into the respective Interest Accounts any other amounts deposited with the Senior Trustee for deposit in the respective Interest Accounts or transferred from other funds and accounts for deposit therein. Earnings on the Interest Accounts will be withdrawn and paid to the Commission on the Business Day following an Interest Payment Date for deposit into the Operating Fund, unless a Event of Default exists under the Master Senior Indenture, in which event the earnings will be retained in such account.

The Senior Trustee will deposit into the respective Principal Accounts of the Series 2010 Debt Service Funds amounts received from the Commission to be used to pay principal of the Senior Series 2010 Bonds at maturity. The Senior Trustee will also deposit into the respective Principal Accounts any other amounts deposited with the Senior Trustee for deposit into the respective Principal Accounts or transferred from other funds and accounts for deposit therein. Earnings on the Principal Accounts will be withdrawn and paid to the Commission on the Business Day following a principal payment date for deposit into the Operating Fund, unless a Event of Default exists under the Master Senior Indenture, in which event the earnings will be retained in such account.

The Senior Trustee will deposit into the respective Redemption Accounts amounts of the Series 2010 Debt Service Funds received from the Commission to be used to pay principal of and interest on and premium on the Senior Series 2010 Bonds which are to be redeemed in advance of their maturity (except for mandatory sinking fund redemptions). Earnings on the Redemption Accounts will be retained in such accounts or paid to the Commission for deposit into the Operating Fund in accordance with instructions given to the Senior Trustee by an Authorized Commission Representative at the time of such deposit.

The Series 2010 Debt Service Funds will be invested and reinvested in Permitted Investments as directed by an Authorized Commission Representative.

Series 2010 Construction Funds. Amounts in the Series 2010A Construction Fund and the Series 2010B Construction Fund will be disbursed from time to time, upon requisition of the Commission, to pay the costs or to reimburse the Commission for costs incurred in connection with the portion of the Series 2010 Projects for which the Senior Series 2010A Bonds and the Senior Series 2010B Bonds were issued. While held by the Senior Trustee, amounts in the Series 2010A Construction Fund and the Series 2010B Construction Fund will not secure the Outstanding Senior Series 2010 Bonds. Amounts in the Series 2010A Construction Fund and the Series 2010B Construction Fund will be invested and reinvested in Permitted Investments as directed by the Commission and the earnings upon such accounts will be credited to such funds.

Series 2010 Costs of Issuance Fund. The proceeds of the Senior Series 2010 Bonds deposited into the Series 2010 Costs of Issuance Fund will be disbursed by the Senior Trustee, from time to time, to pay Costs of Issuance of the Senior Series 2010 Bonds. Amounts in the Series 2010 Costs of Issuance Fund will be invested and reinvested in Permitted Investments as directed by the Commission and the earnings upon such accounts will be credited to such fund.

Reserve Fund; Series 2010 Reserve Account. For a description of the Reserve Fund, reference is made to the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS—Senior Debt Service Reserve Fund" in the forepart of this Official Statement.

Series 2010 Rebate Fund. The Eighth Supplemental Senior Indenture creates the Series 2010 Rebate Fund established for the purpose of complying with certain provisions of the Code which require that the Commission pay to the United States of America the excess, if any, of the amounts earned on certain funds held by the Senior Trustee with respect to the Senior Series 2010 Bonds over the amounts which would have been earned on such funds if such funds earned interest at a rate equal to the yield on the Senior Series 2010 Bonds. Such excess is to be deposited into the Series 2010 Rebate Fund and periodically paid to the United States of America. The Series 2010 Rebate Fund while held by the Senior Trustee is held in trust for the benefit of the United States of America and is not pledged as security for nor available to make payment on the Senior Series 2010 Bonds.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE LEASE AGREEMENTS

The following is a summary of certain provisions of the Airline Lease Agreements and is qualified in its entirety by reference to the Airline Lease Agreements, copies of which are available from the Commission.

Certain Definitions

The following are definitions of certain terms used in this Appendix D. Capitalized terms used in this Appendix D, but not otherwise defined herein, have the meanings set forth in the forepart of this Official Statement and in Appendix B of this Official Statement.

"*Airline*" means an entity that operates an Air Transportation Business at the Airport.

"*Airline Rented Space*" means the aggregate of that portion of Rentable Space under lease to all Signatory Airlines.

"*Air Transportation Business*" means the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of mail by aircraft in commerce, and activities directly related thereto.

"*Airport*" means Minneapolis-St. Paul International Airport located in Hennepin County, Minnesota, including but not limited to those contiguous and non-contiguous areas described in the Airline Lease Agreement, together with any additions thereto, or improvements or enlargements thereof, hereafter made, whether contiguous or not.

"*Airport Cost Centers*" means areas of the Airport and the Airport System to be used in accounting for airport revenues and expenses and for calculating and adjusting certain rents, fees, and charges described in the Airline Lease Agreement as such areas now exist or may hereafter be modified or extended, and as more particularly described below:

> "Airfield" means the runways, taxiways, approach and clear zones, safety areas, infield areas, landing and navigational aids, and other facilities and land areas which are not leased to any entity and are required by or related to aircraft operations (landings, takeoffs, and taxiing) at the Airport and other facilities including, but not limited to, the control tower, roads, tunnels, and collection and processing facilities for deicing agents and shall include on-Airport noise costs and Off-Airport Aircraft Noise Costs, but excluding any areas under lease at any time.
>
> "Terminal Building" means the passenger terminal buildings known as Terminal 1 - Lindbergh Terminal, the Regional Terminal, the Southwest Addition, Red Concourse, Blue Concourse, and Green Concourse, including the Temporary Regional Terminal and related facilities at the Airport including, but not limited to, underground parking beneath the Lindbergh Terminal, a portion of the auto rental/parking/terminal people mover, the Ground Transportation Center (the "GTC"), skyways, and the Energy Management Center, together with additions and/or changes thereto (but excluding the G Concourse, but including the IAF).
>
> "Terminal Apron" and "Terminal Ramp" shall be interchangeable terms and both terms shall mean the airport parking apron as shown in the Airline Lease Agreements, together with any additions and/or changes thereto.
>
> "G Concourse" means the original Loading Pier A which consists of gates 1-9, the Loading Pier A Extension which consists of the balance of the gates (gates 10 through the end of the concourse), and the G World Club.

"Humphrey Terminal" means Terminal 2 - Hubert H. Humphrey Terminal building located on 34th Avenue South at the Airport or any replacement facility.

"International Arrivals Facility" or "IAF" shall be interchangeable terms and both terms shall mean the space in the Terminal Complex utilized for the arrival and departure of international flights.

"Reliever Airports" means the general aviation airports owned and operated by Commission, including but not limited to St. Paul Downtown Airport, Flying Cloud Airport, Crystal Airport, Anoka County-Blaine Airport, Lake Elmo Airport, and Airlake Airport.

"Landside Area" means the upper and lower level terminal roadways, the inbound and outbound terminal roads, the commercial lane, rental car service and storage areas, a portion of the auto rental/parking/terminal people mover, rental car ready/return areas, skyways, and the automobile parking areas (except the underground parking beneath the Lindbergh Terminal) at the Airport.

"Equipment Buildings" means the building and ground areas at the Airport provided for the storage of equipment owned and/or rented/leased by MAC including, but not limited to, shops, storage facilities, and vehicle parking areas.

"ARFF" means the building and ground areas at the Airport provided for aircraft rescue and fire fighting functions.

"Police" means the building and ground areas at the Airport provided for police functions.

"Administration" means the building and ground areas at the Airport provided for MAC administration activities including, but not limited to, the general office building and the Terminal Building.

"Other Areas" means all other direct cost building and ground areas at the Airport provided for general aviation, cargo, aircraft maintenance, and other aviation- and nonaviation-related activities.

"*Airport Bonds*" means general airport revenue bonds, general obligation bonds, commercial paper, and other forms of indebtedness incurred or assumed by the Commission in connection with the ownership or operation of the Airport System and payable from MAC revenues.

"*Airport System*" means the Airport and the Reliever Airports.

"*Annual Gross Revenue*" means rent, concessions fees or similar charges actually received during any Fiscal Year by the Commission from Selected Concessions. Annual Gross Revenue will not include sales taxes, utility fees, consortium fees, key money, customer facilities charges or other similar "pass through" charges.

"*Auto Rental Concessions*" means all auto rental companies or other business organizations operating at either the Lindbergh or Humphrey Terminals pursuant to concessions agreements with the Commission.

"*Capital Cost*" (or a phrase of similar import) means the sum of (a) project costs, which includes any expenditures to acquire, construct, or equip a Capital Project, together with related costs such as planning fees, architectural and engineering fees, program management fees, construction management fees, fees for environmental studies, testing fees, inspection fees, impact fees, other direct and allocable fees, and interest during construction, and (b) financing costs, if any, such as capitalized interest, costs of issuance, and funding of mandatory reserves with bond proceeds. In the case of estimates, Capital Costs also include an allowance for contingencies.

"*Capital Project*" means (a) the acquisition of land or easements; (b) the purchase of machinery, equipment, or rolling stock; (c) the planning, engineering, design, and construction of new facilities; (d) the remediation of environmental contamination, including noise mitigation, or expenditures to prevent or protect against such contamination; or (e) the performance of any extraordinary, non-recurring major maintenance of existing facilities that may be acquired, purchased, or constructed by Commission to improve, maintain, or develop the Airport; provided, however, that any single item of the foregoing has a Capital Cost of $100,000 or more and a useful life in excess of three years.

"*Capital Outlay*" means any item that fails to meet the cost threshold and useful life criterion necessary to qualify as a Capital Project.

"*Commission*" and "*MAC*" shall be interchangeable terms and both terms shall mean the Metropolitan Airports Commission, a public corporation organized and operating pursuant to Chapter 500, Laws of Minnesota 1943 and amendments thereto.

"*Common Use Formula*" means a formula that prorates the cost of a service or space among those Airlines actually using the service or space as follows: 20% of the cost equally among each such Airline and 80% of the cost on the basis of that proportion which the number of each such Airline's Enplaned Passengers at the Airport bears to the total number of Enplaned Passengers of all such Airlines at the Airport; provided, however, that Airlines that only operated aircraft with 40 seats or less during the relevant period will be excluded from the proration of the 20% of costs, but included in the proration of 80% of costs.

"*Current Cost Estimate*" means as of the date of the estimate, the total project costs in then current dollars, for one or more or all of the 2010 Plan Airfield Programs, as the context shall determine, as estimated by MAC. The Current Cost Estimate shall reflect actual costs for completed projects, bid amounts when available, and change orders accepted by MAC (including contingencies).

"*Coverage Account*" means the Coverage Account established and maintained pursuant to the terms of the Trust Indenture.

"*Date of Beneficial Occupancy*" or "*DBO*" means the earlier of (a) the date on which the Commission certifies that Premises or Capital Project are available for beneficial use or (b) the date on which beneficial use is first made of Premises or Capital Project; provided, however, that with respect to land and other non-depreciable assets, the date on which beneficial occupancy occurs is the date of closing.

"*Debt Service*" means the aggregate amount of principal and interest payments made by the Commission that are due and payable during the Fiscal Year on the Commission financings including but not limited to all future and existing general obligation revenue bonds, airport revenue bonds, refunding obligations, commercial paper (excluding the principal amount of commercial paper reissued during the Fiscal Year) and other debt instruments of the Commission and specifically including, but not limited to, the Prior Senior Bonds, the General Obligation Revenue Bonds, the Subordinate Bonds, the Subordinate Commercial Paper Notes and certain equipment leases. In addition, debt service also includes: (i) amounts paid as prepayment of obligations, if such prepayment is deemed approved by a Majority-In-Interest of Signatory Airlines pursuant to the provisions of Airline Lease Agreements, or (ii) principal and interest in accordance with its original scheduled amortization for any prepayment made by the Commission which is not deemed approved by the Majority-In-Interest of Signatory Airlines in accordance with (i) above, until such time as the original principal amount of such prepaid obligation has been recovered by the Commission.

"*Executive Director*" means Commission's Executive Director or such other person designated by the Executive Director to exercise functions with respect to the rights and obligations of Commission under this Agreement.

"*Enplaned Passengers*" means all Originating Passengers and connecting passengers boarded at the Airport, including passengers traveling on frequent flyer coupons, but excluding Through Passengers and Non-Revenue Passengers.

"*FAA*" means the Federal Aviation Administration of the U.S. Government or any federal agencies succeeding to its jurisdiction.

"*Fiscal Year*" refers to Commission's fiscal year and means the twelve-month period commencing on January 1 and ending December 31.

"*Facilities Construction Credit*" or "*Facilities Construction Credits*" means the amounts resulting from an arrangement embodied in a written agreement of the Commission and an Airline pursuant to which the Commission permits such Airline to make a payment or payments to the Commission which is reduced by the amount owed by the Commission to such Airline as a result of such Airline upfronting and paying for the cost of construction of MAC improvements under such agreement, resulting in a net payment to the Commission by such Airline. The "Facilities Construction Credit" shall be deemed to be the amount owed by the Commission under such agreement which is "netted" against the payment of such Airline to the Commission.

"*Food and Beverage Concessions*" means companies or other business organizations that sell consumable food or beverages items, excluding vending operations, to the traveling public at the Lindbergh (excluding sales from the G Concourse) or Humphrey Terminals, pursuant to concessions agreements with the Commission.

"*Lindbergh Terminal Repair and Replacement Surcharge*" means the amount equal to nineteen percent (19%) of the Repair and Replacement Amount divided by Airline Rented Space. This allocation will be adjusted every five years based on increases to the cost center's book value.

"*Landing Fee Repair and Replacement Amount*" means an amount equal to sixty-eight percent (68%) of the Repair and Replacement Amount. This allocation will be adjusted every five years based on increases to the cost center's book value.

"*Maximum Certificated Gross Landing Weight*" means the maximum gross landing weight in thousand-pound units based on the current FAA Type Certificate Data Sheet applicable to the particular type, design, and model of aircraft.

"*Majority-In-Interest*" ("*MII*") means the Signatory Airlines who (a) represent no less than 50% in number of the Signatory Airlines operating at the time of the voting action and (b) paid no less than 40% of landing fees incurred by Signatory Airlines during the preceding Fiscal Year. No Airline shall be deemed a Signatory Airline for the purpose of determining a Majority-In-Interest so long as the Commission has given written notice of an event of default to such Airline and the event of default is continuing at the time of the voting action.

"*Merchandise Concessions*" means companies or other business organizations that sell retail or news products, excluding automated vending items, to the traveling public at the Lindbergh (excluding sales from the G Concourse) or Humphrey Terminals, pursuant to concessions agreements with the Commission.

"*Non-Revenue Passengers*" means passengers from whom a Signatory Airline receives no remuneration or only token remuneration, including employees of an airline and others, but excluding passengers traveling on frequent flyer coupons.

"*Off-Airport Aircraft Noise Costs*" means the capital and operating costs (including legal and administrative costs), net of any amounts for off-airport aircraft noise costs received from nonsignatory airlines and/or federal and state grants, connected to the acquiring of land or interests in land within the 2005 DNL 60 contours of the Airport, soundproofing of existing public and private schools and day care facilities, public hospitals, nursing homes, private single- and multi-family residences, and other categories of land use, and implementing other programs to prevent, reduce or mitigate non-compatible land uses within the 2005 DNL 60 contours of the Airport resulting from aircraft noise emissions from turbojet aircraft. Such costs shall also include but not be limited to liabilities or responsibilities imposed upon the Commission for noise in connection with the operation or use of the Airport, or from flights to or from the Airport, or from aircraft thereon, or from takings or any other causes of action related to aircraft noise or for settlement of claims based on such causes of action.

"*Operation and Maintenance Expenses*" (or a phrase of similar import) means, for any Fiscal Year, the costs incurred by the Commission to operate, maintain, and administer the Airport System, including but not limited to items (a) through (j) listed below, but excluding operation and maintenance reserves and an optional Coverage

Account associated with the planned bond issues after January 1, 1999 in connection with the financing of the 2010 Plan.

(a) Personnel costs, including salaries and wages of Commission employees and temporary workers (including overtime pay), together with payments or costs incurred for associated payroll expenses such as life, health, accident, and unemployment insurance premiums; contributions to pension funds, retirement funds, union funds, and unemployment compensation funds; vacation and holiday pay; post-retirement benefits; and other fringe benefits;

(b) Costs of materials, supplies, machinery and equipment, and other similar expenses, which are not capitalized under generally accepted accounting principles as evidenced by a written opinion of the Commission's independent auditors;

(c) Costs of maintenance, landscaping, decorating, repairs, renewals, and alterations, which are not reimbursed by insurance and which are not capitalized under generally accepted accounting principles as evidenced by a written opinion of the Commission's independent auditors;

(d) Costs of water, electricity, natural gas, fuel oil, telephone service, and all other utilities and services whether furnished by the Commission or furnished by independent contractors and purchased by the Commission;

(e) Cost of operating services, including services for stormwater, airport shuttle bus, service agreements, and other cost of operating services;

(f) Costs of premiums for insurance covering the Airport System and its operations maintained by the Commission pursuant to the Airline Lease Agreement;

(g) Costs incurred in collecting and attempting to collect any sums for the Commission in connection with the operation of the Airport System and the write-off of bad debts;

(h) Except to the extent capitalized the compensation paid or credited to persons or firms engaged by the Commission to render advice and perform architectural, engineering, program management, construction management, financial, legal, accounting, testing, or other professional services in connection with the operation of the Airport System;

(i) Except to the extent capitalized, the fees of trustees and paying agents, and all other fees and expenses incurred in order to comply with the provisions of a master or supplemental trust indenture; and

(j) All other expenses, which arise out of the operation of the Airport System and which are properly regarded as operating expenses under generally accepted accounting principles, provided, however, that Operation and Maintenance Expenses shall not include any allowance for depreciation, payments in lieu of taxes, the costs of improvements, extensions, enlargements or betterments, or any charges for the accumulation of reserves for capital replacements.

"*Original Cost Estimate*" means for one or more or all of the 2010 Plan Airfield Programs, as the context shall determine, that were approved by a Majority-In-Interest of the Signatory Airlines, the amount of estimated project costs as specified in the Airline Lease Agreement. The Original Cost Estimate includes contingencies, but excludes financing costs, interest on bonds or on any interim financing obtained by the Commission to finance the 2010 Plan, and other deposits and reserves.

"*Originating Passengers*" means Airline passengers for whom the Airport is the point of origin in their air travel itinerary.

"*Passenger Facility Charges*" or "*PFCs*" means those charges on a Signatory Airline's passengers using the Airport authorized under Section 111 3(e) of the Federal Aviation Act of 1958, as amended by Section 9110 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508, 49 U.S.C. App. Section 1513), or any successor program authorized by federal law, and the rules and regulations promulgated thereunder (14 C.F.R. Part 158, hereafter the "PFC Regulations").

"*Premises*" means the areas at the Airport leased by a Signatory Airline pursuant to the Airline Lease Agreement.

"*Rentable Space*" means the space in the Terminal Building available for lease to Airlines, concessionaires, and other rent-paying tenants and for public automobile parking. Rentable Airline space is separated into the following categories:

(a) "*Exclusive Use Space*" means space leased by an Airline for its exclusive use and occupancy.

(b) "*Preferential Use Space*" means space leased by an Airline on a preferential basis.

(c) "*Common Use Space*" means space used by an Airline in common with all other Airlines using the space.

"*Repair and Replacement Amount*" means a $15 million deposit for Fiscal Year 2006, and increased by three percent (3%) per annum for each Fiscal Year thereafter compounded annually (i.e., $15.45 million in Fiscal Year 2007, $15,913,500 million in Fiscal Year 2008, etc.) to the Repair and Replacement Account within the Commission Construction Fund to be expended for major maintenance and minor (less than $2 million) capital projects, except for automobile parking facilities and roadways.

"*Selected Concessions*" means Food and Beverage Concessions, Merchandise Concessions, and Auto Rental Concessions.

"*Selected Concessions Revenues Escalation Factor*" means the following annual percentage escalation factors (compounded) to be applied to the dollar thresholds provided in "Revenue Sharing":

Year	**Annual Escalation Factor**	**Year**	**Annual Escalation Factor**
2006	Base Year	2014	4.47%
2007	1.77%	2015	4.46
2008	4.75	2016	4.46
2009	4.47	2017	4.46
2010	4.46	2018	4.47
2011	4.20	2019	4.47
2012	4.73	2020	4.47
2013	4.46		

"*Signatory Airlines*" means Airlines that have executed agreements with the Commission substantially the same as the Airline Lease Agreement.

"*Terminal Apron Repair and Replacement Amount*" means an amount equal to four percent (4%) of the Repair and Replacement Amount. This allocation will be adjusted every five years based on increases to the cost center's book value.

"*Terminal Complex*" means the passenger terminal facilities consisting of the Terminal Building, the G Concourse, and the International Arrivals Facility.

"*Through Passengers*" means Airline passengers for whom the Airport is an intermediate stop in their itinerary between their point of origin and their point of destination, which intermediate stop does not involve a change of plane.

"*Total Landed Weight*" means the sum of the Maximum Certificated Gross Landing Weight for all aircraft arrivals over a stated period of time. Said sum shall be rounded to the nearest thousand pounds for all landing fees.

"*Trust Indenture*" means the Master Trust Indenture between the Commission and Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, National Association), as Trustee, dated as of June 1, 1998 (for purposes of the Airline Lease Agreement, without giving effect to any amendments thereto).

"*2010 Plan*" means the construction, acquisitions, and improvements to the Airport System, as described in the Airline Lease Agreement, as such may be revised from time to time.

"*2010 Plan Airfield Programs*" means the programs in the 2010 Plan that are subject to and have been approved by a Majority-In-Interest of the Signatory Airlines, as described in the Airline Lease Agreement.

Term

The Airline Lease Agreement has an original effective date of January 1, 1999 and the amended provisions of the Airline Lease Agreement set forth in the Third Amendment to the Airline Lease Agreement have an effective date of January 1, 2006. At the option of the Signatory Airline, the Airline Lease Agreement has a termination date of December 31, 2010, December 31, 2015 or December 31, 2020, except as expressly provided in the Airline Lease Agreement (hereinafter referred to as the "Term"), and the rents, fees, and charges established in the Airline Lease Agreement shall apply to said Term.

Rents, Fees and Charges

The Airline Lease Agreement defines the areas to be used in accounting for revenues and expenses and for calculating certain rents, fees and charges. These areas include 13 Airport Cost Centers. Costs allocated to these Airport Cost Centers would include the following (hereinafter referred to as "Recoverable Costs"): (a) direct and indirect Operation and Maintenance Expenses, (b) Debt Service, net of amounts paid from PFCs or grants, and (c) required deposits to the debt service reserve funds, maintenance and operation reserve account and coverage account, as provided for in the Trust Indenture. Although the Airline Lease Agreements allow the Commission to include required deposits per the Trust Indenture in the calculation of rates, fees and charges, the Commission has agreed that it will not include deposits to the maintenance and operation reserve account and coverage account in the calculation of rates, fees and charges, except for such amounts which are necessary to be deposited to the coverage account in order to meet the rate covenant requirements under the Trust Indenture. The rate-setting procedures would be based on the recovery of the costs allocated to certain of the Airport Cost Centers.

Prior to the beginning of each Fiscal Year, the Commission will calculate rents, fees and charges for the upcoming Fiscal Year based on the annual operating budget, capital expenditure information, estimates of activity and other relevant information. If, during the course of any Fiscal Year, the Commission believes that significant variances exist in budgeted and estimated amounts used to calculate rents, fees and charges for the then current Fiscal Year, the Commission may adjust the rents, fees and charges to reflect current estimated amounts.

Following the end of each Fiscal Year, the Commission is required to determine the difference between the amount a Signatory Airline should have paid during such Fiscal Year based upon actual information and the amount a Signatory Airline actually paid based upon budgeted and estimated information. The difference would be invoiced and credited or paid to the Signatory Airlines, as appropriate.

Landing Fees. Each Signatory Airline will pay a monthly landing fee equal to the number of 1,000-pound units of such Signatory Airline's Total Landed Weight during the month multiplied by the landing fee rate. The landing fee rate per 1,000 pounds of aircraft weight is calculated by dividing the net airfield cost by Total Landed

Weight of the Signatory Airlines. The net airfield cost is calculated as Recoverable Costs allocable to the Airfield cost center, plus (a) the cost of Runway 17/35 deferred and not yet charged from the date of occupancy through December 31, 2005 which will be charged starting January 1, 2006 through December 31, 2035 at $79,535.16 annually, (b) the Landing Fee Repair and Replacement Amount, and (c) the amount of any fine, assessment, judgment, settlement or extraordinary charge (net of insurance proceeds), less certain revenues: service fees from the military; general aviation and nonsignatory landing fees; and Debt Service on the capital costs disapproved by a Majority-in-Interest of Signatory Airlines.

Air carriers that are not Signatory Airlines are charged a landing fee rate as established from time to time by the Commission. In September 2002, the Commission adopted Ordinance No. 96, which, among other things, set the landing fee rate to be paid by air carriers that are not Signatory Airlines at the greater of 125% of the Signatory Airline landing fee rate or $53.

Terminal Apron Fees.. Each Signatory Airline will pay a monthly terminal apron fee equal to the number of lineal feet of terminal apron under lease by such Signatory Airline multiplied by the terminal apron rate. The terminal apron rate per lineal foot of terminal apron leased by a Signatory Airline (excluding the terminal apron associated with Concourses A and B) is equal to the terminal apron cost divided by the total lineal feet of terminal apron lease by a Signatory Airline (excluding the terminal apron associated with Concourses A and B). The terminal apron rate per lineal foot of the terminal apron associated with Concourses A and B leased by a Signatory Airline is equal to the terminal apron cost divided by 50% of the total lineal feet of terminal apron associated with Concourses A and B leased by a Signatory Airline. The terminal apron cost is equal to the Recoverable Costs allocable to the Terminal Apron cost center plus (a) the costs of the Concourses A and B apron area deferred and not yet charged form the date of occupancy through December 31, 2005 which will be charged starting January 1, 2006 through December 31, 2035 at $159,950.19 annually, and (b) the Terminal Apron Repair and Replacement Amount.

Terminal Building Rents. Each Signatory Airline will pay monthly terminal building rentals (for unjanitored and janitored space) and the Lindbergh Terminal Repair and Replacement Surcharge. The terminal building rental rate per square foot for unjanitored space is calculated by dividing the net terminal building cost by total rentable space, excluding rentable space in the G Concourse. The net terminal building cost is calculated as (a) Recoverable Costs, plus (b) the costs of Concourses A, B, C and D deferred and not yet charged from date of occupancy through December 31, 2005 which will be charged starting January 1, 2006 through December 31, 2035 at $2,910,547.40 annually, less (i) the reimbursed expense of steam and chilled water on the G Concourse carrousel and conveyor capital costs and operation and maintenance expenses, ground power, loading dock and consortium utilities and (ii) janitorial operation and maintenance expenses.

The terminal building rental rate per square foot for janitored space is calculated as the terminal building rental rate per square foot for unjanitored space plus an additional amount, the janitored rate, per square foot, calculated by dividing total direct janitorial operation and maintenance expenses by the total janitored space in the terminal building, excluding the Commission and mechanical space.

IAF Use Fees. Each Signatory Airline using the IAF will pay the Commission an IAF use fee and an IAF gate use fee. The IAF use fee, which is charged for use of the IAF located on the G Concourse, is calculated as the sum of certain costs associated with the IAF divided by total international arrivals at the IAF on the G Concourse. A gate use fee per aircraft operation also is charged for the use of gates, ramps and loading bridges on the IAF. The gate use fee per operation is $400, $800 and $1,200 for propeller aircraft, narrowbody aircraft and widebody jet aircraft, respectively.

Carrousel and Conveyor Charge. The carrousel and conveyor charge is calculated as the sum of (a) equipment charges associated with the carrousel and conveyor, including Debt Service, (b) maintenance expense and (c) service charge. These costs are allocated among the Signatory Airlines using a common use formula, which allocates 20% of the cost equally among each airline using such space and 80% of the cost on the basis of enplaned passengers (airlines that only operate aircraft with 40 seats or less are excluded from the proration of the 20% of costs).

Other Fees and Charges. The Commission charges certain other fees and charges for the use of the Airport.

Revenue Sharing

Beginning January 1, 2006, in conjunction with the year end adjustments of rents, fees and charges, the Commission will rebate to the Signatory Airlines a portion of the Annual Gross Revenues for Selected Concessions for the most recent Fiscal Year under the following schedule ("Revenue Sharing") (all dollar amounts set forth below apply for 2006 only and will be escalated for each Fiscal Year after 2006 on an annual compounded basis by the Selected Concession Revenue Escalation Factor):

a. If Annual Gross Revenues for the Selected Concessions for 2006 are between $25 million and $32.299 million for the Fiscal Year, 25% of gross revenues;

b. If Annual Gross Revenues for the Selected Concessions are above $ 32.299 million for the Fiscal Year, 25% of gross revenues up to $32.299 million and 50% of gross revenues above $32.299 million;

If Annual Gross Revenues for the Selected Concessions are below $25 million for the Fiscal Year;

a. $24 million to $24.99 million – 20%

b. $23 million to $23.99 million – 15%

c. $22 million to $22.99 million – 10%

d. $21 million to $21.99 million – 5%

The total rebate amount will be allocated among Signatory Airlines according to their pro rata share of Enplaned Passengers for the Fiscal Year and will be structured as a post-year-end check to each Signatory Airline issued by the Commission no later than 240 days following each Fiscal Year, subject to correction following any applicable audit.

Notwithstanding the foregoing, the Commission will have the right to reduce the amount of Revenue Sharing with respect to any Fiscal Year to the extent necessary so that the Net Revenues taking into account the Revenue Sharing for such Fiscal Year will not be less than 1.25x of the total Debt Service for such Fiscal Year. In the event that the Revenue Sharing is reduced in any Fiscal Year by any amount (the "Deferred Revenue Sharing Amount") as a result of the operation of this paragraph, the Commission will accrue the Deferred Revenue Sharing Amount and credit such amount to the Signatory Airlines in the subsequent Fiscal Year (or, if such amount may not be credited in accordance with the Airline Lease Agreement in such subsequent Fiscal Year, then such amount will be credited in the next succeeding Fiscal Year in which such credit may be issued in accordance with the Airline Lease Agreements; and

The rights of any Signatory Airline to any payment, credit or application of Revenue Sharing to or for the benefit of such Signatory Airline is a contract right, in existence and effective as of January 1, 2006 (subject to the provisions of the Airline Lease Agreements), and any such payment, credit or application actually made is proceeds thereof.

Reversion to Pre-Third Amendment to Airline Lease Agreement Rate Structure

In the event a Signatory Airline is not in compliance with any payment obligation under any agreement with the Commission, during the period following any applicable notice and cure period, the Commission will have the right to have such Signatory Airline's payment obligations under the Airline Lease Agreement during the payment default period revert to the rates and charges structure in effect prior to the effective date of the Third Amendment to the Airline Lease Agreement (which included direct and indirect depreciation and imputed interest on net Capital Costs in Recoverable Costs instead of Debt Service) and apply any accrued but unpaid Revenue Sharing credits otherwise due to the Signatory Airline for the payment default period against any amounts owed by the Signatory Airline to the Commission.

Capital Expenditures

General. Subject to the provisions of the subsections entitled "Capital Projects Subject to MII Review" and "2010 Plan Airfield Programs" below, the Commission may incur costs to plan, design, and construct Capital Projects to preserve, protect, enhance, expand, or otherwise improve the Airport System, or parts thereof, at such time or times as it deems appropriate, and may recover through airline rents, fees, and charges the costs of such Capital Projects.

Subject to the provisions of this Section, the Commission may pay the Capital Cost associated with any Capital Project using funds lawfully available for such purposes as it deems appropriate, and may issue Airport Bonds in amounts sufficient to finance any Capital Project.

The Commission will use its best efforts to obtain and maximize: (a) federal and state grants, including MNDOT and AIP grants; (b) $186,000,000 in federal letter of intent ("LOI") and side agreements; and (c) $50,000,000 in additional entitlement/discretionary money for a total of $236,000,000.

The Airline Lease Agreement will not be interpreted: (a) to impair the authority of the Commission to impose a Passenger Facility Fee or to use the Passenger Facility revenue as required by the PFC Act or PFC Regulations; (b) to restrict the Commission from financing, developing or assigning new capacity at the Airport with Passenger Facility revenue if and to the extent such restriction would violate the PFC Act or PFC Regulations; (c) to preclude the Commission from funding, developing, or assigning new capacity at the Airport with PFC revenue in any manner required by the PFC Act or the PFC Regulations; or (d) to prevent the Commission from exercising any other right it is required to retain by the PFC Act or PFC Regulations if and to the extent it is so required to be retained by the PFC Act or PFC Regulations. Subject to these provisions, however, the Commission and a Signatory Airline have agreed as follows:

(a) A Signatory Airline and the Commission have agreed that the Commission may impose a PFC throughout the Term.

(b) The Commission will use all PFC revenue, including PFCs attributable to increases in the PFC collection rate, collected during the Term to pay the Capital Costs of the 2010 Plan, as the same may be amended pursuant to the terms of the Airline Lease Agreement, and any associated debt service, except that to the extent that PFC's are not legally authorized to be used for such purpose under applicable law, they may be expended for the purposes for which they are legally authorized.

(c) Actual PFC revenue from the lesser of 90% of Originating Passengers or 45% of Enplaned Passengers for the period from 2011 to 2030 will be applied to fund Capital Costs associated with the 2010 Plan before being applied in any other manner. A portion (as defined below) of the PFC's expected to be collected for the period from 2011 to 2030 will be used to structure a bond issue to fund Capital Costs associated with the 2010 Plan. Such Capital Costs will not be charged to airline cost centers, however debt service not actually paid with PFC's may be recovered from the Airlines through a special charge to the appropriate airline cost center. This "portion" shall be determined by the Commission, after consultation with its financial advisors in conjunction with the issuance of debt associated with the 2010 Plan, based upon its projections of the amount of PFC revenue which will be generated from the lesser of 90% of the projected Originating Passengers or 45% of the projected Enplaned Passengers for the period from 2011 to 2030, based upon the Commission's forecasts of passenger growth and an assumed $5.00 per passenger PFC collection rate.

The Commission has agreed to structure debt so that the Commission's construction fund balance will not exceed $125,000,000 on December 31, 2010. Any excess beyond this amount will be applied to reduce debt.

Capital Projects Subject to MII Review. The Commission may not recover through airline rents, fees, or charges the Capital Costs, including the Off-Airport Aircraft Noise Costs, of any Capital Project in the Airfield Cost Center whose gross project costs exceed $1,000,000 without the prior approval of a Majority-In-Interest of Signatory Airlines.

Notwithstanding the foregoing and subject to the limitations described below, the 2010 Plan Airfield Programs shall be deemed to be Approved by a Majority-in-Interest of Signatory Airlines.

Capital Projects Not Subject to MII Review. Without the prior approval of a Majority-In-Interest of Signatory Airlines, the Commission may incur costs to plan, design, and construct at such time or times as it deems appropriate, and may recover through airline rents, fees, and charges the costs of the following Capital Projects:

(a) Any Capital Project that is not in the Airfield Cost Center except as set forth in the subsection entitled "2010 Plan Airfield Programs" below. The Commission plans to undertake a program of improvements to the Airport System known as the 2010 Plan. The 2010 Plan, which is described in the Airline Lease Agreement, includes Capital Projects that are not in the Airfield Cost Center as well as the 2010 Plan Airfield Programs.

(b) Any Capital Project in the Airfield Cost Center that is necessary to comply with a rule, regulation, or order of any governmental agency, other than an ordinance of the Commission, that has jurisdiction over the operation of the Airport.

(c) Any Capital Project in the Airfield Cost Center that is necessary to satisfy a final judgment against the Commission rendered by a court of competent jurisdiction.

(d) Any Capital Project in the Airfield Cost Center that is necessary to repair casualty damage, the cost of which exceeds the proceeds of applicable insurance; provided that the Commission may recover the Capital Cost of such repair only to the extent that the cost of reconstruction or replacement exceeds the insurance proceeds available for such purposes.

2010 Plan Airfield Programs. Subject to the limitations described below, the Commission has the right to incur costs to plan, design, and construct at such time or times as it deems appropriate and to recover through airline rents, fees, and charges the costs of the 2010 Plan Airfield Programs.

The Commission may add, delete, or otherwise modify components of the 2010 Plan Airfield Programs; provided, however, that no such modifications may materially change the scope of any of the 2010 Plan Airfield Programs without the prior approval of a Majority-In-Interest of Signatory Airlines.

The Airline Lease Agreements present an Original Cost Estimate of each 2010 Plan Airfield Program, which the Commission may revise from time to time to reflect material scope changes approved by the Commission and by a Majority-In-Interest of the Signatory Airlines; annually to adjust for inflation; and to reflect increases in the cost of the Noise Mitigation Program caused by increases in the size of the approved 65 DNL noise contour, as documented in the FAR Part 150 Program.

In the event the Current Cost Estimate of any of the 2010 Plan Airfield Programs exceeds the Original Cost Estimate, as revised, for such Program, then the Commission at its sole discretion shall do one or more of the following: (a) after consultation with Airlines, modify or defer until after 2010 a sufficient number of projects contained in such Program so that the Current Cost Estimate does not exceed the Original Cost Estimate, as revised; or (b) fund the amount of the excess and exclude depreciation and interest on such amount from the calculation of rents, fees, and charges; or (c) obtain approval for additional costs from a Majority-In-Interest of Signatory Airlines, which approval is required only on the portion of the Current Cost Estimate that exceeds the Original Cost Estimate, as revised.

Indemnity and Liability Insurance

The Airline Lease Agreements require each Signatory Airline to indemnify, defend, save and hold harmless the Commission and its Commissioners, officers, and employees (collectively, "Indemnitees") from and against any and all liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person other than an Indemnitee arising by reason of injury or death of any person, or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to (a) the use or occupancy of, or operations of a Signatory Airline at or about the Airport, or (b) the acts or omissions of a Signatory Airline's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death or damage may occur, unless such injury, death or damage is caused by (i) the negligent act or omission of an Indemnitee whether separate or concurrent with negligence of others, including a Signatory Airline or (ii) the breach by an Indemnitee of the Airline Lease Agreement. The Airline Lease Agreements further provide for indemnification by each Signatory Airline for certain environmental liabilities.

The Airline Lease Agreements require each Signatory Airline to provide, without cost or expense to the Commission, and maintain in force throughout the full Term the following insurance coverages as appropriate, insuring a Signatory Airline and the Commission against the liabilities set forth in:

(a) Aircraft liability insurance and comprehensive general public liability insurance for claims of property damage, bodily injury, or death allegedly resulting from a Signatory Airline's activities into, on, and leaving any part of the Airport, in an amount not less than $300,000,000 per occurrence for Airlines operating aircraft over 100 seats, and not less than $200,000,000 for Airlines operating aircraft with 99 or fewer seats, and not less than $100,000,000 for Airlines operating aircraft with 59 or fewer seats. For purposes of this Section, the number of seats is determined based upon the largest aircraft in a Signatory Airline's fleet.

(b) Liquor liability insurance for any facility of a Signatory Airline serving alcoholic beverages on the Airport in an amount not less than $10,000,000.

(c) Hangarkeepers liability insurance in an amount adequate to cover any non-owned property in the care, custody and control of a Signatory Airline on the Airport, but in any event in an amount not less than $5,000,000.

(d) Automobile liability insurance in an amount adequate to cover vehicles operating on the Airport in an amount not less than $5,000,000 combined single limit.

The Commission may allow the insurance coverage required in the Airline Lease Agreement to be provided through a self-insurance plan established by a Signatory Airline. The self-insurance plan may consist of a combination of primary, excess umbrella insurance and self-insurance protection and must be no less than the limits stated above.

The Commission, in operating the Airport, will carry and maintain comprehensive general liability insurance in such amounts as would normally be maintained by public bodies engaged in carrying on similar activities.

Events of Default; Remedies

Events of Default. The occurrence and continuation of any one or more of the following shall constitute an event of default under the Airline Lease Agreements:

(a) a Signatory Airline fails to make payment in full when due of any rents, fees, charges or any other amount payable under the Airline Lease Agreement within five business days after notice thereof from the Commission;

(b) a Signatory Airline shall fail to make any PFC remittance to the Commission in a timely fashion, or shall fail to timely comply with its PFC reporting requirements to the Commission, or any other entity, in connection with PFCs collected on behalf of the Commission;

(c) a Signatory Airline fails to submit a Monthly Activity Report to the Commission on or before the tenth day of each month;

(d) a Signatory Airline shall make or permit any unauthorized assignment or transfer of the Airline Lease Agreement, or any interest therein, or of the right to use or possession of the Premises, or any part thereof;

(e) any insurance required by the terms of the Airline Lease Agreement shall at any time not be in full force or effect;

(f) failure of a Signatory Airline to perform, comply with, or observe, in any material respect, any other term, condition or covenant of the Airline Lease Agreement not identified elsewhere in subsections (a) through (k) of this section within 30 days after receipt of notice from the Commission of such failure, or for such longer period of time as may be reasonably necessary to cure the event of default, but only for such longer period if: (i) a Signatory Airline is reasonably capable of curing the event of default and (ii) a Signatory Airline promptly and continuously undertakes to cure and diligently pursues the curing of the event of default at all times until such event of default is cured;

(g) any representation or warranty of a material fact made by a Signatory Airline in the Airline Lease Agreement or in any certificate or statement furnished to the Commission pursuant to or in connection with the Airline Lease Agreement proves untrue in any material respect as of the date of issuance or making thereof;

(h) (i) a Signatory Airline shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to a Signatory Airline, or seeking to adjudicate a Signatory Airline a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, composition or other relief with respect to a Signatory Airline or any of its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for a Signatory Airline or for all or any substantial part of any of its property; or (ii) a Signatory Airline shall make a general assignment for the benefit of its creditors; or (iii) there shall be commenced against a Signatory Airline any case, proceeding or other action of nature referred to in clause (i) above or seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of any of its property, which case, proceeding or other action results in the entry of an order for relief or remains undismissed, unvacated, undischarged and unbonded for a period of 60 days; or (iv) a Signatory Airline shall take any action consenting to or approving of any of the acts set forth in clause (i) or (ii) above; or (v) a Signatory Airline shall generally not, or shall be unable to, pay its debts as they become due or shall admit in writing its inability generally to pay its debts as they become due;

(i) any money judgment, writ or warrant of attachment or similar process, or any combination thereof, involving an amount in excess of $25,000,000 shall be entered or filed against a Signatory Airline or any of its assets and shall remain undischarged, unvacated, unbonded and unstayed for a period of 60 days or in any event later than five days prior to the date of any proposed sale or execution thereunder;

(j) any act occurs that deprives a Signatory Airline permanently of any material right, power or privilege necessary for the conduct and operation of its Air Transportation Business; or

(k) if a Signatory Airline ceases to provide scheduled air service at the Airport for a period of 30 consecutive days or abandons or fails to use its Exclusive Use Space for a period of 30 consecutive days, except when such cessation or abandonment is due to the default of the Commission or the circumstances described in the Airline Lease Agreement relating to an event of force majeure.

Remedies. If an event of default occurs under the Airline Lease Agreement, the Commission, at its option, may at any time thereafter, do one or more of the following as the Commission in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

(a) Declare all rents, fees and other charges payable under the Airline Lease Agreement, whether currently or thereafter accruing, to be immediately due and payable;

(b) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by a Signatory Airline of the applicable covenants and terms of the Airline Lease Agreement or to recover damages for the breach thereof;

(c) Enter and take possession of the Premises and/or the rights of a Signatory Airline under the Airline Lease Agreement without such re-entry terminating a Signatory Airline's obligations for the full Term thereof, which remedy shall be in addition to all other remedies at law or in equity, including action for forcible entry and lawful detainer, for ejectment or for injunction;

(d) Terminate all rights of a Signatory Airline under the Airline Lease Agreement (without terminating the continuing obligation of a Signatory Airline to fulfill its past and future obligation under the Airline Lease Agreement) and in such case a Signatory Airline further agrees to indemnify and hold harmless the Commission against all loss in rents, fees, and charges and other damages which the Commission shall incur by reason of such termination, including, without limitation, costs of restoring and repairing the Premises and putting the same in rentable condition, costs of reletting the Premises to another Airline (including without limitation a Signatory Airline improvement costs and related fees), loss or diminution of rents and other damage which the Commission incurs by reason of such termination, and all reasonable attorneys' fees and expenses incurred in enforcing the terms of the Airline Lease Agreement;

(e) In the event of any default under the Airline Lease Agreement, a Signatory Airline shall reimburse the Commission for all reasonable fees and costs incurred by the Commission, including reasonable attorneys' fees, relating to such default and/or the enforcement of the Commission's rights under the Airline Lease Agreement; and

(f) Apply all Contract Security granted by a Signatory Airline to any unpaid obligations of a Signatory Airline under the Airline Lease Agreement.

Termination

Termination by the Commission. An Airline Lease Agreement may be terminated by the Commission pursuant to the provisions regarding default above and as otherwise specified in the Airline Lease Agreement.

Termination by a Signatory Airline. A Signatory Airline is allowed to terminate its obligations under the Airline Lease Agreement if any of the following events occur:

(a) If the Commission shall fail to perform, comply with, or observe, in any material respect, any term, condition or covenant of the Airline Lease Agreement within 30 days after receipt of notice from a Signatory Airline of such failure, or for such longer period of time as may be reasonably necessary to cure the event of default but only for such longer period if: (i) the Commission is reasonably capable of curing the event of default and (ii) the Commission promptly and continuously undertakes to cure and diligently pursues the curing of the event of default at all times until such event of default is cured, then a Signatory Airline, if not then in default, may, without limiting any of its other rights and remedies against the Commission, at its option cancel the Airline Lease Agreement and thereby terminate the Airline Lease Agreement.

(b) It is further understood and agreed that, at any time when a Signatory Airline is not then in default, it may cancel the Airline Lease Agreement on 60 days' notice in writing to the Commission upon the happening of any one of the following events:

(i) Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof essential for a Signatory

Airline's operations under the Airline Lease Agreement and the remaining in force of such injunction for a period of at least 90 days.

(ii) Inability of a Signatory Airline to use the Airport or any part thereof essential for a Signatory Airline's operations under the Airline Lease Agreement for a period of not less than 90 days because of fire, explosion, earthquake, or other casualty or acts of God or the public enemy, unless within 60 days of the casualty, the Commission gave a Signatory Airline written notice of its intention to repair or reconstruct, as provided in the Airline Lease Agreement.

(iii) The lawful assumption by the United States of America or any authorized agency thereof of the operation, control, or use of the Airport and the facilities thereon or any substantial part or parts thereof, in such manner as substantially to restrict a Signatory Airline for a period of not less than 90 days from operating thereon for the carrying of passengers, cargo, express, property, and United States mail.

(iv) Termination or the suspension or substantial modification for a period of not less than 90 days of the operating authority of a Signatory Airline to serve the Minneapolis-St. Paul metropolitan area through the Airport by final order of the DOT or other governmental agency, federal or state, having jurisdiction over a Signatory Airline.

(c) If any of the foregoing continues for a period of less than 90 days, a Signatory Airline shall have the right upon written notice to the Commission to abatement of rents, fees and charges to the extent and for the period that a Signatory Airline is unable to carry on its operations under the Airline Lease Agreement.

Termination by Government Taking. In the event the Premises shall be taken by governmental authority through exercise of its power of eminent domain or other authority justifying such taking, the Airline Lease Agreement shall terminate and the rents, fees and charges in respect to said premises shall cease as of the date possession is taken by the taking authority, and the Commission shall be entitled to all damages payable by reason of taking, subject to the claim of a Signatory Airline for the value of its leasehold, which claim or claims as to validity and amount shall be a matter for determination between a Signatory Airline and the Commission, and if a Signatory Airline and the Commission cannot reach a determination, then by the court having jurisdiction of such proceeding, provided that nothing contained in the Airline Lease Agreement shall preclude a Signatory Airline from asserting any claims or rights it may have against such governmental authority as to its separate property, leasehold improvements, and trade fixtures.

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[Closing Date]

Metropolitan Airports Commission
Minneapolis, Minnesota

$62,210,000 Minneapolis St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds Series 2010A	$73,475,000 Minneapolis St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds Series 2010B

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Metropolitan Airports Commission (the "Commission"), of $62,210,000 aggregate principal amount of its Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010A (the "Senior Series 2010A Bonds"), and $73,475,000 aggregate principal amount of its Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010B (the "Senior Series 2010B Bonds," and together with the Senior Series 2010A Bonds, the "Senior Series 2010 Bonds"). The Senior Series 2010 Bonds are being issued to (a) finance certain capital improvements at Minneapolis-St. Paul International Airport, (b) reimburse the Commission for its previous purchase of its Subordinate Commercial Paper Notes, (c) make a deposit to the senior reserve fund, (d) fund a portion of the interest accruing on a portion of the Senior Series 2010 Bonds, and (e) pay the costs of issuance of the Senior Series 2010 Bonds, all as described in the hereinafter defined Eighth Supplemental Senior Indenture.

The Senior Series 2010 Bonds are being issued pursuant to Section 473.601 et seq. of the Minnesota Statutes (the "Act"), the Master Trust Indenture, dated as of June 1, 1998, as amended (the "Master Senior Indenture"), by and between the Commission and Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, N.A.), as trustee (the "Trustee"), and an Eighth Supplemental Trust Indenture, dated as of August 1, 2010 (the "Eighth Supplemental Senior Indenture"), by and between the Commission and the Trustee. Issuance of the Senior Series 2010 Bonds has been authorized by Resolution No. 2130, adopted by the Commission on June 21, 2010 (the "Resolution").

The Senior Series 2010 Bonds are revenue obligations of the Commission payable from the Net Revenues (as defined in the Master Senior Indenture). Neither the faith and credit nor the taxing power of the Commission, the Cities of Minneapolis and St. Paul, Minnesota, the State of Minnesota or any public agency of the State of Minnesota, other than the Commission, to the extent of the Net Revenues, is pledged to the payment of the principal of or interest on the Senior Series 2010 Bonds.

In connection with the issuance of the Senior Series 2010 Bonds, we have examined the following:

(a) a copy of the Act;

(b) a certified copy of the Resolution;

(c) an executed counterpart of the Master Senior Indenture;

(d) an executed counterpart of the Eighth Supplemental Senior Indenture;

(e) certifications of the Commission and others;

(f) an executed copy of a Tax Compliance Certificate dated this date relating to the Senior Series 2010 Bonds (the "Tax Certificate");

(g) an opinion of the Commission's General Counsel with respect to the Commission; and

(h) such other documents as we deemed relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that:

1. The Commission validly exists as a public corporation under the laws of the State of Minnesota, with the power to execute the Master Senior Indenture and the Eighth Supplemental Senior Indenture and to issue the Senior Series 2010 Bonds.

2. The Master Senior Indenture and the Eighth Supplemental Senior Indenture have been duly authorized, executed and delivered by the Commission and, assuming due authorization, execution and delivery by the Trustee, represent valid and binding agreements of the Commission enforceable in accordance with their terms.

3. The Senior Series 2010 Bonds have been validly authorized, executed and issued in accordance with the Act, the Resolution, the Master Senior Indenture and the Eighth Supplemental Senior Indenture. The Senior Series 2010 Bonds represent valid and binding limited obligations of the Commission payable solely from and secured by an assignment and pledge by the Commission to the Trustee of the Net Revenues and certain funds and accounts created under the Master Senior Indenture and the Eighth Supplemental Senior Indenture, and not out of any other fund or money of the Commission, the Cities of Minneapolis or St. Paul or the State of Minnesota. Neither the faith and credit nor the taxing power of the Commission, the Cities of Minneapolis and St. Paul, Minnesota, the State of Minnesota or any public agency of the State of Minnesota, other than the Commission, to the extent of the Net Revenues, is pledged to the payment of the principal of or interest on the Senior Series 2010 Bonds.

4. Under existing laws, regulations, rulings and judicial decisions, interest on the Senior Series 2010A Bonds is excluded from gross income for federal income tax purposes. Interest on the Senior Series 2010A Bonds is not a specific preference item nor included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on individuals and corporations.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Senior Series 2010B Bonds is excluded from gross income for federal income tax purposes; except that such exclusion does not apply with respect to interest on any Senior Series 2010B Bond for any period during which such Senior Series 2010B Bond is held by a person who is a "substantial user" of the facilities financed and refinanced by the Senior Series 2010B Bonds or a person "related" to such substantial user within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Senior Series 2010B Bonds is not a specific preference item nor included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on individuals and corporations.

6. Interest on the Senior Series 2010 Bonds is not includible in the taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, but is includible in the calculation of taxable income of corporations and financial institutions for State of Minnesota franchise tax purposes.

The opinions set forth in paragraphs 4 and 5 regarding the exclusion of interest from gross income of the recipient is subject to the accuracy of certain representations and the continuing compliance by the Commission with covenants regarding federal tax law contained in the Master Senior Indenture, the Eighth Supplemental Senior Indenture and the Tax Certificate. Failure to comply with such covenants could cause interest on the Senior Series 2010 Bonds to be included in gross income retroactive to the date of issue of the Senior Series 2010 Bonds. Although we are of the opinion that interest on the Senior Series 2010 Bonds is excluded from gross income for federal tax purposes, the accrual or receipt of interest on the Senior Series 2010 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

The obligations of the Commission and the security provided therefor, as contained in the Senior Series 2010 Bonds, the Master Senior Indenture and the Eighth Supplemental Senior Indenture may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect. Our engagement with respect to the Senior Series 2010 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter.

Very truly yours,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered by the Metropolitan Airports Commission (the "Commission") in connection with the issuance of its Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010A (the "Senior Series 2010A Bonds"), and Minneapolis-St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010B (the "Senior Series 2010B Bonds," and together with the Senior Series 2010A Bonds, the "Senior Series 2010 Bonds"). The Senior Series 2010 Bonds will be issued pursuant to the Master Trust Indenture, dated as of June 1, 1998, as amended (the "Master Senior Indenture"), by and between the Commission and Wells Fargo Bank, National Association (successor by merger to Wells Fargo Bank Minnesota, National Association, formerly known as Norwest Bank Minnesota, N.A.), as trustee (the "Senior Trustee"), and the Eighth Supplemental Trust Indenture, dated as of August 1, 2010 (the "Eighth Supplemental Senior Indenture," and together with the Master Senior Indenture, the "Senior Indenture"), by and between the Commission and the Senior Trustee. Additionally, the Senior Series 2010 Bonds have been authorized by Resolution No. 2130 adopted by the Commission on June 21, 2010 (the "Resolution"). The Senior Series 2010 Bonds are being issued under and in accordance with Minnesota Statutes, Sections 473.601, et seq. (the "Act").

In consideration of the purchase of the Senior Series 2010 Bonds by the Participating Underwriter (as defined below), the Commission covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Commission for the benefit of the Holders and Beneficial Owners of the Senior Series 2010 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

Section 2. Definitions. In addition to the definitions set forth in the Senior Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Certificate.

"*Beneficial Owner*" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Senior Series 2010 Bonds (including persons holding Senior Series 2010 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Senior Series 2010 Bonds for federal income tax purposes.

"*Dissemination Agent*" means the Commission, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"*Holders*" means either the registered owners of the Senior Series 2010 Bonds, or if the Senior Series 2010 Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

"*Listed Events*" means any of the events listed in Section 5(a) of this Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligated Person*" means the Commission and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues of the Airport System for the prior two Fiscal Years of the Commission.

"*Official Statement*" means the Official Statement, dated July 28, 2010, prepared and distributed in connection with the initial sale of the Senior Series 2010 Bonds.

"*Participating Underwriter*" means any of the original underwriters of the Senior Series 2010 Bonds required to comply with the Rule in connection with the offering of the Senior Series 2010 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of Minnesota.

Section 3. Provision of Annual Reports.

(a) The Commission shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB) an Annual Report which is consistent with the requirements of Section 4 of this Certificate by not later than 210 days after the end of the Commission's fiscal year in each fiscal year. The Commission's first Annual Report shall be due July 29, 2011. Not later than 15 Business Days prior to said date, the Commission shall provide the Annual Report to the Dissemination Agent (if other than the Commission). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Certificate. The audited financial statements of the Commission may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted within 210 days after the end of the Commission's fiscal year. If the Commission's fiscal year changes, the Commission, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Commission) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Commission to determine if the Commission is in compliance with subsection (a).

(c) If the Commission is unable to provide to the MSRB or the Dissemination Agent (if other than the Commission), an Annual Report by the date required in subsection (a), the Commission shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (or the Commission, as applicable) shall confirm in writing to the Commission that the Annual Report has been filed as required hereunder, stating the date filed.

(e) The Commission acknowledges that Delta Air Lines, Inc. ("Delta") is the only Obligated Person other than the Commission at present and is required by federal law to file annual reports with the Securities and Exchange Commission. The Commission takes no responsibility for the accuracy or completeness of such filings by Delta or by any future Obligated Person. Unless no longer required by the Rule to do so, the Commission agrees to use its reasonable best efforts to cause Delta (to the extent Delta is not otherwise required under federal law to do so), and any future Obligated Person, to make Annual Reports available as contemplated by this Section 3. Any change in Obligated Persons shall be reported by the Commission in connection with the Annual Reports.

Section 4. Content of Annual Reports.

(a) The Commission's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Senior Series 2010 Bonds, unless otherwise noted):

(i) Audited financial statements of the Commission, updated to incorporate information for the most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Commission's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Commission, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) Table 1 — Metropolitan Airports Commission, Irrevocably Committed PFCs (only if such information changes);

(iii) Table 2 — Metropolitan Airports Commission, Prior Senior Bonds;

(iv) Table 3 — Metropolitan Airports Commission, General Obligation Revenue Bonds;

(v) Table 5 — Metropolitan Airports Commission, Senior Debt Service Coverage (only with regards to historical information);

(vi) Table 6 — Metropolitan Airports Commission, Subordinate Bonds;

(vii) Table 12 — Minneapolis-St. Paul International Airport, O&D and Connecting Passengers;

(viii) Table 13 — Minneapolis-St. Paul International Airport, Historical Aircraft Operations;

(ix) Table 14 — Minneapolis-St. Paul International Airport, Trends in Aircraft Landed Weight;

(x) Table 15 — Minneapolis-St. Paul International Airport, Air Carriers Serving the Airport;

(xi) Table 16 — Minneapolis-St. Paul International Airport, Air Carrier Market Share, Total Enplaned Passengers;

(xii) Table 18 — Minneapolis-St. Paul International Airport, Air Carrier Market Share, Total Cargo Handled;

(xiii) Table 23 — Metropolitan Airports Commission, Summary of Statements of Revenues, Expenses and Changes in Net Assets;

(xiv) Table 24 — Minneapolis-St. Paul International Airport, Airline Revenue;

(xv) Table 25 — Metropolitan Airports Commission, Top Ten Operating Revenue Providers;

(xvi) Table 26 — Metropolitan Airports Commission, Top Ten Operating Revenue Sources;

(xvii) Table 29 — Metropolitan Airports Commission, Approved PFC Applications;

(xviii) Table 30 — Metropolitan Airports Commission, Annual Collections of PFCs; and

(xix) Exhibit F of the Report of the Airport Consultant (included as Appendix A to the Official Statement).

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any fiscal year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Commission or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Commission shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following Listed Events, if material:

(i) principal and interest payment delinquencies;

(ii) nonpayment related defaults;

(iii) unscheduled draws on the debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax exempt status of the Senior Series 2010 Bonds;

(vii) modifications to rights of bondholders;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Senior Series 2010 Bonds; and

(xi) rating changes.

(b) Whenever a Listed Event occurs with respect to the Senior Series 2010 Bonds, the Commission shall as soon as possible, but in no event more than ten (10) days following such event, determine if such event would be material under applicable federal securities laws.

(c) If the Commission determines that a Listed Event would be material under applicable federal securities laws, the Commission shall promptly provide written notice of such occurrence to the Dissemination Agent (if other than the Commission) or to the MSRB through the EMMA System. If the Dissemination Agent is not the Commission, upon receipt of written notice of a Listed Event the Dissemination Agent shall promptly provide such notice of a Listed Event to the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Senior Series 2010 Bonds pursuant to the Senior Indenture.

Section 6. Termination of Reporting Obligation. The Commission's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Senior Series 2010 Bonds, or upon delivery to the Dissemination Agent (if other than the Commission) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Senior Series 2010 Bonds, the Commission shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. From time to time, the Commission may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Commission) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Commission) shall not be responsible in any manner for the content of any notice or report prepared by the Commission pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Commission may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an obligated person with respect to the Senior Series 2010 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Senior Series 2010 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Senior Series 2010 Bonds in the same manner as provided in the Senior Indenture for amendments to the Senior Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Senior Series 2010 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Commission shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Commission. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Commission chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Commission shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Commission to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Senior Series 2010 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Commission or the Dissemination Agent (if other than the Commission), as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Senior Indenture and the sole remedy under this Certificate in the event of any failure of the Commission or the Dissemination Agent (if other than the Commission) to comply with this Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Commission agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Senior Indenture. The obligations of the Commission under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Senior Series 2010 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Commission, the Dissemination Agent, the Participating Underwriter and the Holders and beneficial Owners from time to time of the Senior Series 2010 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this 10th day of August, 2010.

METROPOLITAN AIRPORTS COMMISSION

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Metropolitan Airports Commission
Name of Bond Issue:	Minneapolis–St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010A Minneapolis–St. Paul Metropolitan Airports Commission Senior Airport Revenue Bonds, Series 2010B
Date of Issuance:	August 10, 2010
CUSIP:	603827____

NOTICE IS HEREBY GIVEN that the Metropolitan Airports Commission (the "Commission") has not provided an Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated August 10, 2010, executed by the Commission for the benefit of the holders and beneficial owners of the above referenced bonds. The Commission anticipates that the Annual Report will be filed by _________, 20__.

Dated:______________________________

METROPOLITAN AIRPORTS COMMISSION

By: ____
Authorized Representative

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APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption "—General" below has been provided by DTC. The Commission makes no representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Senior Series 2010 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE COMMISSION NOR THE SENIOR TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SENIOR SERIES 2010 BONDS UNDER THE SENIOR INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SENIOR SERIES 2010 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE TO THE OWNERS OF THE SENIOR SERIES 2010 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SENIOR SERIES 2010 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Senior Series 2010 Bonds. The Senior Series 2010 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Senior Series 2010 Bond certificate will be issued for each maturity of the Senior Series 2010 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Senior Trustee.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Bonds Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The Commission has not undertaken any responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on the websites described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of the Senior Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Senior Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Senior Series 2010 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Senior Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Senior Series 2010 Bonds, except in the event that use of the book-entry system for the Senior Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Senior Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Senior Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Senior Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Senior Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the Senior Series 2010 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Senior Series 2010 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Senior Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Senior Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Senior Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Senior Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Senior Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Senior Trustee or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Senior Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Senior Series 2010 Bonds at any time by giving reasonable notice to the Commission. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Senior Series 2010 Bonds are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Senior Series 2010 Bonds will be printed and delivered to the registered holders of the Senior Series 2010 Bonds.

The information in this Appendix G concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but neither the Commission nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SENIOR SERIES 2010 BONDS AND WILL NOT BE RECOGNIZED BY THE SENIOR TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

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MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION • SENIOR AIRPORT REVENUE BONDS, SERIES 2010A AND SERIES 2010B

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