SUPPLEMENT TO OFFICIAL STATEMENT DATED NOVEMBER 17, 2011

Relating to:

$169,430,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Refunding Bonds
(Detroit Metropolitan Wayne County Airport), Series 2011A-B

With respect to:

Airport Revenue Refunding Bonds
Series 2011A (AMT)

Maturity (December 1)	CUSIP No.[+]	Principal Amount
2020	944514MP0	$22,225,000
2022	944514MM7	12,000,000

The information set forth under the captions "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS– Assured Guaranty Municipal Corp." and "RATINGS" in the Official Statement dated November 17, 2011 relating to the $169,430,000 aggregate principal amount of Wayne County Airport Authority Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A-B (the "Official Statement"), is hereby supplemented as follows:

At 5:48 p.m., Eastern Standard Time, on November 30, 2011, Standard & Poor's Ratings Services ("Standard & Poor's") published a Research Update in which it lowered its financial strength rating on Assured Guaranty Municipal Corp. (the "Bond Insurer") to "AA-" from "AA+". At the same time, Standard & Poor's removed the financial strength rating of the Bond Insurer from CreditWatch negative and changed the outlook to stable.

As a result of the rating action by Standard & Poor's described in the preceding paragraph, the municipal bond rating assigned by Standard & Poor's with respect to the Insured Bonds has been lowered to "AA-" from "AA+".

Unless otherwise specifically defined herein, all capitalized terms used in this Supplement shall have the meanings given such terms in the Official Statement.

Dated: December 2, 2011

[+] Copyright 2011, American Bankers Association. CUSIP data herein is provided by Standard & Poor's. CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. None of the Authority or the Underwriters take any responsibility for the accuracy of such CUSIP numbers.

NEW ISSUES
FULL BOOK-ENTRY

Ratings: See "RATINGS" herein.

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

DAC Bond

$169,430,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Refunding Bonds
(Detroit Metropolitan Wayne County Airport), Series 2011A-B
consisting of:

$152,465,000	$16,965,000
Airport Revenue Refunding Bonds	**Airport Revenue Refunding Bonds**
Series 2011A (AMT)	**Series 2011B (Non-AMT)**

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

The Wayne County Airport Authority (the "Authority") is issuing the Series 2011 Refunding Bonds (as defined herein) pursuant to its Master Bond Ordinance and Series 2010 Refunding Ordinance (each as defined herein) to provide funds to refund portions of the Outstanding Prior Bonds (as defined herein), pay costs of issuance of the Series 2011 Refunding Bonds and fund deposits to the Bond Reserve Account (as defined herein) to satisfy the Reserve Requirement (as defined herein). **The Series 2011 Refunding Bonds are revenue obligations of the Authority payable from the Net Revenues derived by the Authority from the operation of the Detroit Metropolitan Wayne County Airport (the "Airport").** U.S. Bank National Association is trustee ("Trustee") under the Master Bond Ordinance.

The Series 2011 Refunding Bonds consist of two separate series, the Series 2011A Refunding Bonds (as defined herein), consisting of the Uninsured Series 2011A Refunding Bonds (as defined herein) and the Insured Bonds (as defined below), and the Series 2011B Refunding Bonds (as defined herein) (each, a "Series"). The Series 2011 Refunding Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2011 Refunding Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2012, until maturity or prior redemption. **The Series 2011 Refunding Bonds will be subject to optional and extraordinary redemption prior to maturity in the manner and at the times set forth herein.**

For maturities, principal amounts, interest rates, yields and CUSIP numbers, see the inside cover page.

The Series 2011 Refunding Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), to which principal, premium and interest payments will be made. DTC will act as securities depository for the Series 2011 Refunding Bonds. Purchasers of the Series 2011 Refunding Bonds will not receive certificates representing their purchased interests in the Series 2011 Refunding Bonds.

The scheduled payment of principal of and interest on portion of the Series 2011A Refunding Bonds maturing on December 1, 2020 bearing CUSIP No. 944514MP0 and on December 1, 2022 bearing CUSIP No. 944514MM7 (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP. (the "Bond Insurer").

ASSURED GUARANTY®
MUNICIPAL

This cover page contains information for quick reference only. It is not a summary of this issue. Prospective purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision. See "INVESTMENT CONSIDERATIONS" for a discussion of certain factors that should be considered by prospective purchasers of the Series 2011 Refunding Bonds.

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel"), under existing law, and subject to the conditions described under the caption "TAX MATTERS" herein, (i) the interest on the Series 2011A Refunding Bonds is excludable from gross income for federal income tax purposes (except for any period when the Series 2011A Refunding Bonds are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")), and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the interest on the Series 2011B Refunding Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

With respect to corporations (as defined for federal income tax purposes), the interest on the Series 2011 Refunding Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporation.

Bond Counsel is also of the opinion that, under existing law, the Series 2011 Refunding Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" herein.

Each Series of the Series 2011 Refunding Bonds is offered when, as and if issued by the Authority and received by the Underwriters (as defined herein), subject to receipt of the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel, and for the Underwriters by Winston & Strawn LLP, Chicago, Illinois. Public Financial Management, Inc. and D+G Consulting Group, LLC have served as Financial Advisors to the Authority with regard to the Series 2011 Refunding Bonds. It is expected that the Series 2011 Refunding Bonds, in book-entry form, will be available for delivery through DTC, on or about November 30, 2011.

J.P. Morgan **Citigroup**
Siebert Brandford Shank & Co., L.L.C. **Wells Fargo Securities**

November 17, 2011

MATURITIES, CUSIP NUMBERS, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

$152,465,000
SERIES 2011A REFUNDING BONDS (AMT)

Uninsured Series 2011A Refunding Bonds

Maturity (December 1)	CUSIP No.+	Principal Amount	Interest Rate	Price
2019	944514MJ4	$35,410,000	5.000%	106.790%
2020	944514MK1	15,000,000	5.000	105.715
2021	944514ML9	38,915,000	5.000	105.226
2022*	944514MN5	28,915,000	5.000	104.155**

Insured Bonds

Maturity (December 1)	CUSIP No.+	Principal Amount	Interest Rate	Price
2020	944514MP0	$22,225,000	4.000%	99.402%
2022*	944514MM7	12,000,000	4.125	98.220

* Subject to optional redemption at par on or after December 1, 2021.

** Priced to call on December 1, 2021.

$16,965,000
SERIES 2011B REFUNDING BONDS (NON-AMT)

Maturity (December 1)	CUSIP No.+	Principal Amount	Interest Rate	Price
2014	944514MQ8	$2,135,000	3.000%	103.670%
2015	944514MR6	2,200,000	5.000	110.712
2016	944514MS4	2,310,000	5.000	111.389
2017	944514MT2	2,420,000	5.000	111.902
2018	944514MU9	2,540,000	3.000	99.561
2019	944514MV7	2,615,000	5.000	111.498
2020	944514MW5	2,745,000	5.000	110.684

WAYNE COUNTY AIRPORT AUTHORITY
DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

AUTHORITY BOARD MEMBERS+

Mary L. Zuckerman, Chairperson
Samuel A. Nouhan, Vice Chairperson
Suzanne K. Hall, Secretary
Michael J. Jackson, Sr.
Bernard F. Parker, Jr.
Charlie J. Williams

AUTHORITY STAFF

Thomas J. Naughton	Interim Chief Executive Officer
Genelle M. Allen	Deputy Chief Executive Officer
Terrence P. Teifer	Interim Chief Financial Officer and Treasurer
Jon Hypnar	Senior Vice President – Facilities, Maintenance and Planning
Emily K. Neuberger	Senior Vice President and General Counsel
Mark L. DeBeau	Vice President – Public Safety
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Myrna Mendez	Vice President – Concessions and Air Service Development
Mary Lou K. Posa	Vice President and Associate General Counsel
Istakur Rahman	Vice President – Internal Audit
Margaret M. Basrai	Controller

FINANCIAL ADVISORS

Public Financial Management, Inc.
D+G Consulting Group, LLC

BOND COUNSEL

Miller, Canfield, Paddock and Stone, P.L.C.

AIRPORT CONSULTANT

Ricondo & Associates, Inc.

+ Former Board Chairperson Renee C. Axt resigned from the Authority Board effective November 7, 2011. Alfred R. Glancy III has been appointed to the Board seat vacated by Ms. Axt, but has not yet assumed the duties of office. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT - Management of the Airport."

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell, or the solicitation of an offer to buy, any Series 2011 Refunding Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the Wayne County Airport Authority (the "Authority") or the Underwriters (as defined herein) to give any information or to make any representation other than that contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or any other person. The information set forth herein has been obtained from the Authority, Assured Guaranty Municipal Corp. (the "Bond Insurer") (as to itself and the Municipal Bond Insurance Policy), The Depository Trust Company ("DTC") and other sources that are believed to be reliable, but the accuracy or completeness of the information is not guaranteed and the information is not to be construed as a representation by the Underwriters. 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 the implication that there has been no change in the affairs of the Authority or the Airport or the other matters described herein since the date hereof.

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 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.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Series 2011 Refunding Bonds or the advisability of investing in the Series 2011 Refunding Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS" and in Appendix H – "SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY."

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the Authority's beliefs as well as assumptions made by and information currently available to the Authority. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

CUSIP numbers are included in this Official Statement for the convenience of the holders and potential holders of the Series 2011 Refunding Bonds. No assurance can be given that the CUSIP numbers for the Series 2011 Refunding Bonds will remain the same after the date of issuance and delivery of the Series 2011 Refunding Bonds.

The Series 2011 Refunding Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Master Bond Ordinance or the Series 2010 Refunding Ordinance been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The registration or qualification of the Series 2011 Refunding Bonds in accordance with applicable provisions of securities law of the states in which the Series 2011 Refunding Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof.

In making an investment decision, investors must rely on their own examination of the Authority, the Bond Insurer, DTC and the terms of the offering, including the merits and risks involved. The Series 2011 Refunding Bonds have not been recommended by any Federal or State securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2011 REFUNDING BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011 REFUNDING BONDS AT A LEVEL ABOVE THE LEVEL THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2011 REFUNDING BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE SERIES 2011 REFUNDING BONDS ARE RELEASED FOR SALE, AND THE SERIES 2011 REFUNDING BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE SERIES 2011 REFUNDING BONDS INTO INVESTMENT ACCOUNTS.

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OFFICIAL STATEMENT

$169,430,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Refunding Bonds
(Detroit Metropolitan Wayne County Airport)
Series 2011A-B

consisting of:

$152,465,000 **Airport Revenue Refunding Bonds** **Series 2011A (AMT)**	**$16,965,000** **Airport Revenue Refunding Bonds** **Series 2011B (Non-AMT)**

INTRODUCTION

General

This Official Statement is furnished in order to set forth certain information in connection with the offering and sale by the Wayne County Airport Authority (the "Authority") of its $169,430,000 aggregate principal amount of Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A-B (the "Series 2011 Refunding Bonds"), consisting of $152,465,000 aggregate principal amount of Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A (the "Series 2011A Refunding Bonds"), consisting of the Series 2011A Refunding Bonds maturing on December 1 of the years 2019 (CUSIP No. 944514MJ4), 2020 (CUSIP No. 944514MK1), 2021 (CUSIP No. 944514ML9) and 2022 (CUSIP No. 944514MN5) (collectively, the "Uninsured Series 2011A Refunding Bonds") and the portion of the Series 2011A Refunding Bonds maturing on December 1, 2020 bearing CUSIP No. 944514MP0 and on December 1, 2022 bearing CUSIP No. 944514MM7 (the "Insured Bonds"), and $16,965,000 aggregate principal amount of Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011B (the "Series 2011B Refunding Bonds" and, together with the Uninsured Series 2011A Refunding Bonds, the "Uninsured Bonds"). Unless otherwise indicated, capitalized terms used in this Official Statement have the meanings established in the Ordinance (as defined below). See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2010 REFUNDING ORDINANCE — MASTER BOND ORDINANCE — Selected Definitions" and " — SERIES 2010 REFUNDING ORDINANCE — Selected Definitions." This Official Statement includes the cover page and Appendices hereto.

The Authority and the Airport

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the "County"), which owns the primary property comprising the Detroit Metropolitan Wayne County Airport (the "Airport"), and also owns Willow Run Airport (together, the "Airports"). Until August 9, 2002, the County operated the Airports. Pursuant to that part of the Aeronautics Code of the State of Michigan known as the Public Airport Authority Act, Public Act 90, Michigan Public Acts of 2002 (the "Authority Act"), the Authority has sole operational jurisdiction of the Airports, with the exclusive right, responsibility and authority to occupy, operate, control and use the Airports.

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airports, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory and charter tax rate limitations, associated with the Outstanding Airport Hotel Revenue Bonds (LTGO), Series 2001A, and the Outstanding Airport Hotel Revenue Bonds (LTGO), Series 2001B, issued by the County. As of December 2, 2011, the aggregate principal amount of Outstanding Airport Hotel Revenue Bonds (LTGO), Series 2001A and Outstanding Airport Hotel Revenue Bonds (LTGO), Series 2001B will be $99,630,000 and $7,310,000, respectively. In addition to its liability with respect to the Outstanding Senior Lien Bonds (as defined below) and Junior Lien Bonds (as defined below) issued by the Authority, the Authority also is liable for all of the County's obligations on the Outstanding Senior Lien Bonds issued by the County in 1998 and 2002 under the County's

Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County (collectively, "Ordinance 319"). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Airports under any ordinances (including Ordinance 319), agreements or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the Outstanding Senior Lien Bonds issued by the County under Ordinance 319 and Additional Bonds issued by the Authority under the Master Bond Ordinance (as defined below), and secured by Net Revenues (as such term is defined in "— Security for the Series 2011 Refunding Bonds" below).

The primary air trade area for the Airport (the "Air Trade Area") consists of the Ann Arbor Metropolitan Statistical Area ("MSA") (which includes Washtenaw County); the Detroit-Warren-Livonia MSA (which includes Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne Counties); the Flint MSA (which includes Genesee County); the Monroe MSA (which includes Monroe County); and the Adrian Micropolitan Statistical Area (which includes Lenawee County). This 10-county area is located within the State of Michigan (the "State").

The Airport currently provides service from two terminal buildings (the Edward H. McNamara Terminal (the "McNamara Terminal") and the North Terminal) and related concourses. The Airport currently operates with six runways.

According to Airports Council International N.A. ("ACI"), in calendar year 2010 the Airport ranked 16th nationwide in total passengers, enplaning and deplaning 32,377,064 passengers. According to Federal Aviation Authority (the "FAA") statistics for calendar year 2010, the Airport ranked 15th in the United States in enplaned passengers, with 15,643,890 enplaned passengers. In calendar year 2010, the Airport ranked 10th nationwide in total aircraft operations, with 452,616 takeoffs and landings, an increase of approximately 4.6 percent as compared to calendar year 2009. The Authority estimates that in Operating Year+ 2011, enplaned passengers at the Airport totaled approximately 16,226,201 million, an increase of approximately 2.2 percent as compared to Operating Year 2010. The Authority estimates that the number of domestic enplaned passengers grew approximately 2.1 percent in Operating Year 2011. Despite significant travel interruptions resulting from the Asian earthquake and tsunami disasters that occurred in March 2011, the Authority estimates that international enplaned passengers increased by approximately 3.7 percent in Operating Year 2011 as compared to Operating Year 2010.

Delta Air Lines, Inc. ("Delta") maintains a large connecting hub at the Airport. On October 29, 2008, a wholly-owned subsidiary of Delta merged with and into Northwest Airlines Corporation, with the result that Northwest Airline Corporation and its wholly-owned subsidiaries, including Northwest Airlines, Inc. ("Northwest"), became wholly-owned subsidiaries of Delta. In December 2009, Northwest merged with and into Delta and, by operation of law, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Authority. Subsequently, the Northwest brand was phased out and the merged airline operates under the Delta name and brand. Delta and Northwest and their regional carriers, including then wholly-owned Delta subsidiaries Mesaba, Compass and Comair, and regional contract carriers Pinnacle and others, accounted for approximately 80.6% of the total enplaned passengers at the Airport in Operating Year 2010. On July 1, 2010, Delta sold Mesaba and Compass to Pinnacle and Trans States Airlines, Inc., respectively. According to public filings made by Delta, Pinnacle, Pinnacle's subsidiary Mesaba, and Compass will continue to operate certain Delta Connection flights under long-term, extendable capacity purchase agreements. Delta and Northwest and their regional carriers accounted for approximately 79.5% of the total enplaned passengers at the Airport in Operating Year 2011. See "INVESTMENT CONSIDERATIONS — Delta's Presence at the Airport" below.

The Series 2011 Refunding Bonds and Purpose

The Authority is issuing the Series 2011 Refunding Bonds pursuant to the provisions of Act 327, Public Acts of Michigan, 1945, as amended ("Act 327") and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94," and together with Act 327, the "Act"), the Authority Act, the Master Airport Revenue Bond Ordinance adopted by the Board of the Authority (the "Board") on September 26, 2003 (the "Master Bond Ordinance"), the Series 2010 Refunding Ordinance adopted by the Board on September 23, 2010 (the "Series 2010 Refunding Ordinance") and the Sale Order of the Interim Chief Executive Officer and Interim Chief Financial Officer of the Authority dated November 30, 2011 relating to the Series 2011 Refunding Bonds (the "Sale Order," and, collectively with the Master Bond Ordinance and the Series 2010 Refunding Ordinance, the "Ordinance"). The Master Bond Ordinance

+ The Authority's Operating Year ends on September 30.

assumed, amended and restated, as an ordinance of the Authority, Ordinance 319. All Series of Outstanding Bonds issued by the County under Ordinance 319, all Outstanding Bonds issued by the Authority, the Series 2011 Refunding Bonds and any Additional Bonds issued by the Authority under the Master Bond Ordinance are collectively referred to herein as "Senior Lien Bonds." All Series of Outstanding Junior Lien Bonds issued by the County under Ordinance 319, the Series 2007 Junior Lien Bonds and any Additional Junior Lien Bonds issued by the Authority under the Master Bond Ordinance are collectively referred to herein as "Junior Lien Bonds."

U.S. Bank National Association is Trustee under the Master Bond Ordinance.

The Authority will use the proceeds from the sale of the Series 2011 Refunding Bonds, together with other available funds, to (i) refund portions of the outstanding principal amount of the Outstanding Prior Bonds (as described below), (ii) pay certain costs of issuing the Series 2011 Refunding Bonds, and (iii) fund deposits to the Bond Reserve Account (as defined herein) to satisfy the Reserve Requirement (as defined herein). The "Outstanding Prior Bonds" means, collectively, (a) the Authority's Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 1998A, $188,455,000 of which will be outstanding as of December 2, 2011 without giving effect to the refunding of the Refunded Bonds, and (b) the Authority's Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2002C, $23,520,000 of which will be outstanding as of December 2, 2011 without giving effect to the refunding of the Refunded Bonds. See "PLAN OF REFUNDING — Series 2011 Refunding Bonds to Refund Portions of Outstanding Prior Bonds" below.

Security for the Series 2011 Refunding Bonds

The Series 2011 Refunding Bonds are revenue obligations of the Authority. The Series 2011 Refunding Bonds will be secured by a lien on Net Revenues and will be secured equally and on a parity basis as to Net Revenues with all Outstanding Senior Lien Bonds and any Additional Bonds. Pursuant to the Master Bond Ordinance, the Authority has irrevocably pledged Net Revenues on a senior lien basis for the payment of the Series 2011 Refunding Bonds, Outstanding Senior Lien Bonds and any Additional Bonds, and on a junior lien basis for the payment of Outstanding Junior Lien Bonds and any Additional Junior Lien Bonds. "Net Revenues" for any period means the excess of Revenues of the Airport remaining after deducting the Operation and Maintenance Expenses of the Airport for such period.

As of December 2, 2011, but without taking into account the impact of the issuance of the Series 2011 Refunding Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds will be $1,780,410,000, and the aggregate principal amount of Outstanding Junior Lien Bonds will be $177,075,000. Following the issuance of the Series 2011 Refunding Bonds and the refunding of all or portions of the Outstanding Prior Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds will be $1,775,970,000. As described under "SECURITY FOR THE SERIES 2011 REFUNDING BONDS," the Master Bond Ordinance requires the maintenance of a Bond Reserve Account to secure all of the Outstanding Senior Lien Bonds, including the Series 2011 Refunding Bonds. The Master Bond Ordinance also includes a rate covenant by the Authority, and permits the issuance of Additional Bonds on a parity basis with the Series 2011 Refunding Bonds and the other Outstanding Senior Lien Bonds, subject to meeting certain tests under the Master Bond Ordinance.

Bond Insurance for Insured Bonds

The scheduled payment of principal of and interest on the Insured Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by the Bond Insurer. See "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY." Payments on the Series 2011 Refunding Bonds not constituting Insured Bonds are not guaranteed by any insurance policy.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the actual results of the Airport could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Additional Information

Brief descriptions of the Series 2011 Refunding Bonds, the Master Bond Ordinance, the Series 2010 Refunding Ordinance and the Sale Order 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.

PLAN OF REFUNDING

General

The Authority reviews its debt portfolio from time to time to seek savings opportunities through refunding and restructuring of its Outstanding Senior Lien Bonds and Junior Lien Bonds. The Authority will use the net proceeds of the Series 2011 Refunding Bonds, together with other available funds, to (i) refund all or portions of the outstanding principal amount of the Outstanding Prior Bonds, as described below; (ii) fund deposits to the Bond Reserve Account to satisfy the Reserve Requirement, and (iii) pay certain costs of issuing the Series 2011 Refunding Bonds.

Series 2011 Refunding Bonds to Refund Portions of Outstanding Prior Bonds

In order to refund portions of the Outstanding Prior Bonds (the "Refunded Bonds"), certain of the proceeds of the Series 2011 Refunding Bonds, together with other available funds of the Authority, if any, in the amounts determined in the Sale Order, will be deposited in two escrow funds (collectively, the "Escrow Fund") consisting of cash and investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing, in amounts sufficient to pay the principal of and interest on the Refunded Bonds. The Escrow Fund will be held by the Trustee pursuant to an escrow agreement (the "Escrow Agreement") which irrevocably directs the Trustee, as Escrow Agent, to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Refunded Bonds for redemption on the first call date as specified in the Sale Order. The amounts held in the Escrow Fund will be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or by call for redemption.

The Refunded Bonds consist of the following Outstanding Senior Lien Bonds of the Authority:

WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Bonds
(Detroit Metropolitan Wayne County Airport), Series 1998A
Dated Date: July 1, 1998

Maturity (December 1)	Amount	Interest Rate	CUSIP No.+	Redemption Date (December 30)	Price
2019	$ 36,240,000	5.000%	944314HJ5	2011	100.00%
2022	120,265,000	5.000	944314HK2	2011	100.00

WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Refunding Bonds
(Detroit Metropolitan Wayne County Airport), Series 2002C
Dated Date: July 22, 2002

Maturity (December 1)+	Amount	Interest Rate	CUSIP No.+	Redemption Date (December 1)	Price
2014	$2,110,000	5.375%	944314KC6	2012	100.00%
2015	2,225,000	5.375	944314KD4	2012	100.00
2016	2,345,000	5.375	944314KE2	2012	100.00
2017	2,465,000	5.375	944314KF9	2012	100.00
2018	2,600,000	5.375	944314KG7	2012	100.00
2019	2,735,000	5.375	944314KH5	2012	100.00
2020	2,885,000	5.375	944314KJ1	2012	100.00

+A portion of the Series 2002C Bonds of each maturity shall remain outstanding following the issuance of the Series 2011 Refunding Bonds.

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DESCRIPTION OF THE SERIES 2011 REFUNDING BONDS

General Provisions

The following is a summary of certain provisions of the Series 2011 Refunding Bonds. Reference is made to the Master Bond Ordinance, the Series 2010 Refunding Ordinance and the Series 2011 Refunding Bonds for the complete terms thereof and to APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2010 REFUNDING ORDINANCE" for a more detailed description of such provisions.

Each of the Series of the Series 2011 Refunding Bonds will be dated its date of delivery, will be issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof and will bear interest from its date to its respective maturity in the amounts and at the interest rates set forth on the inside front cover of this Official Statement.

Interest on the Series 2011 Refunding Bonds shall be payable on June 1 and December 1 of each year, commencing June 1, 2012.

All payments of interest on the Series 2011 Refunding Bonds shall be paid to the registered owners entitled thereto by check or draft mailed to each registered owner at the address recorded on the registration books maintained by the Trustee as of the 15th day of the month prior to the Bond Payment Date. The principal of, and premium if any, on the Series 2011 Refunding Bonds are payable to the registered owners thereof, as shown on the registration books of the Authority maintained by the Trustee, upon maturity or prior redemption thereof and upon presentation and surrender thereof to the Trustee. Holders of at least $1,000,000 principal amount of the Series 2011 Refunding Bonds may request wire transfer of interest payments to a bank within the continental United States as directed by the Holder in writing to the Trustee.

U.S. Bank National Association is Trustee under the Ordinance. The designated corporate trust office for its duties as Trustee is located at 535 Griswold Street, Buhl Building, Suite 550, Detroit, Michigan 48226. Although the Trustee has accepted its duties as Trustee under the Ordinance, the Trustee has not reviewed this Official Statement and makes no representations as to the information contained herein.

The Series 2011 Refunding Bonds are issuable in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for DTC, as securities depository for the Series 2011 Refunding Bonds. Purchases by beneficial owners of the Series 2011 Refunding Bonds ("Beneficial Owners") are to be made in book-entry form. Payments to Beneficial Owners are to be made as described in APPENDIX E – "BOOK-ENTRY SYSTEM."

Redemption Provisions

Optional Redemption. The Series 2011A Refunding Bonds maturing on December 1, 2022, are subject to redemption by the Authority in whole or in part at any time prior to maturity at the option of the Authority and by lot within a maturity in such manner as the Trustee may determine on any date on or after December 1, 2021, at the par amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Extraordinary Redemption. Each Series of the Series 2011 Refunding Bonds are subject to redemption at the option of the Authority, at any time, in whole or in part (by lot in such manner as the Trustee may determine), in the event of destruction or taking of or damage to the Airport; but only if (i) the Airport has been restored to substantially the same condition as prior to such damage, destruction or taking and excess Net Proceeds remain; or (ii) the Authority has determined that the portion of the Airport damaged, destroyed or taken is not necessary to the operation of the Airport and that the failure of the Authority to repair and restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport; or (iii) the Airport Consultant cannot provide a statement that Net Proceeds, together with other funds made available or to be made available by the Authority, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport. Such redemption shall be at a price equal to the principal amount of the Series 2011 Refunding Bonds to be redeemed plus interest accrued to the date fixed for redemption.

Order of Redemption. In the event of an optional redemption or an extraordinary redemption, in each case as described above, if less than all of the Outstanding Series 2011 Refunding Bonds are to be redeemed, the Trustee shall give notice, in the name of the Authority, of the Series 2011 Refunding Bonds to be redeemed, specifying the maturity thereof and within a maturity, selected by lot in such manner as the Trustee may determine. The Trustee shall redeem the Outstanding Series 2011 Refunding Bonds in such order of maturity as the Authority shall specify.

Notice of Redemption. Notice of redemption will be mailed by the Trustee to each owner of Series 2011 Refunding Bonds whose Series 2011 Refunding Bonds are to be redeemed. Notice of redemption shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date set for redemption. Failure to give notice in the manner described with respect to any Series 2011 Refunding Bond, or any defect in such notice, will not affect the validity of the redemption proceedings for any Series 2011 Refunding Bond with respect to which notice was properly given. To the extent that Cede & Co. is the registered owner for DTC, the Authority or the Trustee shall send such notice to DTC as registered owner. DTC will be responsible for notifying the Participants who in turn will forward such notice to the Beneficial Owners. See APPENDIX E – "BOOK-ENTRY SYSTEM." Unless the Trustee has funds on hand available to pay the redemption price of the Series 2011 Refunding Bonds to be redeemed, the effectiveness of the redemption shall be conditioned on the receipt by the Trustee of such funds on or before the redemption date.

In case less than the full amount of an outstanding Bond is called for redemption, the Trustee upon presentation of the Series 2011 Refunding Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new Series 2011 Refunding Bond in the principal amount of the portion of the original Series 2011 Refunding Bond not called for redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2011 Refunding Bonds. The Series 2011 Refunding Bonds will be issued as fully-registered bonds registered in the name Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2011 Refunding Bond certificate will be issued for each stated maturity of each series of the Series 2011 Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX E – "BOOK-ENTRY SYSTEM."

SECURITY FOR THE SERIES 2011 REFUNDING BONDS

General Provisions

Each capitalized term used but not defined in this caption shall have the meaning ascribed thereto in the Master Bond Ordinance or the Series 2010 Refunding Ordinance, as applicable. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2010 REFUNDING ORDINANCE – MASTER BOND ORDINANCE – Selected Definitions" and "– SERIES 2010 REFUNDING ORDINANCE – Selected Definitions."

Source of Payment

The Series 2011 Refunding Bonds will be secured by a lien on the Net Revenues of the Airport and will be secured equally and on parity with all Outstanding Senior Lien Bonds and any Additional Bonds. As of December 2, 2011, and before the issuance of the Series 2011 Refunding Bonds, $1,780,410,000 aggregate principal amount of Senior Lien Bonds will be Outstanding. Following the issuance of the Series 2011 Refunding Bonds and the refunding of the Refunded Bonds (as defined below), the aggregate principal amount of Outstanding Senior Lien Bonds will be $1,775,970,000. The Series 2011 Refunding Bonds are being issued pursuant to the provisions of the Act, the Authority Act and the Ordinance.

The Series 2011 Refunding Bonds are revenue obligations of the Authority, payable solely from the Net Revenues derived by the Authority from the operation of the Airport. Pursuant to the Master Bond Ordinance, the Authority has irrevocably pledged Net Revenues for the payment of Senior Lien Bonds. Net Revenues for any period means the excess of Revenues of the Airport remaining after deducting the Operation and Maintenance Expenses of the Airport for such period. The land and facilities comprising the Airport have not been pledged or mortgaged pursuant to the Master Bond Ordinance, nor have they been pledged to secure payment of the Series 2011 Refunding Bonds, any other Senior Lien Bonds or any Junior Lien Bonds or other Authority obligations. See "SECURITY FOR THE SERIES 2011 Refunding Bonds – Amendments to Certain Provisions of the Master Bond Ordinance" with respect to a proposed amendment to the Master Bond Ordinance amending the definition of "Revenues" in the Master Bond Ordinance.

The requirements for the issuance of Additional Bonds under the Master Bond Ordinance have been satisfied with respect to the Series 2011 Refunding Bonds. See "SECURITY FOR THE SERIES 2011 REFUNDING BONDS – Additional Senior Lien Bonds."

Bond Reserve Account

Pursuant to the Master Bond Ordinance, a bond reserve account (the "Bond Reserve Account") has been established to secure the Bonds. At any time when Bonds are Outstanding, the Bond Reserve Account shall be maintained in an amount equal to the Reserve Requirement. The Reserve Requirement is defined by the Master Bond Ordinance to mean the maximum annual Debt Service requirements for each Series of Outstanding Bonds (subject to limits imposed by the Internal Revenue Code of 1986, as amended), which amount is required to be on deposit or otherwise provided for (*e.g.*, through provision of a letter of credit, surety bond or insurance policy in the same amount) in the Bond Reserve Account. A separate subaccount is established for each series of Bonds within the Bond Reserve Account, and is required to be funded at the lesser of (i) the Reserve Requirement for such series or (ii) the amount necessary to assure that the Reserve Requirement for the Bonds of all series is satisfied. The deposit requirement into the Bond Reserve Account may be satisfied by a deposit at the time of issuance of each Series of Bonds or by an accumulation on a scheduled basis of Bond proceeds, investment earnings or other deposits which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit in the

Bond Reserve Account no later than the date of the last scheduled application of all capitalized interest, if any, for such Series.

Rate Covenant

The Authority covenants in the Master Bond Ordinance to fix, charge and collect rates, fees, rentals and charges for the use and operation of the Airport as may be necessary or appropriate to produce Revenues in each Operating Year which will be at least sufficient to provide for (i) the payment of Operation and Maintenance Expenses for such Operating Year; (ii) together with passenger facility charge ("PFC") proceeds deposited with the Trustee with respect to such Operating Year, the amount needed to make the deposits required under the Master Bond Ordinance for such Operating Year to the Bond Fund; and (iii) together with Other Available Moneys deposited with the Trustee with respect to such Operating Year (to the extent not needed to make deposits required under the Master Bond Ordinance for such Operating Year to the Bond Fund) and any unencumbered cash balance held in the Revenue Fund on the last day of the Operating Year preceding the Operating Year for which the calculation is made and not then required to be deposited in any Fund or Account, (A) the amounts needed to make the deposits required under the Master Bond Ordinance for such Operating Year to the Junior Lien Bond Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund, the Discretionary Fund and the Airport Development Fund, and (B) an amount not less than twenty-five percent (25%) of the Debt Service due and payable on Senior Lien Bonds during such Operating Year. "Other Available Moneys" means, for any Operating Year, the amount of money determined by the Chief Executive Officer in concurrence with the Chief Financial Officer to be transferred by the Authority for such Operating Year from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund.

Budgetary Procedures

The Master Bond Ordinance requires the Authority to adopt, prior to the commencement of each Operating Year, a budget sufficient to cover the Operation and Maintenance Expenses of the Airport for such Operating Year, the principal and interest payable during such Operating Year on Outstanding Senior Lien Bonds and Junior Lien Bonds, and other known financial requirements of the Master Bond Ordinance during such Operating Year.

Flow of Funds

Under the Master Bond Ordinance, the Authority is required to set aside and deposit all Revenues into the Revenue Fund, and to apply all monies on deposit therein at such times and in accordance with the priorities established in the Master Bond Ordinance. In addition to the Revenue Fund, the Construction Fund and a Rebate Fund, the Master Bond Ordinance provides for the following funds and accounts:

- Operation and Maintenance Fund
- Bond and Interest Redemption Fund
  - Capitalized Interest Account
  - Bond Reserve Account
- Junior Lien Bond and Interest Redemption Fund
  - Junior Lien Capitalized Interest Account
  - Swap Payment Account
  - Junior Lien Bond Reserve Account
- Operation and Maintenance Reserve Fund
- Renewal and Replacement Fund
- Airport Discretionary Fund
- Airport Development Fund

The Master Bond Ordinance requires that the Revenues credited to the Revenue Fund shall be transferred from the Revenue Fund and credited to the following funds and accounts at the following times and in the following order of priority:

(i) Monthly, by the twenty-fifth day of the month, to the Operation and Maintenance Fund, a sum sufficient to provide for payment of the Operation and Maintenance Expenses of the Airport for the next succeeding month;

(ii) Monthly, on the first day of each month, to the Bond and Interest Redemption Fund (the "Bond Fund"), an amount which is equal to 1/6th of the total amount of interest on the Bonds next coming due or such lesser amount as is necessary to assure that the amount set aside in the Bond Fund as of the first of such month is not less than the product of (a) 1/6th of the amount of interest next due on the Bonds and (b) the number of months elapsed since and including the last interest payment date for Bonds with semiannual interest payments or an amount equal to one month's accrued interest on the Bonds as provided in the applicable series ordinance for such Bonds for Bonds with more frequent interest payments; and an amount which is equal to 1/12th of the amount of principal on the Bonds next coming due by maturity or as a Mandatory Redemption Requirement or such lesser amounts as is necessary to assure that the amount set aside in the Bond Fund as of the first of such month is not less than the product of (a) 1/12th of the amount of principal next due on the Bonds and (b) the number of months elapsed since and including the last principal payment date; sums set aside to pay principal and interest on the Bonds shall include sums required to pay obligations under a Swap Agreement entered into by the County prior to January 1, 1998;

(iii) In the event of a deficiency in the amount required to be on deposit in the Bond Reserve Account, an amount required to restore the amount on deposit to required levels in accordance with the terms of the Ordinance;

(iv) Monthly, on the first day of each month, to the Junior Lien Bond and Interest Redemption Fund (the "Junior Lien Bond Fund"), an amount equal to 1/6th of the total amount of interest on the Junior Lien Bonds next coming due or such lesser amount as is necessary to assure that any amount set aside in the Junior Lien Bond Fund as of the first of such month is not less than the product of (a) 1/6th of the amount of interest next due on the Junior Lien Bonds and (b) the number of months elapsed since and including the last interest payment date for Junior Lien Bonds with semiannual interest payments or an amount equal to one month's accrued interest on the Junior Lien Bonds as provided in the applicable series ordinance for such Junior Lien Bonds for Junior Lien Bonds with more frequent interest payments; and an amount which is equal to 1/12th of the amount of principal on the Junior Lien Bonds next coming due by maturity or as a Mandatory Redemption Requirement or such lesser amounts as necessary to assure that the amount set aside in the Junior Lien Bond Fund as of the first of such month is not less than the product of (a) 1/12th of the amount of principal next due on the Junior Lien Bonds and (b) the number of months elapsed since and including the last principal payment date;

(v) Any amounts due and owing to a Swap Provider by the Authority pursuant to a Swap Agreement entered into after January 1, 1998 shall be payable when due from a Swap Payment Account established in the Junior Lien Bond Fund (including termination payments);

(vi) If at any time there is not on deposit in the Junior Lien Bond Reserve Account the amount required to be on deposit therein, an amount required to restore such deficiency to required levels in accordance with the terms of the Ordinance;

(vii) Quarterly, on the last day of each fiscal quarter, to the Operation and Maintenance Reserve Fund, an amount equal to 1/48th of the estimated annual Operation and Maintenance Expenses of the Airport until the estimated Operation and Maintenance Expenses for the period of one month as projected in the most recent Authority budget for the Airport (the "Operating Reserve Amount") is on deposit in such fund; thereafter, the amount necessary to maintain an amount equal to the Operating Reserve Amount on deposit in such fund;

(viii) Quarterly, on the last day of each fiscal quarter, to the Renewal and Replacement Fund, the sum of $125,000 until the sum of $2,500,000 (the "Replacement Requirement") is on deposit in the Renewal and Replacement Fund; thereafter, the lesser of $125,000 and the amount necessary to maintain an amount equal to the Replacement Requirement on deposit in such fund;

(ix) Quarterly, after satisfying all of the foregoing requirements, to the Airport Discretionary Fund, the sum of $87,500;

(x) Quarterly, on the last day of each quarter of each Operating Year, beginning the last day of the first quarter of the Operating Year 1999, to the Airport Development Fund, one-quarter of the amount calculated in accordance with the applicable agreements and included in the budgeted rates and charges for the Airport for the Operating Year for deposit to the Airport Development Fund (See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS"); and

(xi) Quarterly, prior to the Completion Date for the projects funded from each Series of Bonds, to the Rebate Fund, an amount sufficient to make the amount on deposit in the Rebate Fund equal to ninety percent (90%) of the estimated accrued amount subject to the rebate requirements of Section 148(f) of the Code, and annually, prior to the Completion Date, an amount sufficient to make the amount on deposit in the Rebate Fund equal to 100% of the amount required to be rebated to the United States Government pursuant to Section 148(f) of the Code, and annually, after the Completion Date, from the Revenue Fund, an amount sufficient to make the amount on deposit in the Rebate Fund equal to 100% of the amount required to be rebated to the United States Government pursuant to Section 148(f) of the Code. Neither the Trustee nor any owner of any Bond has a claim on any monies on deposit in the Rebate Fund.

The Master Bond Ordinance provides that all interest earned or profit realized on investments or deposits of money for the funds and accounts established under the Master Bond Ordinance shall be credited and charged as follows. Earnings and profits on the Bond Reserve Account shall be (i) retained therein until the Reserve Requirement is on deposit, then (ii) prior to the Completion Date, credited to the Construction Fund in an amount equal to earnings and profits times a fraction, the numerator of which is the amount of capitalized interest payable on the next ensuing Bond Payment Date and the denominator of which is the total amount of interest payable on such Bond Payment Date, and credited to the general account of the Bond Fund in an amount equal to the remainder of such earnings and profits, and, then (iii) on and after the Completion Date with proceeds of a series of Bonds, credited to the general account of the Bond Fund. Earnings and profits on the Capitalized Interest Account of the Bond Fund shall be retained in such account until such account is fully funded and, thereafter, shall be credited to the Construction Fund. Earnings and profits on the Operation and Maintenance Reserve Fund shall be retained therein until the Operating Reserve Requirement is on deposit and, thereafter, shall be credited to the Revenue Fund. Earnings and profits on the Renewal and Replacement Fund shall be retained therein until the Replacement Requirement is on deposit, and, thereafter, shall be credited to the Revenue Fund. Interest earned or profit realized on investments or deposits of money in all other funds, accounts and sub-accounts established under the Master Bond Ordinance, and any losses on investments, shall be credited or charged to the fund, account or sub-account from which such investment was made.

Additional Senior Lien Bonds

The Master Bond Ordinance permits the issuance of one or more additional Series of Senior Lien Bonds on a parity with Outstanding Senior Lien Bonds so long as there exists no Default or Event of Default under the Master Bond Ordinance known to the Authority at the time such Series of Senior Lien Bonds is authorized to be issued by adoption of a Series Ordinance. Prior to issuing any additional Series of Senior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance of such Series of Senior Lien Bonds will not impair the tax-exempt status of any Outstanding Senior Lien Bonds or Junior Lien Bonds.

In addition, unless the purpose for which a Series of Senior Lien Bonds is to be issued is to finance the cost of completing the acquisition, construction and installation of capital projects with respect to which a Series of Senior Lien Bonds has previously been issued, and provided that such Series of Senior Lien Bonds proposed to be issued for such purpose is proposed to be issued in a principal amount not to exceed ten percent (10%) of the face amount of Bonds originally issued to pay for the costs of the Authority's capital improvement program, the Authority must first provide a report of an Airport Consultant projecting Revenues and Revenue Fund balances plus Other Available Moneys and any amounts estimated to be available to pay capitalized interest for the first three (3) full Operating Years commencing after completion of construction of the capital projects to be funded from the proceeds of the Series of Senior Lien Bonds proposed to be issued sufficient to satisfy the Rate Covenant, taking into account the Series of Bonds proposed to be issued. As an alternative to providing the report of an Airport Consultant described above, the Authority may authorize the issuance of a Series of Senior Lien Bonds if it delivers to the Trustee a certificate of the Chief Financial Officer (accompanied by a report of an independent auditor) certifying that, taking all Outstanding Senior Lien Bonds (other than any Senior Lien Bonds to be refunded by the Series of Senior Lien Bonds proposed to be issued) and the Series of Senior Lien Bonds proposed to be issued into account as if it had been issued at the beginning of the most recent Operating Year for which audited financial statements for the Authority are available, the Net Revenues together with Other Available Moneys actually deposited in the Bond Fund for such Operating Year were not less than 125% of the Debt Service with respect to such Outstanding Senior Lien Bonds and proposed Series of Senior Lien Bonds for such period.

The Master Bond Ordinance permits the issuance of one or more Series of Refunding Bonds for the purpose of (i) refunding any Senior Lien Bonds or Junior Lien Bonds, (ii) paying Issuance Costs therefor, and

(iii) making deposits into the Bond Reserve Account; provided that the issuance of Refunding Bonds is subject to the satisfaction of the requirements for the issuance of Additional Bonds if the principal and interest payable on such Refunding Bonds would exceed the principal and interest payable on the Bonds to be refunded by more than twenty percent (20%) in any Operating Year. In addition, the Authority may not deliver any additional Series of Refunding Bonds unless on or prior to the date of delivery thereof, there shall be deposited with the Trustee Sufficient Government Obligations and cash in an amount sufficient to effect payment at maturity or to pay the applicable Redemption Price or purchase price (in the event of tender) of the Bonds to be refunded together with interest on such Bonds to the redemption or payment date, which monies shall be held by the Trustee in a separate irrevocable trust account for the owners of Outstanding Bonds being refunded.

It is anticipated that the requirements for the issuance of Senior Lien Bonds under the Ordinance will be satisfied with respect to the Series 2011 Refunding Bonds as of the date of delivery thereof.

Special Facilities Revenue Bonds

The Master Bond Ordinance provides that the Authority may finance any special facilities permitted by law; provided, that (i) any bonds issued to finance such special facilities shall not be secured by Revenues of the Airport, and (ii) in the opinion of Bond Counsel, the financing of such special facilities does not conflict with the covenants or provisions of the Master Bond Ordinance.

As of December 2, 2011, the Outstanding special facilities bonds will be (i) $14,935,000 Special Airport Facilities Revenue Bonds (Northwest Airlines, Inc. Facilities) Series 1999 and (ii) $106,940,000 Airport Hotel Revenue Bonds (Limited Tax General Obligation), Series 2001A and Series 2001B.

Junior Lien Bonds

The Master Bond Ordinance permits the issuance of one or more Series of Junior Lien Bonds so long as there exists no Event of Default under the Master Bond Ordinance known to the Authority at the time such Junior Lien Bonds are authorized to be issued by adoption of a Series Ordinance. Prior to issuing any additional Series of Junior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance of such Series of Junior Lien Bonds will not impair the tax-exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds.

Prior to issuing a Series of Junior Lien Bonds other than Junior Lien Bonds proposed to be issued to refund Senior Lien Bonds or Junior Lien Bonds, the Chief Financial Officer shall certify to the Trustee that the sum of (i) the Net Revenues for the most recently completed Operating Year; (ii) the amount of Other Available Moneys actually deposited in the Bond Fund for the most recently completed Operating Year; and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed Operating Year, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund during the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Bonds and Outstanding Junior Lien Bonds for the most recently completed Operating Year and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds. The Chief Financial Officer will also certify that for each of the four (4) Operating Years following the Operating Year in which proposed Series of Junior Lien Bonds is to be issued, the sum of (i) the Net Revenues that the Airport Consultant certifies to the Authority may reasonably be projected to be received for the immediately preceding Operating Year; (ii) the amount of Other Available Moneys which the Airport Consultant certifies to the Authority may reasonably be expected to be deposited in the Bond Fund for the immediately preceding Operating Year, and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed Operating Year preceding the Operating Year in which the proposed Series of Junior Lien Bonds is to be issued, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund over the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Bonds and Outstanding Junior Lien Bonds for the immediately preceding Operating Year and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds.

In calculating Net Revenues and expected Net Revenues, the Chief Financial Officer will take into account the unencumbered fund balance in the Revenue Fund on the last day of the two (2) Operating Years preceding the year of issue, and the expected unencumbered balance in the Revenue Fund on the last day of each of (i) the Operating Year in which the proposed series of Junior Lien Bonds will be issued and (ii) the next two Operating Years, as provided in Section 604 of the Master Bond Ordinance. In making the calculations described herein, the Authority will also take into account Debt Service on (a) all Outstanding Bonds and Outstanding Junior Lien Bonds and (b) the proposed series of Junior Lien Bonds as if they had been issued at the beginning of the preceding Operating Year.

Amendments to Certain Provisions of the Master Bond Ordinance

The Master Bond Ordinance permits amendments to certain provisions of the Master Bond Ordinance with Bondholder consent. The Authority is seeking to amend certain provisions of the Master Bond Ordinance with the consent of the Holders of at least fifty percent (50%) of the aggregate principal amount of Outstanding Senior Lien Bonds and Junior Lien Bonds and with the consent of certain existing bond insurers and credit enhancement providers.

By purchase of any of the Series 2011 Refunding Bonds or any book-entry interest therein, all registered owners of the Series 2011 Refunding Bonds and all owners of book-entry interests therein shall be deemed to have consented to the amendments of the Master Bond Ordinance described in the succeeding paragraphs, and those consents shall be binding on all subsequent Holders of the Series 2011 Refunding Bonds.

In 2008, the Authority approved certain amendments to the Master Bond Ordinance (the "2008 Amendments"), the effectiveness of which require the consent of the Holders of at least fifty percent (50%) of the aggregate principal amount of Outstanding Senior Lien Bonds and Junior Lien Bonds and the consent of certain existing bond insurers and credit enhancement providers. The Authority has received the consent of all such bond insurers and credit enhancement providers. Upon the delivery of the Series 2011 Refunding Bonds, the Authority will have received the consent of at least fifty percent (50%) of the aggregate principal amount of Outstanding Senior Lien Bonds and Junior Lien Bonds. Following the receipt of such consent, the Authority will be required to receive consent of the Trustee to the 2008 Amendments, at which time the 2008 Amendments will become effective. The 2008 Amendments are described below:

(i) The definition of Revenues will be amended to permit the exclusion from Revenues of certain separable categories and will read as follows:

> "Revenues" means the general revenues derived from the operation of the Airport, which shall include all moneys deposited in the Revenue Fund, from whatever source, and all income derived from the charges, fees, rentals and rates charged for services, facilities and commodities furnished by the Airport, whether such income shall be derived from its function as an Airport or not, and including, but not by way of limitation, concessions, rentals, auto parking fees, service charges derived from the operation of the terminal complex buildings and facilities, airplane landing fees, non-airline gasoline fees and miscellaneous charges and rentals from other facilities and services and investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit in the Revenue Fund; provided, however, that the term "Revenues" shall not be construed to include (i) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with the County or the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (ii) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefor or other capital contributions from any source, (iii) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport or (iv) Special Purpose Revenues.

(ii) The Authority may establish, by ordinance, a separate category or portion of revenues of a type not previously included in Revenues, relating to or arising from a definable service, program or facility, that will be treated as Special Purpose Revenues and may be pledged for the payment of Special Purpose Bonds. In addition, the Authority created a Special Purpose Revenue Fund under the Master Bond Ordinance for the purpose of causing such Special Purpose Revenues to be deposited in the Special Purpose Revenue Fund.

BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS

Assured Guaranty Municipal Corp. has supplied the following information for inclusion in this Official Statement. No representation is made by the Authority or the Underwriters as to the accuracy or completeness of this information.

Bond Insurance Policy

Concurrently with the issuance of the Insured Bonds, Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer") will issue its Municipal Bond Insurance Policy (the "Policy") for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM's financial strength is rated "AA+" (CreditWatch negative) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("Moody's"). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or, as S&P has done, place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. The most recent rating action by S&P on AGM took place on September 27, 2011, when S&P published a Research Update in which it placed AGM's "AA+" (negative outlook) financial strength rating on CreditWatch negative, meaning that S&P may downgrade AGM's financial strength rating in the near future. According to S&P, the CreditWatch placement is due to significant concentration risk in AGM's insured portfolio; the portfolio contains exposures that are not consistent with S&P's new bond insurance rating criteria and breach the "largest obligor test" in such new criteria. The largest obligor test appears to have the effect of significantly reducing AGM and its affiliates' allowed single risk limits and limiting their financial strength rating level. S&P published updated criteria in Bond Insurance Rating Methodology and Assumptions on August 25, 2011, subsequent to its publication of Request for Comment: Bond Insurance Criteria on January 24, 2011. According to S&P, based on statements from AGL's management that it intends to take action such as create capital or utilize additional forms of reinsurance to mitigate these concentration risks, it is likely such actions, if taken, would support financial strength ratings in the "AA" category. AGL is considering transactions that are designed to create capital and/or mitigate its concentration risks but can give no assurance that it will be able to complete the transactions at all or on terms that are acceptable. If it cannot do so, S&P may downgrade the financial strength rating of AGM, which downgrade may have an adverse impact on its financial condition, results of operation, liquidity, business prospects or other aspects of AGM's business and on its insured portfolio. S&P noted that it expects to resolve this CreditWatch placement no later than November 30, 2011. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

The most recent rating action by Moody's on AGM took place on December 18, 2009, when Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of AGM, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments. Moody's is in the process of reviewing AGL and its subsidiaries and there can be no assurance as to any ratings action that Moody's may take with respect to AGM.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as amended by its Form 10-K/A; its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2011 and June 30, 2011, each as amended by its Form 10-Q/A; and its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011.

Capitalization of AGM. At September 30, 2011, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,105,604,840 and its total net unearned premium reserve was approximately $2,207,101,966, in each case, in accordance with statutory accounting principles.

AGM's statutory financial statements for the fiscal year ended December 31, 2010, and for the quarterly periods ended March 31, 2011, June 30, 2011 and September 30, 2011, which have been filed with the New York State Department of Financial Services and posted on AGL's website at http://www.assuredguaranty.com, are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as amended by Amendment No. 1 on Form 10-K/A (filed by AGL with the SEC on March 1, 2011, and October 31, 2011, respectively);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, as amended by Amendment No. 1 on Form 10-Q/A (filed by AGL with the SEC on May 10, 2011, and November 14, 2011, respectively);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, as amended by Amendment No. 1 on Form 10-Q/A (filed by AGL with the SEC on August 9, 2011, and November 14, 2011, respectively); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (filed by AGL with the SEC on November 14, 2011).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Series 2011 Refunding Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS– Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM or one of its affiliates may purchase a portion of the Insured Bonds or any Uninsured Bonds offered under this Official Statement and may hold such Insured Bonds or Uninsured Bonds for investment or may sell or otherwise dispose of such Insured Bonds or Uninsured Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2011 Refunding Bonds or the advisability of investing in the Series 2011 Refunding Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS."

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2011 Refunding Bonds.

Sources of Funds	Series 2011A Refunding Bonds	Series 2011B Refunding Bonds
Par Amount of Series	$152,465,000	$16,965,000
Net Original Issue Premium/(Discount)	6,150,199	1,447,931
Bond Fund Accounts for Refunded Bonds	3,912,625	466,684
Bond Reserve Accounts for Refunded Bonds	12,896,111	1,189,363
Total Sources of Funds	$175,423,935	$20,068,978
Uses of Funds		
Deposit to Escrow Fund/Redemption of Bonds	$161,047,992	$18,748,899
Costs of Issuance*	686,503	58,348
Underwriters' Discount	793,329	72,368
Transfer of Bond Reserve Accounts of Refunded Bonds/Deposit to Bond Reserve Account	12,896,111	1,189,363
Total Uses of Funds	$175,423,935	$20,068,978

*Includes legal fees, trustee fees, rating agency fees, financial advisory fees, bond insurance premium, printing costs and other miscellaneous fees and expenses.

TAX MATTERS

General

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, (i) the interest on the Series 2011A Refunding Bonds is excludable from gross income for federal income tax purposes (except for any period when the Series 2011A Refunding Bonds are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")) and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the interest on the Series 2011B Refunding Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

With respect to corporations (as defined for federal income tax purposes), the interest on the Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

Bond Counsel is also of the opinion that, under existing law, the Series 2011 Refunding Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2011 Refunding Bonds and the interest thereon.

The opinion on federal tax matters is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2011 Refunding Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Authority has covenanted to take the actions required of it for the interest on the Series 2011 Refunding Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Authority's certifications and representations and the continuing compliance with the Authority's covenants. Noncompliance with these covenants by the Authority may cause the interest on the Series 2011 Refunding Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2011 Refunding Bonds. After the date of issuance of the Series 2011 Refunding Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2011 Refunding Bonds or the market prices of the Series 2011 Refunding Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2011 Refunding Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Code, the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2011 Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2011 Refunding Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2011 Refunding Bond is less than the stated redemption price of such Series 2011 Refunding Bonds at maturity, then such Series 2011 Refunding Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2011 Refunding Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2011 Refunding Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2011 Refunding Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Series 2011 Refunding Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Series 2011 Refunding Bonds. Accordingly, holders acquiring their Series 2011 Refunding Bonds subsequent to the initial issuance of the Series 2011 Refunding Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2011 Refunding Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Series 2011 Refunding Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2011 Refunding Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments

Bond Counsel's engagement with respect to the Series 2011 Refunding Bonds ends with the issuance of the Series 2011 Refunding Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Authority in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2011 Refunding Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2011 Refunding Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE SERIES 2011 REFUNDING BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE SERIES 2011 REFUNDING BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. FOR EXAMPLE, ON SEPTEMBER 12, 2011, THE PRESIDENT SUBMITTED TO CONGRESS THE "AMERICAN JOBS ACT OF 2011" (THE "JOBS BILL"), WHICH WAS INTRODUCED IN THE SENATE ON SEPTEMBER 13, 2011. THE JOBS BILL WOULD REDUCE THE VALUE OF CERTAIN DEDUCTIONS AND EXCLUSIONS, INCLUDING THE EXCLUSION FROM GROSS INCOME OF TAX-EXEMPT INTEREST, BY IMPOSING ADDITIONAL TAX ON CERTAIN HIGHER INCOME HOLDERS OF EXISTING AND SUBSEQUENTLY ISSUED TAX-EXEMPT BONDS, INCLUDING THE SERIES 2011 REFUNDING BONDS, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2013. SIMILAR ADVERSE CONSEQUENCES TO CERTAIN HIGHER INCOME HOLDERS OF EXISTING AND SUBSEQUENTLY ISSUED TAX-EXEMPT BONDS, INCLUDING THE SERIES 2011 REFUNDING BONDS, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2013, MAY RESULT FROM THE ENACTMENT OF THE PROPOSED DEBT REDUCTION ACT OF 2011, WHICH WAS SUBMITTED BY THE PRESIDENT ON SEPTEMBER 19, 2011 TO THE CONGRESSIONAL JOINT SELECT COMMITTEE ON DEBT REDUCTION ESTABLISHED PURSUANT TO THE BUDGET CONTROL ACT OF 2011. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE SERIES 2011 REFUNDING BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE SERIES 2011 REFUNDING BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE SERIES 2011 REFUNDING BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2011 REFUNDING BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

RATINGS

Fitch, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's"), have assigned their municipal bond ratings of "A-", "A2" and "A", respectively, to the Series 2011 Refunding Bonds, based upon the underlying credit (and without regard to bond insurance with respect to the Insured Bonds). Moody's and Standard & Poor's have assigned their municipal bond ratings of "Aa3" (negative outlook) and "AA+" (CreditWatch negative), respectively, to the Insured Bonds with the understanding that upon delivery of such Insured Bonds, a policy insuring the payment when due of the principal and interest on the Insured Bonds will be issued by the Bond Insurer. See "BOND INSURANCE POLICY FOR CERTAIN SERIES 2011A REFUNDING BONDS" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Any explanation of the significance of such ratings may be obtained from Fitch, Moody's and Standard & Poor's, respectively. A rating reflects only the views of the rating agency assigning such rating. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered, suspended or withdrawn entirely by such rating agencies, if in their judgment, circumstances so warrant. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Uninsured Bonds. Neither the Authority nor the Underwriters have undertaken any responsibility either to bring to the attention of the registered owners of the Uninsured Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

LEGAL MATTERS

The authorization, issuance and sale by the Authority of the Series 2011 Refunding Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, as Bond Counsel. The proposed form of the approving opinion of Bond Counsel is included in this Official Statement as APPENDIX G. Certain legal matters will be passed upon for the Authority by its General Counsel and for the Underwriters by their counsel, Winston & Strawn LLP.

Miller, Canfield, Paddock and Stone, P.L.C. is currently representing J.P. Morgan Securities LLC and Citigroup Global Markets Inc., in certain matters unrelated to the issuance of the Series 2011 Refunding Bonds. Miller, Canfield, Paddock and Stone, P.L.C. has obtained consents from the Authority, J.P. Morgan Securities LLC and Citigroup Global Markets Inc. with respect to such matters.

CONTINUING DISCLOSURE

In order to permit the Underwriters to comply with the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (as may be amended from time to time, the "Rule"), the Authority will covenant and agree for the benefit of the Holders or Beneficial Owners of the Series 2011 Refunding Bonds in a Continuing Disclosure Undertaking to provide certain annual financial information and operating data and notices of certain enumerated events. See APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" for the detailed provisions of the Continuing Disclosure Undertaking, including the specific nature of the information to be provided on an annual basis and the events as to which notice is to be given. All capitalized terms used but not defined in this section shall have the meanings ascribed to them in the Continuing Disclosure Undertaking.

Breach of the Continuing Disclosure Undertaking will not constitute a default under the Master Bond Ordinance. The sole and exclusive remedy of any Holder or Beneficial Owner of the Series 2011 Refunding Bonds for enforcement of the provisions of the Continuing Disclosure Undertaking shall be an action for mandamus or specific performance to cause the Authority to comply with its obligations thereunder. The Authority is in compliance with all undertakings previously entered into by it pursuant to the Rule.

In the Continuing Disclosure Undertaking, the Authority will agree to use its best efforts to require certain "obligated persons" (at this time only Delta) to provide certain annual financial information and operating data, unless the Authority is no longer required to do so under the Rule. The Authority has not undertaken to provide additional information regarding any person that is not obligated under an Airline Agreement, lease or other agreement having a term of more than one year to pay a portion of the debt service on the Series 2011 Refunding Bonds and providing at least twenty percent (20%) of the revenues of the Airport for the prior two Operating Years.

Delta has agreed in its Airline Agreement (as defined below) with the Authority to provide to the Authority such information with respect to Delta as the Authority deems reasonably necessary in order for the Authority to comply with the requirements of the Rule.

The Disclosure Dissemination Agent—DAC

In order to provide certain continuing disclosure with respect to the Series 2011 Refunding Bonds in accordance with the Rule, as the same may be amended from time to time, the Authority has entered into a Disclosure Dissemination Agent Agreement ("Disclosure Dissemination Agreement") for the benefit of the Holders of the Series 2011 Refunding Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the Authority has designated DAC as Disclosure Dissemination Agent.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the Authority has provided such information to the Disclosure Dissemination Agent as required by the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty or obligation to review or verify any information in the Annual Report, Audited Financial Statements, notice of Notice Event or Voluntary Report, or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the Series 2011 Refunding Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for the Authority's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Authority has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Authority at all times.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

General

The Airport is the primary air carrier airport serving the City of Detroit (the 18th most populous city in the United States for 2010) and the 10-county surrounding area. According to ACI, in calendar year 2010 the Airport ranked 16th nationwide in total passengers, enplaning and deplaning 32,377,064 passengers. According to FAA statistics for calendar year 2010, the Airport ranked 15th in the United States in enplaned passengers, with 15,643,890 enplaned passengers. In calendar year 2010, the Airport ranked 10th nationwide in total aircraft operations, with 452,616 takeoffs and landings, an increase of approximately 4.6 percent as compared to calendar year 2009. The Authority estimates that in Operating Year 2011, enplaned passengers totaled 16,226,201, an increase of approximately 2.2 percent as compared to Operating Year 2010. The Authority estimates that the number of domestic enplaned passengers grew at approximately 2.1 percent in Operating Year 2011. Despite significant travel interruptions resulting from the Asian earthquake and tsunami disasters that occurred in March 2011, the Authority estimates that international enplaned passengers increased by approximately 3.7 percent in Operating Year 2011 as compared to Operating Year 2010. According to Authority records, the Airport had 15,876,381 enplaned passengers in Operating Year 2010 and 15,941,132 enplaned passengers in Operating Year 2009, representing a 0.4% decrease year over year.

The Airport serves a large origin and destination market and is a major connecting hub in the route system of Delta. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport – *Delta Air Lines*." The Airport estimates that Delta and its regional carriers accounted for approximately 79.5% of the total enplaned passengers at the Airport in Operating Year 2011. The Airport also is a major international gateway with significant air service to points in Asia, Europe, Mexico, the Caribbean and Canada.

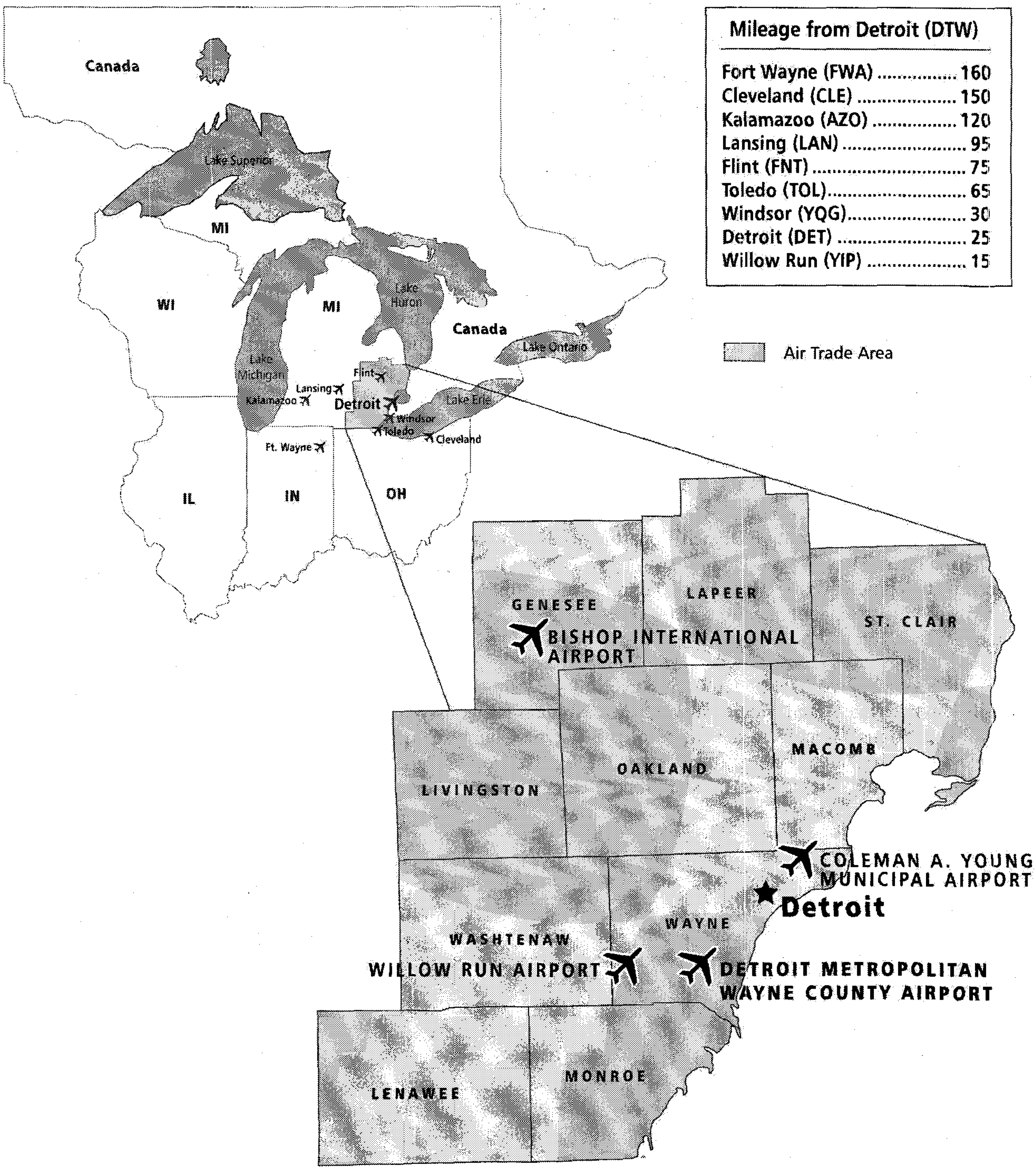
The Airport's Air Trade Area

The Air Trade Area for the Airport consists of the Ann Arbor MSA that includes Washtenaw County; the Detroit-Warren-Livonia MSA that includes Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne Counties; the Flint MSA that includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area that includes Lenawee County. This 10-county area is located within the State. The population of the 10-county Air Trade Area totaled approximately 5.3 million in 2010 based on the U.S. Census Bureau's 2010 Census data. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 15th and 32nd-largest counties, respectively, in the nation for population in 2010.

The Airport's Air Trade Area is illustrated on the following page.

Mileage from Detroit (DTW)

Fort Wayne (FWA)	160
Cleveland (CLE)	150
Kalamazoo (AZO)	120
Lansing (LAN)	95
Flint (FNT)	75
Toledo (TOL)	65
Windsor (YQG)	30
Detroit (DET)	25
Willow Run (YIP)	15



Source: Cartesia Software, Map Art, 1998.
Prepared by: Ricondo & Associates, Inc..

Management of the Airport

The Board. The Authority is governed by a seven-member Board. The Authority Act requires that two Board members be appointed by the Governor of the State, one Board member be appointed by the County Commission and four Board members be appointed by the County Executive. Authority Board members serve without compensation for six-year terms, but may not serve for more than two consecutive full terms. The expiration date of the term of office for Board members is October 1 of the year in which the term is to expire, but a Board member holds office until the Board member's successor is appointed and qualified, or until resignation or removal.

Renee C. Axt, Chairperson of the Authority Board since January 27, 2011, resigned from the Authority Board effective November 7, 2011. Ms. Axt was appointed to the Board by the current County Executive in December 2008 to a term expiring in October 2014. On November 10, 2011, the County Executive appointed Alfred R. Glancy III, the retired Chairman and Chief Executive Officer of MCN Energy Group Inc., an integrated energy company, and its principal subsidiary, Michigan Consolidated Company, to fill the vacancy created by Ms. Axt's resignation. Mr. Glancy has not yet assumed the duties of office, but is expected to do so shortly.

The current members of the Authority Board are:

Mary L. Zuckerman, Chairperson of the Authority, is Executive Vice President and Chief Operating Officer for the Detroit Medical Center. Before joining the Detroit Medical Center in January 2004, she spent eight years with Wayne County (1994–2002). During her tenure with Wayne County, Ms. Zuckerman held various executive level positions, including Deputy County Executive. Among her many duties, she managed the day-to-day activities of the Executive Branch Departments and the overall County budget of $1.5 billion. Additionally, Ms. Zuckerman served as Wayne County's project manager for the Tigers and Lions stadium development teams and oversaw the opening of the McNamara Terminal at Detroit Metro Airport. Ms. Zuckerman is a resident of Livonia, Michigan. She is an appointee of former Governor Jennifer Granholm. Her term on the Authority Board expires in October 2014.

Samuel A. Nouhan, Vice Chairperson of the Authority, is an attorney. His practice areas include product liability, employment and municipal law. Mr. Nouhan previously was a partner with Bowman and Brooke, LLP, and also previously served in the office of the Wayne County Corporation Counsel and as a clerk to two federal judges. Mr. Nouhan previously served on the Grosse Pointe Park City Council. Mr. Nouhan is a resident of Dearborn Heights, Michigan. He is an appointee of current County Executive. His term on the Authority Board expires in October 2014.

Suzanne K. Hall, Secretary of the Authority, is a private consultant specializing in public administration. Ms. Hall retired from Wayne County in 2009 after 23 years of service during which time she held various executive level positions including Director of Administration for the Sheriff's Office, Deputy County Executive for Administration and Deputy Director for the Department of Health and Community Services. For 18 years, Ms. Hall was an elected official for the City of Southgate, Michigan, four years as Mayor and 14 years as a Councilwoman. Ms. Hall is a resident of Southgate, Michigan. She is an appointee of former Governor Jennifer Granholm. Her term on the Authority Board expires in October 2016.

Michael J. Jackson, Sr. is Executive Secretary/Treasurer of the Michigan Regional Council of Carpenters and Millwrights. In this role, he serves as chief operating officer for the organization representing more than 20,000 carpenters, millwrights, resilient floor layers and pile drivers in public and private workplaces through ten locals across Michigan. Prior to his election to the union's highest state office in 2009, he served as the Council's Political Director. Mr. Jackson began his career as a Journeyman Field Carpenter in 1989, and has since held a number of progressively responsible positions within the organization from organizer and business agent to office manager. Throughout his career, Mr. Jackson has become a nationally recognized labor and civic leader. He has been honored with the Spirit of Detroit Award by the Detroit City Council in recognition of outstanding achievement and service to the City. Mr. Jackson served as president of a Central Labor Council of the AFL-CIO, and on the boards of the Robert Ficano Hope Foundation and Wayne County Business Development Corporation. He also was appointed by Michigan Governor Rick Snyder to serve on his Economic Development Transition Team and as a board member of the Michigan Economic Growth Authority. Mr. Jackson is a resident of Dearborn, Michigan. He is an appointee of the current County Executive. His term expires in October 2017.

Bernard F. Parker, Jr. has represented District 2 on Detroit's eastside since 1990 and has dedicated his entire life to community and public service. In 1971, Commissioner Parker co-founded Operation Get Down, a grassroots community-service organization located on the eastside of Detroit. Commissioner Parker sits on numerous boards of directors, some of which include New Detroit, the NAACP and St. John Hospital. Commissioner Parker is a resident of Detroit, Michigan. He was appointed by the Wayne County Commission as the representative to the Authority Board. His term on the Authority Board expires in October 2012.

Charlie J. Williams, President and Chief Executive Officer of MPS Group, Inc., a managed professional services company, whose business consists of industrial, environmental and facilities services. Mr. Williams has served in Wayne County Executive Robert A. Ficano's administration, as well as the administrations of the late Edward H. McNamara and the late Coleman A. Young. During his years of public service, Mr. Williams has served in various positions, including Deputy County Executive, Assistant County Executive, Director of Personnel (Wayne County and Detroit), Chief of Staff (Detroit) and Director of the Detroit Water and Sewage Department. Mr. Williams is a resident of Detroit, Michigan. He is an appointee of the current County Executive. His term on the Authority Board expires in October 2012.

Authority Board members serve without compensation for six-year terms, but may not serve for more than two terms. The Board must meet not less than quarterly each year, and all meetings must be held in compliance with the Michigan Open Meetings Act. The Board appoints a Chief Executive Officer, who is responsible for, among other things, the day-to-day operation of the Airports, including the control, supervision, management and oversight of the functions of the Airports.

The Board provides for the annual auditing of the accounts of the Authority to be performed by independent auditors. The Board appoints an audit committee of three Board members to supervise this process. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer) and the Authority's independent public auditors to review the financial condition, operations, performance and management of the Authority and the Airport. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

Authority Staff. Thomas J. Naughton was appointed Interim Chief Executive Officer of the Authority by the Authority Board on October 31, 2011. Mr. Naughton served as the Executive Vice President – Chief Financial Officer for the Authority from September 2009 until October 31, 2011, and previously served as the Authority's Senior Vice President – Chief Financial Officer from its formation in 2002. Mr. Naughton was the Chief Financial Officer of the County from 1995 until 2002, and the Deputy Chief Financial Officer of the County from 1988 to 1995. As Interim CEO, he is responsible for the day-to-day operations of the Airports. In Mr. Naughton's previous role as Chief Financial Officer of the Authority, he was responsible for overseeing all of the financial activities of the Airport, and from May 2010, also was responsible for the oversight of all landside, concession, real estate and air service development activities for the Authority. From September 2009, Mr. Naughton also was responsible for all airfield operations at the Airport. Mr. Naughton is a CPA with almost 30 years of financial experience. Prior to his work for the County, Mr. Naughton was a Senior Manager, Audit for Ernst & Young LLP and a Senior Auditor for Derderian, Kann, Seyferth & Salucci. Mr. Naughton received a B.A. in Business Administration from Michigan State University.

Genelle M. Allen is the Deputy Chief Executive Officer of the Authority, and has served in this capacity since September 6, 2011. From July 1, 2010 until September 6, 2011, she served as Interim Chief Executive Officer of the Authority. From September 2009 until June 30, 2010, Ms. Allen was the Authority's Executive Vice President – Procurement, Strategy Management, Authority Affairs and Willow Run Airport. From transfer of operational jurisdiction of the Airports to the Authority in 2002 until September 2009, Ms. Allen was Senior Vice President – Procurement and Strategy Management for the Authority. In these capacities, Ms. Allen was responsible for the procurement of all goods and services for all Authority departments and divisions, the oversight and management of the approval of all Authority contracts, the Authority's strategic plan, and serving as a liaison between the Authority Board and staff. Ms. Allen served as one of the Airport's in-house legal counsel from 1997 until 2002. Ms. Allen previously served as a Supervising Assistant Corporation Counsel for the Municipal Affairs Section and Senior Assistant Corporation Counsel for the Real Property Section for the City of Detroit Law Department. Ms. Allen served as in-house legal counsel for the Cleveland Hopkins International Airport and Burke Lakefront Airport in Cleveland, Ohio prior to practicing in the Detroit area. Ms. Allen received a B.A. from Wayne State University and a J.D. from the University of Detroit Mercy School of Law.

Terrence P. Teifer is the Interim Chief Financial Officer and Treasurer for the Authority, having assumed the Interim Chief Financial Officer position on October 31, 2011, upon Thomas Naughton's appointment as Interim Chief Executive Officer. Mr. Teifer previously served as Interim Senior Vice President - Business Development and Treasury from September 1, 2010 to October 31, 2011. From February 2003 to September 2010, Mr. Teifer served as the Authority's Vice President - Treasury Operations, responsible for banking, cash management, surplus fund investments, debt management, risk management, safety, employee benefits, payroll, and oversight of the Authority-owned Westin Hotel. In addition to now being responsible for oversight of all of the financial activities of the Airport, since September 2010. Mr. Teifer has been responsible for business development for the Authority and Airport property management. Mr. Teifer previously served as Deputy Wayne County Treasurer, responsible for the County's Treasury management, including the Airport, from 1988 to 2003. Mr. Teifer is a long time active elected local government leader, serving 35 years as Board of Education Trustee, City Treasurer, and for the last 22 years, Councilmember of the City of Trenton. Mr. Teifer also serves on the Board of the Downriver Community Conference and Mutual Aid, a consortium of 21 communities that surround the Airport, providing numerous joint services to the 500,000 citizens of the member communities. Prior to his public service, Mr. Teifer held management positions in the defense, steel manufacturing, and banking industries. Mr. Teifer received a B.S. from Michigan State University in 1971.

Jon Hypnar, AIA, is the Senior Vice President – Facilities, Maintenance & Planning for the Authority. Mr. Hypnar also served as the Director – North Terminal Redevelopment from May 2005 through the completion of the terminal. Mr. Hypnar's responsibilities for the Authority include the administration, management, and coordination of all airport planning, design and construction activities at the Airport, and the administration and management of maintenance of all of the airfield, landside, infrastructure and other facilities on the Airport. Mr. Hypnar is a registered architect, and has worked in the aviation industry for over 25 years. Prior to joining the Authority, he worked at several aviation consulting firms, held a management position at Sverdrup Corporation (an aviation consultant) and was a Vice President at Barton Malow (a large Midwest construction firm) from 2001 to 2005. Mr. Hypnar received his undergraduate degree from the University of Cincinnati in 1973 and attended Virginia Polytechnic Institute for graduate work.

Emily K. Neuberger has served as Senior Vice President and General Counsel for the Authority since April 2004, and in that capacity she is responsible for the oversight of all legal matters for the Authority, and also for the Authority's federal government affairs. Before joining the Authority, Ms. Neuberger was a partner in the law firms of Foley & Lardner LLP from 2001 to 2004, and Hopkins & Sutter from 1988 until its 2001 merger with Foley & Lardner LLP. Ms. Neuberger joined Hopkins & Sutter in 1982 after receiving a J.D. from Northwestern University School of Law. While in private practice, Ms. Neuberger represented the interests of airport operators, including the County and the Authority, in a variety of legal matters, and also represented other aviation industry participants primarily in connection with the issuance of debt for airport capital development. Ms. Neuberger received a B.A. from the University of Rochester in New York, and an M.A. from Western Michigan University.

Airport Facilities

The Airport is located in the City of Romulus, County of Wayne, Michigan, approximately 20 miles by road southwest of the central business district of the City of Detroit. The Airport currently provides passenger services from two terminal buildings (the McNamara Terminal, which opened in February 2002, and the North Terminal, which opened in September 2008). Delta, its regional carriers and its Sky Team partner, Air France, operate at the McNamara Terminal. All of the other airlines at the Airport, including all charter airlines, operate at the North Terminal. Both terminals have federal inspection service facilities for international arrivals. The Airport has four north-south runways in the primary wind direction and two east-west crosswind runways. Of the twelve current runway approaches, eight are equipped with precision instrument landing systems. Three of the runways are equipped with precision instrument landing systems for both runway approaches.

Aviation Activity

Enplanements. Based on preliminary final numbers, the Authority estimates that in Operating Year 2011, enplaned passengers totaled 16,226,201, an increase of approximately 2.2 percent as compared to Operating Year 2010. The Authority estimates that the number of domestic enplaned passengers grew approximately 2.1 percent in Operating Year 2011. Despite significant travel interruptions resulting from the Asian earthquake and tsunami disasters that occurred in March 2011, the Authority estimates that international enplaned passengers increased by approximately 3.7 percent in Operating Year 2011 as compared to Operating Year 2010.

For Operating Year 2010, the most recent year for which final passenger traffic data is available to the Authority, the Airport had 15,876,381 enplaned passengers. According to ACI, in calendar year 2010, the Airport ranked 16th in the United States in total passengers. According to FAA statistics for calendar year 2010, the Airport ranked 15th in the United States in enplaned passengers, with 15,643,890 enplaned passengers. Passenger activity at the Airport decreased from approximately 18.3 million enplanements in Operating Year 2005 to approximately 16.2 million in Operating Year 2011. The significant increase in fuel prices and the national economic crisis that began in 2007 had a material negative impact on passenger traffic at the Airport during that period.

The following table presents enplaned passenger traffic at the Airport for Operating Years 2007 through 2011:

HISTORICAL ENPLANED PASSENGERS
OPERATING YEAR 2007 – OPERATING YEAR 2011

Operating Year	Domestic	International	Total	% Increase (Decrease)
2007	16,581,322	1,526,768	18,108,090	1.7%
2008	16,284,806	1,546,425	17,831,231	(1.5%)
2009	14,628,347	1,312,785	15,941,132	(10.6%)
2010	14,620,824	1,255,461	15,876,381	(0.4%)
2011	14,924,872	1,301,329	16,226,201	2.2%

Source: Wayne County Airport Authority records.

Originating and Connecting Passenger Activity. The Airport served 6,671,730 domestic originating passengers in calendar year 2009 and 6,232,860 in calendar year 2010. The number of domestic originating enplaned passengers at the Airport decreased at a compounded annual rate of 2.8% between calendar year 2005 and calendar year 2010. Domestic originating passengers represented 46.4% of domestic enplaned passengers in calendar year 2009 and 43.5% in calendar year 2010.

HISTORICAL DOMESTIC ORIGINATING AND CONNECTING ENPLANEMENTS
CALENDAR YEAR 2006 – CALENDAR YEAR 2010

Calendar	Domestic Originations		Domestic Connections	
Year	Number	% of Total	Number	% of Total
2006	7,297,730	44.2%	9,216,455	55.8%
2007	7,721,720	47.2%	8,629,815	52.8%
2008	7,386,420	46.2%	8,591,640	53.8%
2009	6,671,730	46.4%	7,718,609	53.6%
2010	6,232,860	43.5%	8,082,734	56.5%

Source: Wayne County Airport Authority; U.S. Department of Transportation Origin & Destination Schedule Survey of Airline Passenger Traffic, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, T100.

Airlines Providing Service at the Airport

As of November 2011, the Airport was served by twenty-five U.S. flag scheduled passenger air carriers, including five legacy/mainline carriers, four low-cost carriers, and sixteen regional carriers providing service for various legacy/mainline carriers. In addition, as of November 2011, four foreign flag airlines provided scheduled passenger service and one charter carrier provides non-scheduled passenger service at the Airport. Two all-cargo carriers provide scheduled cargo service at the Airport.

Legacy/Mainline Carriers

American Airlines*
Continental Airlines*[1]
Delta Air Lines*
United Airlines*
US Airways*

Foreign Flag Airlines

Air Canada (Jazz/Air Georgian)
Air France*
Lufthansa German Airlines
Royal Jordanian Airlines

Cargo Airlines

Federal Express*
United Parcel Service*

Charter Airlines

Allegiant

Low Cost Carriers

AirTran Airways*[2]
Frontier Airlines
Southwest Airlines*
Spirit Airlines*

Regional Carriers

Air Wisconsin (d/b/a US Airways Express)
American Eagle
Atlantic Southeast (d/b/a Delta Connection and United Express)
Chautauqua (d/b/a Delta Connection and US Airways Express)
Comair (d/b/a Delta Connection)
Compass (d/b/a Delta Connection)
ExpressJet (d/b/a Continental Express and United Express)
GoJet (d/b/a United Express)
Mesa (d/b/a US Airways Express and United Express)
Mesaba Aviation (d/b/a Delta Connection)*
Pinnacle Airlines (d/b/a Delta Connection)*
PSA (d/b/a US Airways Express)
Republic Airlines (d/b/a US Airways Express)
Shuttle America (d/b/a Delta Connection, United Express and Continental Express)
SkyWest Airlines (d/b/a Delta Connection, United Express and Continental Express)
Trans States (d/b/a United Express)

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* Signatory Airline.
1. Closed merger with United Airlines on October 1, 2010, but continues to operate as a separate airline; a single operating certificate is expected to be issued by the FAA in the first quarter of 2012.
2. On May 2, 2011, Southwest Airlines acquired AirTran Airways; a single operating certificate is expected to be issued by the FAA in the first quarter of 2012.

Source: Wayne County Airport Authority; Official Airline Guide, October 2011.

The historical share of enplaned passengers by airline at the Airport between Operating Year 2006 and Operating Year 2011 (preliminary final) is shown in the following table.

HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE
(OPERATING YEARS ENDING SEPTEMBER 30)

AIRLINE[1]	2007 Enplaned Passengers	2007 Share	2008 Enplaned Passengers	2008 Share	2009 Enplaned Passengers	2009 Share	2010 Enplaned Passengers	2010 Share	2011 Preliminary Final Enplaned Passengers	2011 Preliminary Final Share
Delta/Northwest [2]										
Northwest Airlines	13,696,101	75.6%	13,603,857	76.3%	12,047,782	75.6%	2,695,406	17.0%	0	0.0%
Delta Air Lines	352,683	1.9%	398,929	2.2%	664,696	4.2%	10,098,582	63.6%	12,907,512	79.5%
Subtotal Delta/Northwest	14,048,784	77.6%	14,002,786	78.5%	12,712,478	79.7%	12,793,988	80.6%	12,907,512	79.5%
Other Airlines										
Spirit Airlines	953,175	5.3%	821,888	4.6%	608,078	3.8%	570,870	3.6%	718,914	4.4%
Southwest Airlines	606,113	3.3%	595,944	3.3%	523,304	3.3%	553,612	3.5%	611,582	3.8%
US Airways	304,290	1.7%	547,702	3.1%	524,457	3.3%	526,828	3.3%	568,390	3.5%
American Airlines	535,059	3.0%	527,649	3.0%	472,541	3.0%	446,625	2.8%	430,126	2.7%
United Airlines	357,075	2.0%	322,268	1.8%	262,834	1.6%	248,625	1.6%	228,315	1.4%
Continental Airlines	299,681	1.7%	288,608	1.6%	256,791	1.6%	236,634	1.5%	233,190	1.4%
AirTran	239,410	1.3%	216,149	1.2%	219,356	1.4%	207,513	1.3%	213,598	1.3%
Frontier Airlines	121,456	0.7%	126,580	0.7%	117,396	0.7%	117,173	0.7%	140,291	0.9%
Air France	48,355	0.3%	45,947	0.3%	55,233	0.3%	70,685	0.4%	76,568	0.5%
Lufthansa	98,008	0.5%	102,121	0.6%	72,884	0.5%	65,568	0.4%	67,952	0.4%
Royal Jordanian	14,150	0.1%	16,434	0.1%	14,822	0.1%	15,258	0.1%	14,051	0.1%
Air Canada	13,085	0.1%	13,678	0.1%	5,965	0.0%	6,875	0.0%	12,340	0.1%
USA 3000	67,516	0.4%	79,304	0.4%	19,823	0.1%	11,775	0.1%	0	0.0%
Aeromexico	0	0.0%	5,942	0.0%	2,053	0.0%	0	0.0%	0	0.0%
America West	241,961	1.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
British Airways	47,472	0.3%	20,491	0.1%	0	0.0%	0	0.0%	0	0.0%
Champion Air	34,462	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Independence Air	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
KLM	0	0.0%	41,753	0.2%	40,196	0.3%	0	0.0%	0	0.0%
Ryan International	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other [3]	78,038	0.4%	55,987	0.3%	32,921	0.2%	4,352	0.0%	3,372	0.0%
Subtotal Other Airlines	4,059,306	22.4%	3,828,445	21.5%	3,228,654	20.2%	3,082,393	19.4%	3,318,689	20.5%
AIRPORT TOTAL	18,108,090	100.0%	17,831,231	100.0%	15,941,132	100.0%	15,876,381	100.0%	16,226,201	100.0%

Note: Figures may not add due to rounding.
1. Includes regional affiliated carriers, as applicable.
2. Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
3. Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010.

Source: Wayne County Airport Authority, October 2011.
Prepared by: Ricondo & Associates, Inc., October 2011.

Delta Air Lines. Delta maintains a large connecting hub at the Airport. On October 29, 2008, a wholly-owned subsidiary of Delta merged with and into Northwest Airlines Corporation, with the result that Northwest Airline Corporation and its wholly-owned subsidiaries, including Northwest, became wholly-owned subsidiaries of Delta. Prior to its acquisition by Delta, Northwest, together with regional carrier Pinnacle and Northwest's then wholly-owned subsidiary regional carriers Mesaba and Compass, accounted for approximately 76.3% of the total enplaned passengers at the Airport in Operating Year 2008, and 75.6% in Operating Year 2007. In December 2009, Northwest merged with and into Delta and, by operation of law, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Authority. Subsequently, the Northwest brand was phased out and the merged airline operates under the Delta name and brand. Delta and Northwest and their regional carriers accounted for approximately 80.6% of the total enplaned passengers at the Airport in Operating Year 2010. On July 1, 2010, Delta sold Mesaba and Compass to Pinnacle and Trans States Airlines, Inc., respectively. According to public filings made by Delta, Pinnacle, Pinnacle's subsidiary, Mesaba and Compass will continue to operate certain Delta Connection flights under long-term, extendable capacity purchase agreements. See "INVESTMENT CONSIDERATIONS — Delta's Presence at the Airport" below.

For additional information regarding Delta, see Form 10-K for the fiscal year ended December 31, 2010 filed by Delta with the Securities and Exchange Commission (the "SEC"), and other reports and information filed with the SEC by Delta subsequent to December 31, 2010.

The Authority has no information regarding the financial condition of Delta other than from SEC filings and press releases of Delta. No assurance can be given concerning the present or future viability of Delta.

Airport Use Agreements

Signatory Airlines. A large portion of the Revenues deposited by the Authority into the Revenue Fund in accordance with the Master Bond Ordinance is derived from rentals, fees and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. Pursuant to the terms of the Airline Agreements (as defined below), the Authority calculates airline landing fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines (as defined below) are obligated to pay the net cost of operating the entire Airport, including operating expenses and all debt service requirements. If the Authority incurs a deficit in any particular Operating Year, it has the ability to increase landing fee rates to the Signatory Airlines up to the amount of the deficit. Conversely, if the Authority realizes a surplus, the Authority must refund the surplus to the Signatory Airlines.

Each of the following airlines is a party to an Airline Agreement: Air France, AirTran Airways ("AirTran"), American Airlines ("American"), Continental Airlines ("Continental"), Delta, Federal Express, KLM Royal Dutch Airlines, Mesaba, Pinnacle, Southwest Airlines ("Southwest"), Spirit Airlines ("Spirit"), United Airlines ("United"), United Parcel Service and US Airways (collectively, the "Signatory Airlines").

Agreements. Each of the Signatory Airlines is a party to an Airport Use and Lease Agreement with respect to its use of the Airport (each an "Airline Agreement," and collectively referred to as the "Airline Agreements"). The Airline Agreements expire September 30, 2032. Under the Airline Agreements, the Signatory Airlines pay rentals use fees for the lease and use of airline premises in the terminals at the Airport and Activity Fees (*i.e.*, landing fees) (as defined in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS") for the common use of other terminal and airfield facilities.

See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS."

Capital Improvement Program

The Authority maintains an ongoing CIP to address the capital development needs of the Airport. The Authority's current five-year CIP (Operating Year 2012 – Operating Year 2016) for the Airport includes primarily airfield improvements, as well as improvements to airport support facilities, including the Airport's parking garages and surface lots, electrical distribution system, HVAC facilities, roads, bridges, roofs, storm water system and water distribution system, a new ground run-up facility, a fleet replacement plan, a new Authority administrative facility and other miscellaneous support facilities. The total estimated project cost for the current five-year CIP for the Airport is $548 million, with airfield projects comprising an estimated $367 million of this cost. Included in the airfield projects in the current five-year CIP are the reconstruction of Runway 4R/22L, the reconstruction of the western portion of Runway 9L/27R and adjacent taxiways, the reconstruction of the southern portion of Runway 3L/21R and taxiways M and F, the reconstruction of the balance of taxiway W and the reconstruction of numerous other taxiways at the Airport. The Authority currently is undertaking, or anticipating that it will undertake, these projects within the next five to six year period. The Authority anticipates that the CIP projects will be funded from a combination of existing Bond proceeds, Additional Bond proceeds, federal grants, and Authority discretionary and other funds. See "—*CIP Funding Sources*" below. Some of the CIP projects contemplated to be funded with the proceeds of Additional Bonds do not currently have Weighted Majority Approval (as such term is defined in the Airline Agreements and more fully described in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS"). As a result of the forward-looking nature of the CIP, some of the anticipated funding sources for the projects may not be approved and are subject to change.

Master Plan. The Authority completed a new 20-year Master Plan for the Airport in 2008 (the "Airport Master Plan"), which represents the actions to be accomplished for the phased development of the Airport over the 2008 – 2027 planning horizon. The Airport Master Plan reflects all airfield, terminal, landside/ground access and support facility projects necessary to meet the anticipated demand for air travel over the planning horizon. The FAA requires an airport master plan from any airport that plans to seek federal funding for airport development projects.

The Authority's Preferred Development Plan for the Airport includes, among numerous other projects, a consolidated car rental facility, an expansion of the blue deck parking facility, an airport transit system, expansions of the McNamara Terminal and the North Terminal, a 1,500 foot extension of Runway 21R, a new fifth parallel runway and a north public parking garage and intermodal center. The current estimated total cost of the new Master Plan projects is $3.2 billion, of which approximately $300 million is included in Phase I (2008-2012), $1.6 billion is in Phase II (2013-2017) and $1.3 billion is in Phase III (2018-2027). The likely funding sources for the Master Plan projects would include future Bond proceeds, federal grants, PFCs, customer facility charges, Airport Development Fund moneys and third party funding.

The FAA accepted the Master Plan on June 18, 2009, and an extensive process of design, engineering and impact assessment in connection with Master Plan is underway. Master Plan projects not already in the current five-year CIP will be added to the CIP on a phased development basis.

CIP Funding Sources. The Authority's funding sources for the current five-year CIP are federal grants, proceeds of Additional Bonds, proceeds of Outstanding Senior Lien Bonds and Junior Lien Bonds, and Authority discretionary and other funds.

Outstanding Bonds. The Authority has previously issued Senior Lien Bonds and Junior Lien Bonds to fund a portion of the costs of certain capital projects in the current five-year CIP. Approximately $49 million of the proceeds of these Bonds are available to fund the CIP projects.

Additional Bonds. The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects at the Airports and include the debt service on such bonds in the fees and charges of the Signatory Airlines, subject to receiving the approval of a Weighted Majority for such capital projects. Some of the projects in the Authority's current five-year CIP already have been approved by a Weighted Majority; other CIP projects will require Weighted Majority approval before the Authority may issue Bonds or spend surplus Bond proceeds on hand to fund any portion of the costs of these projects.

Grants. The Airport and Airway Improvement Act of 1982 created a grant program that is administered by the FAA. The FAA allocates federal grants through the Airport Improvement Program (the "AIP"). The AIP grants include entitlement grants, which are allocated among airports by the FAA in accordance with a formula based on enplaned passengers and cargo-landed weight, and discretionary grants, which are allocated by the FAA in accordance with its guidelines. FAA grants are subject to annual Congressional appropriation.

The Authority expects to use federal grants to pay for a portion of the CIP. No assurance can be made that the FAA will award the additional federal grants that the Authority expects to obtain, or that, if awarded, the federal grant funds will be received in the amount or at the time contemplated by the Authority. The availability of the anticipated grant amounts is subject to future availability of federal discretionary funds that the FAA commits to the projects. In addition, the AIP expires periodically and federal reauthorization is required to continue.

If the grants are not awarded or received, in whole or in part, the Authority could request Weighted Majority approval of the unfunded costs, and if received, issue Additional Bonds to pay such costs.

The following table presents the anticipated CIP projects for the period from Operating Year 2012 through Operating Year 2016, along with associated cost estimates and anticipated funding sources.

Category	Estimated Costs	Existing Bond Proceeds	Future Bond Proceeds	Grants	Other or Discretionary
Airfield Total	$367,271,000	$22,612,000	$289,072,750	$55,586,250	-
Support Facilities	40,000,000	9,375,000	21,400,000	4,600,000	$4,625,000
Parking Decks & Lots	25,905,000	7,700,000	12,600,000	-	5,605,000
Electrical Distribution System	25,625,000	-	-	-	25,625,000
Fleet & Equipment	18,346,000	-	-	-	18,346,000
Terminals	17,787,000	787,000	8,750,000	5,250,000	3,000,000
Storm Water System	13,700,000	2,950,000	750,000	7,500,000	2,500,000
Noise Mitigation	11,200,000	-	2,300,565	8,899,435	-
HVAC	11,000,000	-	-	1,850,000	9,150,000
Other	16,982,000	5,825,000	-	2,125,000	9,032,000
Total	$547,816,000	$49,249,000	$334,873,315	$85,810,685	$77,883,000

Source: Wayne County Airport Authority, September 2011
Note: Certain CIP projects that require Weighted Majority approval in order to fund such projects with Bond proceeds are not yet approved, funding sources are subject to change, and projects are subject to demand and available funding.

AIRPORT FINANCIAL INFORMATION

Airport Indebtedness

General. Capital improvements at the Airport have been financed through the issuance of Senior Lien Bonds, Junior Lien Bonds and Special Facilities Revenue Bonds, and with PFCs, federal grants and other Airport funds. In addition, to support the Authority's working capital needs at the Airport, the Authority has a $15,000,000 line of credit with JPMorgan Chase Bank, N.A. To date, the Authority has not drawn on the line of credit. In September 2007, the Authority also executed a Master Lease Purchase Agreement (the "Lease Agreement") with Chase Equipment Leasing Inc. ("Chase Leasing"), a subsidiary of JPMorgan Chase Bank, N.A., pursuant to which Chase Leasing will have outstanding, as of December 2, 2011, $798,303 of equipment purchases under the Lease Agreement. The commitment to finance purchases under the Lease Agreement has expired, and therefore the Authority will incur no additional debt under the Lease Agreement. On November 16, 2011, the Authority authorized a new lease purchase program relating to certain specified pieces of equipment, in an aggregate amount not to exceed $2,308,000. The Authority has not yet entered into any lease purchase agreements pursuant to the November 16, 2011 authorization. In addition, in May 2008, the Authority executed an Efficiency Improvement Agreement for Detroit Metropolitan Wayne County Airport with Siemens Building Technologies, Inc. ("Siemens"), pursuant to which Siemens agreed to finance up to $3,886,162 in Phase IIa improvements over a 15 year period, $3,491,062 of which will be outstanding as of December 2, 2011.

As of December 2, 2011, but without taking into account the impact of the issuance of the Series 2011 Refunding Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds will be $1,780,410,000, and the aggregate principal amount of Outstanding Junior Lien Bonds will be $177,075,000. The Series designations and outstanding principal amounts of these bonds are set forth below. The claim of Senior Lien Bonds to Net Revenues is senior to the Junior Lien Bonds.

Senior Lien Bonds	Outstanding Principal Amount
Series 1998A	$188,455,000
Series 2002C	23,520,000
Series 2002D	52,650,000
Series 2005	476,875,000
Series 2007	119,390,000
Series 2008A	124,835,000
Series 2010A	199,635,000
Series 2010B	4,800,000
Series 2010C	173,145,000
Series 2010D	26,105,000
Series 2010 E-1	75,360,000
Series 2010 E-2	75,000,000
Series 2010 F	124,640,000
Series 2010G	116,000,000
Total	$1,780,410,000

Junior Lien Bonds	Outstanding Principal Amount
Series 2007	$177,075,000
Total	$1,957,485,000

Debt Service Requirements. The following table sets forth the annual debt service requirements accruing in each Bond Year on the outstanding Senior Lien Bonds, the outstanding Junior Lien Bonds, and the Series 2011 Refunding Bonds:

Bond Year Ending December 1	Outstanding Senior Lien Debt Service(1)(2)(3)(4)	Series 2011 Refunding Debt Service	Total Outstanding Senior Lien Debt Service	Total Outstanding Junior Lien Debt Service	Aggregate Outstanding Debt Service
2012	$148,807,989	$8,073,113	$156,881,102	$12,270,983	$169,152,085
2013	150,236,306	8,050,750	158,287,056	12,231,983	170,519,039
2014	147,090,817	10,185,750	157,276,567	12,231,233	169,507,800
2015	146,001,855	10,186,700	156,188,555	12,231,483	168,420,038
2016	143,784,525	10,186,700	153,971,225	12,277,233	166,248,458
2017	131,125,305	10,181,200	141,306,505	12,275,733	153,582,238
2018	130,348,047	10,180,200	140,528,247	12,273,733	152,801,980
2019	97,154,190	45,589,000	142,743,190	12,275,733	155,018,923
2020	91,011,281	45,632,750	136,644,031	12,275,983	148,920,014
2021	89,977,258	42,801,500	132,778,758	12,273,983	145,052,741
2022	81,288,628	42,855,750	124,144,378	12,274,233	136,418,611
2023	124,940,906		124,940,906	12,275,983	137,216,889
2024	124,426,685		124,426,685	12,278,483	136,705,168
2025	124,386,448		124,386,448	12,235,983	136,622,431
2026	123,833,803		123,833,803	12,234,983	136,068,786
2027	123,703,424		123,703,424	12,232,733	135,936,157
2028	123,627,963		123,627,963	12,283,483	135,911,446
2029	57,231,459		57,231,459	12,285,125	69,516,584
2030	57,245,878		57,245,878	12,283,823	69,529,701
2031	57,142,071		57,142,071	12,283,848	69,425,919
2032	56,859,250		56,859,250	12,284,230	69,143,480
2033	49,718,775		49,718,775	12,284,000	62,002,775
2034	35,928,750		35,928,750	12,282,750	48,211,500
2035				12,282,500	12,282,500
2036				12,282,000	12,282,000
2037				12,285,000	12,285,000
TOTAL	$2,415,871,613	$243,923,413	$2,659,795,027	$318,987,237	$2,978,782,264

(1) Does not include debt service on the Refunded Bonds.
(2) Series 2010E-1 Bonds and Series 2010E-2 Bonds assume an all-in interest rate of 3.33% including support costs.
(3) Series 2010F Bonds assume an all-in interest rate of 3.28% including support costs.
(4) Series 2010 G Bonds assume an all-in interest rate of 3.02%.

PFC Revenues. Under the Aviation Safety and Capacity Expansion Act of 1990 (the "PFC Act"), the FAA may authorize a public agency which controls an airport to impose a PFC of up to $4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. In order to receive authorization to impose a PFC and use the PFC revenue, the public agency must submit an application requesting that the FAA approve the imposition of a PFC for, and the use of PFC revenues on, specific eligible projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents (the "Collecting Carriers") and remitted to the public agency.

Many of the PFC-eligible projects in the CIP for the Airport for the past twenty (20) years have been funded with the proceeds of Bonds, and the plan of finance for these projects has assumed that the Authority would use PFC revenue to pay the Debt Service on the airport revenue bonds issued to pay for such PFC-eligible projects to the maximum extent possible. With respect to other PFC-eligible CIP projects, the Authority has funded a portion of the cost of the projects with federal grant funds, and the balance of the cost (the local share) with Bond proceeds, with payment of a portion of the Debt Service on the Bonds to be paid with PFC revenue.

Under its current PFC approvals, the Authority has authority to impose and use $3.164 billion in PFCs, which includes amounts for the payment of principal, interest and other financing costs on Bonds issued to pay the PFC-eligible costs of the approved projects. The current estimated PFC expiration date is August 1, 2034. Since the inception of the PFC program, the Authority has submitted seven PFC applications to the FAA. The sixth application was withdrawn by the Authority prior to the FAA issuing a decision on the application so that the Authority could update project cost estimates for consideration. The application was resubmitted as the seventh application. In the future, the Authority will amend applications one through five to adjust the initial budgeted project costs and estimated debt service requirements to reflect final completed project costs and updated debt service. The Authority and the FAA view this effort as an administrative process and do not anticipate any material changes to the Authority's total PFC collection authority.

The Authority transfers some of its PFC revenues monthly to the Bond Fund and the Junior Lien Bond Fund for the purpose of paying Debt Service, respectively, on Senior Lien Bonds and Junior Lien Bonds issued to finance PFC eligible projects, and intends to do so for the purpose of paying Debt Service on the Series 2011 Refunding Bonds.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon many factors, including compliance with federal law and regulations, passenger enplanement levels, as well as continuation of the PFC program. No assurance can be given that the forecasted level of enplanements will be realized or that any other factor affecting PFC revenue will not occur that adversely impacts the Authority. A shortfall in projected PFC collections could have an adverse impact on the amounts of Debt Service included in the Signatory Airlines' rates and charges or on timely payment of principal of or interest on the Senior Lien Bonds and the Junior Lien Bonds eligible to be paid from PFC revenues. See "INVESTMENT CONSIDERATIONS – Availability of PFC Revenues and Other Sources of Funding" herein.

Hedging Program

The Authority has adopted an interest rate swap management plan and an associated debt management plan for the purpose of managing its overall debt service which allows it to maintain a portion of its outstanding debt in conventional fixed-rate form, a portion of its outstanding debt in variable-rate form, and a portion of its outstanding debt in synthetic fixed-rate form. The interest rate swap management plan and associated debt management plan are updated periodically and revisions are submitted to the Board of the Authority for approval. The Authority is not currently a party to any interest rate swap agreement.

Swap agreement payments made by the Authority are secured by Net Revenues on a subordinated basis to Senior Lien Bonds and on parity with Junior Lien Bonds. SEE "SECURITY FOR THE SERIES 2011 REFUNDING BONDS – Flow of Funds" herein.

Other Post Retirement Benefit Obligations

The Authority provides hospitalization and other health insurance for its retirees pursuant to agreements with various collective bargaining units or other actions of the CEO and the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The Authority also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Additionally, through an agreement with the County, the post retirement benefit costs for individuals who retired from the Airport prior to August 9, 2002 ("Pre-2002 Airport Retirees"), when the Airport was operated by the County, are pooled with the post retirement benefit costs of other County retirees, and the Authority shares 11.25% of the actual costs of the pool on a pay-as- you- go basis. For the fiscal year ended September 30, 2011, the Authority reimbursed the County $2.94 million for costs related to the Pre-2002 Airport Retirees.

Reporting Changes Affecting the Airport

Effective as of the year ended September 30, 2007, the Authority is subject to the Governmental Accounting Standards Board Statement Numbers 43 ("GASB 43"), Financial Reporting for Postemployment Benefits Plans Other Than Pensions, and 45 ("GASB 45"), Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions.

The pronouncements require state and local units of governments to recognize the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions) in their financial statements. Pursuant to GASB 43 and GASB 45, the Authority must recognize the cost of postemployment benefits, including retiree health care coverage, over the working life of an employee, rather than on a pay-as-you-go basis. For the Authority, this has resulted in increased expenses and related liability.

The Authority commissioned an actuarial valuation, as of September 30, 2010 (the most recent available), in accordance with GASB 45, which estimated the Authority's Actuarial Accrued Liability (AAL) to be approximately $65.7 million. The Authority has funded the Annual Required Contribution (ARC) in Fiscal Years 2008 – 2011 into an ACT 149 Trust. The trust balance as of September 30, 2010, was $10.1 million and as of September 30, 2011 was $13.7 million.

The Authority's AAL does not include an estimate for the Pre-2002 Airport Retirees, who are recognized on the books of the County and pooled with other County retirees. By agreement with the County, the Authority pays 11.25% of the costs for this pool. As this pool is a closed group and the retirees in the pool are approaching 100% Medicare eligibility, the Authority expects its annual required payments to the County for this pool to decrease over time.

Financial Operations

Historical Operating Results. The audited financial statements of the Airport for the Operating Year ended September 30, 2010, together with the report of Plante & Moran, PLLC, independent auditors, relating thereto, are included herein as APPENDIX B. The following table sets forth audited historical operating results of the Airport for Operating Years 2006 through 2010 under accounting principles generally accepted in the United States.

HISTORICAL OPERATING RESULTS
Detroit Metropolitan Wayne County Airport
For Operating Years Ended September 30

	OY2006	OY2007	OY2008	OY2009	OY2010
Operating revenues:					
Airport landing and related fees	$ 60,162	$ 58,741	$ 84,022	$ 59,723	$ 69,652
Concession fees	47,351	50,242	51,851	88,230	47,975
Parking fees	53,026	58,859	58,683	49,911	48,309
Rental facilities	45,519	50,722	51,431	48,425	89,671
Utility service fees	3,622	4,078	4,498	4,320	4,332
Other	8,220	6,371	5,024	4,100	6,935
Total operating revenues	217,900	229,013	255,509	254,709	266,874
Operating expenses:					
Salaries, wages, and fringe benefits	66,383	69,877	75,214	72,696	68,799
Parking management	9,754	10,325	8,905	7,082	6,505
Janitorial services	2,031	2,418	2,403	10,584	10,972
Security	3,501	3,433	2,758	2,657	2,293
Utilities	21,809	25,143	29,166	26,499	25,789
Repairs, professional services, and other	76,211	73,020	80,699	67,310	72,172
Depreciation	107,110	111,942	120,145	135,777	136,688
Total operating expenses	286,799	296,158	319,290	322,605	323,218
Operating loss	(68,899)	(67,145)	(63,781)	(67,896)	(56,344)
Nonoperating revenues (expenses):					
Passenger facility charges	67,832	70,754	68,203	59,712	60,306
Federal and state grants	12,055	5,867	1,969	999	1,231
Interest income and other	42,666	44,897	27,970	7,070	4,948
Interest expense and other	(100,238)	(99,406)	(94,695)	(111,113)	(99,602)
Amortization of bond issuance costs	(1,963)	(1,936)	(1,985)	(1,615)	(1,837)
Total nonoperating revenue	20,352	20,176	1,462	(44,947)	(34,954)
Net loss before capital contributions and transfers	(48,547)	(46,969)	(62,319)	(112,843)	(91,298)
Capital contributions	32,028	58,787	52,218	27,431	25,869
Transfers out	(627)	(1,419)	(2,813)	(8,178)	(1,490)
Changes in net assets	(17,146)	10,399	(12,914)	(93,590)	(66,919)
Net assets – beginning of year	643,189	626,043	636,442	623,528	580,897
Net assets – end of year	$ 626,043	$ 636,442	$ 623,528	$ 529,938	$ 513,978

[1] In 2010, Detroit Metro Airport restated beginning net assets to $580,897 (see Note 2 of 2010 financial statements for additional discussion).
This amount less the 2010 decrease in net assets is used to arrive at ending net assets.

Source: Audited Financial Statements of the Wayne County Airport Authority.

The financial information presented above is prepared in accordance with U.S. generally accepted accounting principles using the full accrual basis of accounting. Depreciation expense is determined in accordance with the Authority's accounting policies, which provide for straight-line depreciation over the estimated useful lives of the assets acquired. The portion of the cost of capital assets that has been financed from bond proceeds is recovered, and revenue recognized, for accounting purposes, as bond principal is retired. These timing differences may lead to significant operating losses, when calculated in accordance with U.S. generally accepted accounting principles, during the years immediately following a significant capital expansion program. The Authority expects that this trend will reverse in future years as the funding requirements for bond principal increase.

Similarly, grants, capital contributions and PFCs are not considered Revenues under the Master Bond Ordinance or the Airline Agreements for purposes of the residual methodology for calculating Activity Fees. However, PFCs are included as a credit in the residual Activity Fee calculation as the Authority transfers PFCs, monthly, into the Bond Fund and/or Junior Lien Bond Fund to pay eligible Debt Service. Interest earnings on the Construction Fund, Bond Fund and Junior Lien Bond Fund accounts are applied in accordance with the Master Bond Ordinance.

Airline Revenue Requirement. The Master Bond Ordinance requires the Authority to adopt, prior to the commencement of each Operating Year, a budget covering the Operation and Maintenance Expenses of the Airport, the Debt Service payable on Senior Lien Bonds and Junior Lien Bonds, and other known monetary requirements of the Master Bond Ordinance and the Airport for such Operating Year. The Airline Agreements with the Signatory Airlines require the Authority to provide the Signatory Airlines with a projection of rentals and the Activity Fee rate for each Operating Year at least sixty (60) days prior to the beginning of the Operating Year. As described in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS," airline rates, fees and charges currently are calculated based on an Airport-wide residual rate setting methodology, with fixed terminal rental rates. Following the end of each Operating Year, the Authority must provide the Signatory Airlines with a report of rentals and Activity Fees actually chargeable for such year based on actual data for the year. The Signatory Airlines are required to pay additional amounts owed, and the Authority is required to refund airline overpayments, if the rates on which Signatory Airline Activity Fee payments had been based during the year were either too low or too high based on actual data. See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS."

The following table sets forth the Airport's operating revenues and non-operating expenses for Operating Year 2008 through Operating Year 2010, the Authority's estimated Airport operating revenues and non-operating expenses for Operating Year 2011 (based on March 2011 mid-year projections) and its Authority Board-approved budget for the Airport for Operating Year 2012, in each case shown on the basis of the residual airline rate-making methodology under the Airline Agreements.

Detroit Metropolitan Wayne County Airport
Operating and Maintenance Fund
For Operating Years Ended September 30

	OY 2008 Actual	OY 2009 Actual	OY 2010 Actual	OY 2011 Mid-Year	OY 2012 Budget
Airline revenues:					
Landing and related fees	$ 84,022	$ 59,723	$ 69,651	$ 79,459	$ 67,796
Terminal building rentals and fees	26,934	65,977	70,061	73,910	90,638
Facility use fees	7,885	6,320	5,950	6,105	6,633
Total airline revenues	118,842	132,021	145,663	159,474	165,067
Non-airline revenues:					
Parking fees	58,683	49,911	48,309	52,530	56,488
Car rental	21,493	17,540	17,273	16,600	18,350
Concession fees	30,043	30,563	30,427	29,700	31,089
Ground transportation	7,056	6,510	4,739	4,500	4,808
Shuttle bus	5,773	5,655	5,467	5,400	5,745
Other	12,183	10,981	10,842	10,746	9,831
Total non-airline revenues	135,231	121,161	117,057	119,476	126,311
Total operating revenues	254,073	253,182	262,719	278,950	291,377
Operating expenses:					
Salaries, wages and fringe benefits	75,214	72,696	70,721	68,452	63,968
Materials and supplies	5,392	5,969	5,177	6,618	7,274
Parking management expense	8,906	7,082	6,505	6,800	6,300
Shuttle bus services	9,221	8,483	8,495	8,500	8,400
Janitorial services	2,403	10,576	10,972	11,700	11,101
Security	2,758	2,657	2,293	2,800	2,524
Professional & other contractual services	13,519	14,644	14,166	19,562	18,170
Utilities	29,558	26,933	26,197	27,287	26,237
Buildings and grounds maintenance	22,094	12,705	18,563	14,964	15,365
Equipment repair and maintenance	13,435	15,740	17,820	17,038	15,498
Insurance	2,593	2,710	2,532	2,550	2,687
Other operating expenses	4,770	3,378	3,397	4,376	3,978
Operations and maintenance capital	2,086	1,500	2,774	7,973	5,482
Total operating expenses	191,948	185,074	189,613	198,619	186,984
Operating income (loss)	62,125	68,108	73,106	80,331	104,394
Non-operating revenues (expenses):					
Interest income and other	1,505	730	(125)	200	305
Federal and state grants	786	999	1,556	941	915
Net debt service	(57,809)	(59,774)	(64,721)	(71,923)	(92,294)
Funding requirements	(6,606)	(10,064)	(9,815)	(9,549)	(13,319)
Total non-operating revenues (expenses)	(62,125)	(68,108)	(73,106)	(80,331)	(104,394)
Net income (loss) before capital contributions & transfers	$ -	$ -	$ -	$ -	$ -

Management Discussion of Airport Financial Operations

Operating Year 2009 Actual Compared to Operating Year 2008 Actual. The Authority's total operating revenues in Operating Year 2009 decreased by $0.9 million (0.4%) under Operating Year 2008 levels. Airport non-airline revenues decreased $14.1 million (10.4%) compared to Operating Year 2008. The decreases in non-airline revenues are attributed to shortfalls in concessions and parking fees. Enplaned passengers, the major driver of parking and concessions revenues, dropped by 10.6% compared to Operating Year 2008. The decrease drove a decline in total concession and car rental revenues of $3 million (6.7%). A decline in parking revenues of $9 million (14.9%) year over year is partially attributed to the decline in enplanements. Also adversely affecting parking revenue was the public response to a rate hike from $10 to $16 per day for parking at the Blue Deck (the parking deck associated with the North Terminal). The Authority responded to pressure by Northwest/Delta and increased rates at the Blue Deck to create parity in parking rates at the Airport's parking structures. The Authority charges $19 per day for parking at the McNamara Deck (the parking structure associated with the McNamara Terminal). The increase in rate out-priced many travelers who chose alternatives to parking at the Blue Deck, resulting in transactions plummeting to three-year lows. Average decreases were 18% to 30% compared to Operating Year 2008. The net impact of the parity decision is estimated to have decreased parking revenue by approximately $3 million year over year, which is about 30% of the total decline in parking revenue compared to Operating Year 2008. Airline revenues increased 11.1% to $132.0 million in Operating Year 2009 from $118.8 million in Operating Year 2008.

With a sharp decline in non-airline revenues at the Airport, the Authority was faced with the challenge of mitigating the impact to the airlines. The Authority, however, had already anticipated that operating costs would increase due to additional costs associated with opening the North Terminal. With the opening of the North Terminal, the Detroit Airlines North Terminal Airlines Consortium ("DANTeC"), formed by the Signatory Airlines operating in the North Terminal, began to manage certain of the operating and maintenance costs of that terminal in a similar fashion that Northwest/Delta manages the operation and maintenance of the McNamara Terminal. As a result, $4.4 million of expenses previously paid directly by airlines were included as part of the Authority's overall budget. However, the Authority recognized the challenges it faced for Operating Year 2009 and reduced year over year operating expenses by $6.9 million (3.6%) compared to Operating Year 2008 and outperformed budgeted operating expenses by $12.0 million (6.1%). The net result to airlines was minimal. The airline revenues received (costs to the airlines) in Operating Year 2009 were $13.2 million (11.1%) more than in the prior year, however the budgetary impact was a meager $0.2 million (0.2%) increase.

Operating Year 2010 Actual Compared to Operating Year 2009 Actual. The Authority's total operating revenues in Operating Year 2010 increased by $9.5 million (3.8%) compared to Operating Year 2009. Although Airport non-airline revenues decreased $4.1 million (3.4%) compared to Operating Year 2009, non-airline revenues outperformed the Authority's Operating Year 2010 projections by $5.0 million (4.5%). The decreases in non-airline revenues were largely related to parking and ground transportation, but both parking and ground transportation revenues exceeded Operating Year 2010 projections (by 0.6% and 18.5%, respectively). Enplaned passengers, a major driver of non-airline revenues, decreased by 0.4% compared to Operating Year 2009, but outperformed Operating Year 2010 projections by 1.0%. In the summer of 2010, the Authority reversed the previous year's rate increase for parking at the Big Blue Deck, offering a premium option for parking in a covered structure for $10 per day, as part of a new parking plan. The plan's focus is on increasing market share and length of stay at on-airport parking locations. The second action as part of the new parking plan is the re-opening of the Green Lot, a surface lot offering an economy-targeted parking option, at the rate of $8 per day. The Green Lot was opened in fall 2010, in advance of the fall and winter holidays. Public response to the decreased parking rates has been positive and is exceeding initial program expectations.

Although Operating Year 2010 expenses increased compared to Operating Year 2009, the Authority completed the year with a 0.0% change compared to the Operating Year 2010 total expense budget. The Authority's total operating expenses in Operating Year 2010 increased by $4.5 million (2.5%) compared to Operating Year 2009. The primary factor affecting Operating Year 2010 was increased buildings maintenance expenses related to Americans with Disabilities Act (ADA) compliance. In April 2008, a group of individuals with disabilities brought legal action against Northwest Airlines and the Authority, alleging ADA compliance violations. See "LITIGATION AND OTHER LEGAL ACTIONS – Litigation" below. To address certain issues raised in the ADA related litigation and promote accessible Airport facilities, customer service and safety, the Authority is undertaking certain building improvements with total costs estimated at $5.4 million. The expense was incurred in Operating Year 2010. The Authority anticipates additional ADA compliance costs in future years, however these costs currently are uncertain. Operating expense decreases offsetting the impact of these Operating Year 2010 costs included reductions in salaries, wages and benefits, materials and supplies, professional and contractual services, and utilities.

Operating Year 2011 Mid-Year Projection Compared to Operating Year 2010 Actual. Based on the Authority's mid-year projections (March 2011) for the Airport for Operating Year 2011, total Airport operating revenues in Operating Year 2011 are expected to have increased by $15.6 million (5.9%) compared to Operating Year 2010. Also based on Operating Year 2011 mid-year projections, Airport non-airline revenues for Operating Year 2011 are expected to have increased by $2.4 million (2.1%) compared to Operating Year 2010 and to have outperformed the Operating Year 2011 budgeted non-airline revenues by $1.3 million (1.1%). The Operating Year 2011 projected increase in non-airline revenues is attributable largely to increases in parking and car rental revenues, resulting in part from a positive trend throughout Operating Year 2011 in the number of enplaned passengers, a major driver of non-airline revenues. The Authority currently estimates, based on preliminary final enplanement numbers for Operating Year 2011, that enplaned passengers increased by 2.2% compared to Operating Year 2010. Also, in the summer of 2010, the Authority reversed the previous year's rate increase for parking at the Blue Deck garage, offering a premium option for parking in a covered structure for $10 per day, as part of a new parking plan. The plan's focus has been on increasing market share and length of stay at on-airport parking locations. The second action as part of the new parking plan was the re-opening of the Green Lot, a surface lot offering an economy-targeted parking option, at the rate of $8 per day. The Green Lot was opened in fall 2010, in advance of the fall and winter holidays. Public response to the decreased parking rates has been positive and has exceeded initial program expectations.

Mid-year projections for Operating Year 2011 Airport operating expenses were $9.0 million (or 4.7%) more than Operating Year 2010 operating expenses. These increases resulted from the implementation of a five-year program to address critical capital asset maintenance and replacement needs. The Authority estimates that total costs associated with the capital asset maintenance and replacement program for Operating Year 2011 were $14.6 million, $5.7 million of which were funded outside of the Authority's O&M budget (i.e., not charged to the airlines). The remaining $8.9 million of costs were included in the O&M budget (shown above in primarily two categories: $4.1 million in operations and maintenance capital and $4.7 million in buildings and grounds maintenance). These costs were partially offset by reductions in salaries, wages and benefits, and buildings and grounds maintenance expenses (Operating Year 2010 building and grounds maintenance expenses included a $5.4 million one-time expense for ADA compliance projects, and certain South Terminal expenses were re-allocated to other expense lines for Operating Year 2011, resulting in a net decrease in building and ground maintenance expenses for Operating Year 2011).

Operating Year 2011 Airport non-operating expenses were projected at mid-year to increase by $6.6 million due to an increase in net debt service costs resulting from the depletion of the Authority's PFC reserve. Although final Operating Year 2011 non-operating expenses are not yet available, the bond refunding that occurred in Operating Year 2011 did have a favorable effect on total debt service costs, and the Authority expects that final Operating Year 2011 non-operating expenses were favorable compared to the Operating Year 2011 mid-year projection of non-operating expenses.

In summary, based on its mid-year projection for Operating Year 2011, the Authority noted favorable comparisons to the Operating Year 2011 budget and estimated a refund to the airlines of $1.9 million.

Operating Year 2012 Budget Compared to Operating Year 2011 Mid-Year Projections. The Authority's total Airport operating revenues for Operating Year 2012 are budgeted to increase by $12.4 million (4.5%) compared to Operating Year 2011 mid-year projections. Airport non-airline revenues for Operating Year 2012 are budgeted to increase by $6.8 million (5.7%) over Operating Year 2011 mid-year projections.

Passenger enplanements, a major driver of non-airline revenues, are budgeted to be 16.6 million in Operating Year 2012, which represents an increase of 2.5% over the Authority's preliminary final enplanement numbers for Operating Year 2011. Since the Authority established this Operating Year 2012 enplanement budget assumption in mid-summer 2011, major carriers in the airline industry (including Delta) have announced global capacity reductions beginning in late fall 2011. The Authority acknowledges that as a result of these airline indicators its Operating Year 2012 budget assumption with regard to enplanements may be slightly aggressive. While declining capacity does not typically affect enplanement levels by the same margin, it is likely that there will be a marginal impact, and that the anticipated growth may be compromised. Through additional discussions with the carriers operating at the Airport, the Authority currently is projecting that enplanement growth in Operating Year 2012 will be minimally flat compared to its preliminary final enplanements for Operating Year 2011. While enplanements are a driver of non-airline revenues, it is important to note that the Authority does not anticipate the enplanement factors to reduce the budgeted non-airline revenues or to negatively impact budgeted costs to the airlines in Operating Year 2012. The Authority conservatively budgeted Operating Year 2012 non-airline revenues consistent with Operating Year 2011 projections, which are favorable in terms of non-airline revenue per enplanement.

Operating Year 2012 budgeted operating expenses are $11.6 million (or 5.9%) less than Operating Year 2011 mid-year projections. The budgeted reductions are a result of Authority-wide initiatives to reduce annual operating costs by $20 million over the next 18 months. Programs being implemented over this period include global wage and benefit changes, including work force reductions, service level adjustments on contractual services and the use of an alternative funding source for the salaries, wages and benefits of the Authority's planning, design and construction staff.

Operating Year 2012 budgeted non-operating expenses increased by $24.1 million primarily due to an increase in net debt service costs resulting from the depletion of the Authority's PFC reserve and a change in accounting for the funding of the OPEB accrual required by GASB 45.

In summary, the increase in net debt service to be paid by the airlines through rates and charges in Operating Year 2012, an increase of $20.4 million of non-operating expense, has been mitigated by increases in non-airline revenues and decreases in operating expenses. The net impact to the airlines in Operating Year 2012 has been limited to $5.6 million. Additionally, a provision in the Airline Agreements allows a mid-year adjustment to airline rates and charges as of April 1 (the mid-point of the fiscal year). If at mid-year, the Authority projects material changes from the initial Operating Year 2012 budget, the Authority will adjust airline rates and charges according to the mid-year projection.

2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER

The firm of Ricondo & Associates, Inc. ("R&A") prepared a Report of the Airport Consultant dated as of November 23, 2010 (the "2010 Report of the Airport Consultant"), a copy of which is included in this Official Statement as APPENDIX A, in connection with the issuance by the Authority of certain Senior Lien Bonds. R&A has further supplemented and updated certain information contained in the 2010 Report of the Airport Consultant pursuant to its letter dated as of November 7, 2011 (the "Letter" and, together with the 2010 Report of the Airport Consultant, referred to herein as the "2010 Report of the Airport Consultant and Supplemental Letter").

The 2010 Report of the Airport Consultant and Supplemental Letter forecasts Net Revenues, Revenue Fund balances and Other Available Moneys sufficient to meet the requirements of the Rate Covenant with respect to Senior Lien Bonds. The 2010 Report of the Airport Consultant and Supplemental Letter do not incorporate estimates of debt servicing savings resulting from the issuance of the Series 2011 Refunding Bonds.

On the basis of the assumptions and analyses described in this report, R&A is of the opinion that (i) sufficient revenues will be generated to pay the Authority's requirements for its Operation and Maintenance (O&M) Fund, Bond Fund, Junior Lien Bond Fund, O&M Reserve Fund, Renewal and Replacement Fund, Authority Discretionary Fund, Airport Development Fund, and other remaining obligations or requirements of the Authority during the projection period from Operating Year 2013 through Operating Year 2020 through a combination of airline rates and charges and nonairline revenue sources, and (ii) projected Airline rates and charges are reasonable on an airline cost per enplaned passenger basis compared to other large-hub U.S. airports.

The information on the two tables below has been extracted from the 2010 Report of the Airport Consultant and Supplemental Letter.

The following table assumes the issuance of Additional Senior Lien Bonds to fund, in part, the costs of certain other as yet unfunded CIP projects. The table shows estimated Operating Year 2011, budgeted Operating Year 2012 and forecasted Operating Years 2013 through 2020 Net Revenues, Revenue Fund balances and Other Available Moneys, debt service requirements on Outstanding Senior Lien Bonds and additional Senior Lien Bonds, Debt Service Coverage (Senior Lien Bonds) and airline cost per enplaned passenger.

	Net Revenues, Revenue Fund Balances and Other Available Moneys Available for Senior Lien Debt Service (in thousands)	Total Senior Lien Debt Service Requirements (in thousands)	Debt Service Coverage (Senior Lien Bonds)(1)	Airline Cost Per Enplaned Passenger
2011*	$221,293	$151,757	1.46	$9.70
2012+	$225,395	$152,669	1.48	$9.90
2013	$232,860	$159,284	1.46	$9.59
2014	$232,510	$158,174	1.47	$9.38
2015	$259,080	$179,201	1.45	$10.53
2016	$256,949	$177,241	1.45	$10.47
2017	$243,561	$166,328	1.46	$9.79
2018	$241,348	$163,968	1.47	$9.58
2019	$244,830	$166,052	1.47	$9.31
2020	$239,109	$160,990	1.49	$9.07

*Estimated.
+Budgeted.

(1) Includes the forecasted debt service requirements on all Outstanding Senior Lien Bonds and Additional Senior Lien Bonds for other projects not yet funded. Such debt service requirements are based on interest rate assumptions that were consistent with market rates as of the date of the 2010 Report of the Airport Consultant and assumed bond funded project costs totaling approximately $334.9 million in Operating Year 2012.

The following table shows estimated Operating Year 2011, budgeted Operating Year 2012 and forecasted Operating Years 2013 through 2020 Net Revenues, Revenue Fund balances and Other Available Moneys, debt service requirements on Outstanding Senior Lien Bonds (including debt service requirements on the Series 2011 Refunding Bonds and Outstanding Junior Lien Bonds as shown in the 2010 Report of the Airport Consultant and Supplemental Letter), debt service coverage (Senior Lien Bonds and Junior Lien Bonds) and airline cost per enplaned passenger.

	Net Revenues, Revenue Fund Balances and Other Available Moneys (in thousands)	Total Senior Lien Debt Service Requirements and Junior Lien Debt Service Requirements (in thousands)	Debt Service Coverage (Senior Lien Bonds and Junior Lien Bonds) (1)	Airline Cost Per Enplaned Passenger
2011*	$221,293	$151,757	1.35	$9.70
2012+	$225,395	$152,669	1.37	$9.90
2013	$232,860	$159,284	1.36	$9.59
2014	$232,510	$158,174	1.36	$9.38
2015	$259,080	$179,201	1.35	$10.53
2016	$256,949	$177,241	1.36	$10.47
2017	$243,561	$166,328	1.36	$9.79
2018	$241,348	$163,968	1.37	$9.58
2019	$244,830	$166,052	1.37	$9.31
2020	$239,109	$160,990	1.38	$9.07

*Estimated.
+Budgeted.

(1) Includes the forecasted debt service requirements on all Outstanding Senior Lien Bonds (including debt service requirements on Outstanding Junior Lien Bonds as shown in the 2010 Report of the Airport Consultant and Supplemental Letter) and Additional Senior Lien Bonds for other projects not yet funded. Such debt service requirements are based on interest rate assumptions that were consistent with market rates as of the date of the 2010 Report of the Airport Consultant and assumed bond funded project costs totaling approximately $334.9 million in Operating Year 2012.

The 2010 Report of the Airport Consultant and Supplemental Letter should be read in its entirety for an understanding of the forecasts and the underlying assumptions. As noted in the 2010 Report of the Airport Consultant and Supplemental Letter, any financial forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those forecasts, and the variations may be material, particularly as they relate to possible additional terrorist acts or acts of war. See APPENDIX A – "2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2011 Refunding Bonds involve investment risk. Prospective investors are urged to read this Official Statement, including the appendices hereto, in its entirety. The factors set forth herein among others, may affect the security for and/or trading value of the Series 2011 Refunding Bonds. The information herein does not purport to be a comprehensive or exhaustive discussion of all risks or other considerations that may be relevant to an investment in the Series 2011 Refunding Bonds. In addition, the order in which the following information is presented in not intended to reflect the relative importance of any such considerations. There can be no assurance that other risks or considerations not discussed herein are or will not become material in the future.

Delta's Presence at the Airport

Delta is the dominant air carrier operating at the Airport and maintains a large connecting hub at the Airport. On October 29, 2008, a wholly-owned subsidiary of Delta merged with and into Northwest Airlines Corporation, with the result that Northwest Airline Corporation and its wholly-owned subsidiaries, including Northwest, became wholly-owned subsidiaries of Delta. Prior to its acquisition by Delta, Northwest, together with regional carrier Pinnacle and Northwest's wholly-owned subsidiary regional carriers Mesaba and Compass, accounted for approximately 78.5% of the total enplaned passengers at the Airport in Operating Year 2008, and 75.6% in Operating Year 2007. In December 2009, Northwest merged with and into Delta and by operation of law Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Authority. Subsequently, the Northwest brand was phased out and the merged airline operates under the Delta name. Delta and Northwest and their regional carriers accounted for approximately 79.5% of the total enplaned passengers at the Airport in Operating Year 2011, 80.6% in Operating Year 2010, and 79.7% in Operating Year 2009. On July 1, 2010, Delta sold Mesaba and Compass to Pinnacle and Trans States Airlines, Inc., respectively. According to public filings made by Delta, Pinnacle, Pinnacle's subsidiary Mesaba, and Compass will continue to operate certain Delta Connection flights under long-term, extendable capacity purchase agreements.

Although the 2010 Report of the Airport Consultant and Supplemental Letter concludes that the Airport is likely to remain an important part of Delta's hubbing system, no assurance can be given with regard to Delta's future level of activity at the Airport. If, for whatever reason, Delta reduces or discontinues its operations at the Airport, Delta's current level of activity at the Airport may not be replaced by other carriers, which could result in differences to the data presented in the 2010 Report of the Airport Consultant and Supplemental Letter. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport" above and APPENDIX A – "2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – Sensitivity Analysis."

Effect of Airline Industry Consolidation

In response to competitive pressures, the United States airline industry has consolidated. In, December 2009, Delta and Northwest merged into a single entity now operating under the Delta brand. In October 2010 United Airlines and Continental Airlines completed the merger of the two airlines, and in May 2011, Southwest Airlines completed its purchase of AirTran Airways. To date, these anticipated mergers have not impacted the Airport, but it is not possible to predict the future impact, if any, on the Airport following consummation of these mergers. Furthermore, depending on if other Signatory Airlines merge or consolidate in the future, gate utilization at the Airport could decrease, which could materially adversely affect Airport operations, and ultimately the cost to the airlines of operating at the Airport. At this time, it is not possible to predict the effect on gate utilization of any future airline consolidation.

Impact of Regional and National Economic Conditions on the Airport

The demographic and economic characteristics of the Airport's Air Trade Area comprise the underlying components of air transportation demand for passengers and commercial goods. This relationship is particularly true for origination and destination passenger traffic, which is an important component of demand at the Airport. Although the economic base of the Air Trade Area is considered capable of supporting increased demand for air travel at the Airport, employment and other economic indices of the Air Trade Area have been negatively impacted, in part, by the general downturn in the automotive industry which resulted in the bankruptcy filings in 2009 of General Motors Corporation and Chrysler LLC, two of the "Big 3" automakers. See APPENDIX A – "2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER." These demand components are further affected by individual airline decisions regarding air service, hubbing operations and aircraft fleet mix.

There is no assurance that the Airport, despite a demonstrated level of demand for airline service and operations, will continue to maintain such levels in the future. The continued presence of the airlines serving the Airport, and the levels at which that service will be provided, are a function of a variety of factors. 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 Series 2011 Refunding 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; availability and price of aviation fuel; capacity of the national air traffic control and airport systems; capacity of the Airport and competition from other airports; and business travel substitutes, including teleconferencing, videoconferencing and web-casting. Many of these factors are beyond the control of the Authority. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport.

As a result of the Airport's geographic location, facilities and capabilities and Delta's investment in the Airport, the Authority expects that the Airport will remain a system hub for Delta; however, no assurance can be given to that effect, regardless of Delta's financial condition. If Delta discontinues or reduces its hubbing operations at the Airport, its current level of activity may not be replaced by other carriers. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport – *Delta Air Lines*" above.

Financial Condition of Airlines Serving the Airport

In the last nine years, numerous U.S. passenger airlines filed for bankruptcy court protection pursuant to 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code"), including (in chronological order), US Airways (in 2002 and 2004), United, Hawaiian Airlines, Midway Airlines, Delta, Northwest, Mesaba, Independence Air, Aloha Airlines (in 2004 and 2008), ATA Airlines (in 2004 and 2008), Skybus Airlines, Frontier Airlines, Eos Airlines, Sun Country Airlines, Primaris Airlines, Arrow Air and Mexicana. US Airways, United, Hawaiian Airlines, Mesaba, Delta and Northwest all emerged from bankruptcy. Midway Airlines and Independence Air ceased operations in 2003 and 2006, respectively. Aloha Airlines and ATA Airlines terminated their operations in March 2008 and April 2008, respectively. Skybus Airlines, Eos Airlines, Primaris and Arrow Air have also terminated their operations. The Air Transport Association ("ATA") reported that, in 2009, U.S. airlines saw operating revenues decrease 17 percent, extending industry losses to $58 billion over a nine-year period beginning in 2001. It is reasonable to assume that any additional significant financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport, although financial or operational difficulties by any of the other Signatory Airlines also may, whether directly or indirectly, have an adverse impact on Revenues or Airport operations, the effect of which may be material. See " – Delta's Presence at the Airport" above.

The price of fuel has been a significant cost factor for the airline industry. Although there has been no shortage of aviation fuel since the "fuel crisis" of 1974, there have been significant increases and fluctuations in the price of fuel, and fuel prices reached record highs in 2008. According to the ATA, fuel has overtaken labor as the industry's top cost and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. According to the ATA, a one-dollar per barrel increase in the price of crude oil equates to approximately $445 million in annual additional expense for U.S. airlines. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by the rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, and weather. It is not possible to predict whether and to what extent fuel prices will increase and the effect of such increases on the airlines serving the Airport.

Revenues from Air Carriers

The derivation of Revenues from the operation of the Airport depends on many factors, many of which are not subject to the control of the Authority. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airline Agreements. The revenues of the airlines serving the Airport may be materially affected by many factors including, without limitation, the following: declining demand; service and cost competition; mergers; the availability and cost of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; national and international disasters and hostilities; the cost and availability of employees; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; deregulation; federal and state bankruptcy and insolvency laws; acts of war and terrorism; and other risks. Historically, the airline industry's results have correlated with the performance of the economy.

Effect of Signatory Airline Bankruptcies

The following Signatory Airlines financially reorganized through the bankruptcy process in the last nine years: Delta, Northwest, US Airways, United and Mesaba. Additional bankruptcies, liquidations or major restructurings of other airlines could occur, and it is not possible to predict the impact on the Airport of any such future bankruptcies, liquidations or major restructurings of other airlines. A bankruptcy of a Signatory Airline with significant operations at the Airport could have a material adverse effect on operations at the Airport, Revenues and the cost to the other airlines of operating at the Airport.

Currently, the domestic gates and related facilities at the Airport are preferentially leased to the Signatory Airlines pursuant to respective Airline Agreements. International gates are operated on a shared basis. In the event of bankruptcy proceedings involving any Signatory Airline, the debtor or its bankruptcy trustee must determine whether to assume or reject its agreements with the Authority (a) within 120 days (or later if ordered by the court) with respect to its Airline Agreement or leases of non-residential real property, but in no event later than 210 days after the commencement of the bankruptcy case unless additional time is agreed to by the Authority, or (b) prior to the confirmation of a plan or 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 Agreement or other agreements.

Rejection of an Airline Agreement or other agreement by any Signatory Airline that is a debtor in a bankruptcy proceeding would give rise to an unsecured claim of the Authority against the debtor's estate for damages, the amount of which may be limited by the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Agreement by a Signatory Airline in bankruptcy would be included in the calculation of the fees and charges of the remaining Signatory Airlines under their Airline Agreements. See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS."

Whether or not an Airline Agreement is assumed or rejected in a bankruptcy proceeding, it is not possible to predict the subsequent level of utilization of the gates leased under such agreement. Decreased utilization of gates could have a material adverse effect on Airport operations, as well as on Revenues and ultimately on the cost to the airlines of operating at the Airport.

With respect to any airline that may seek bankruptcy protection under the laws of a foreign country, the Authority is unable to predict what types of orders or relief could by issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States. Typically, foreign airline bankruptcy proceedings obtain an order in the United States to support and complement the foreign proceedings and stay the actions of creditors in the United States.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of the international hostilities (such as the war and continuing military action in Iraq and Afghanistan), additional terrorist attacks and world health concerns, 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 selection of surface travel over air travel.

Because of the implementation of the Congressional mandate, effective January 1, 2003, to screen all checked baggage for explosives, as well as the impact on airport operations of procedures mandated under "Code Orange" (high) and "Code Red" (severe) national threat levels declared by the Department of Homeland Security ("DHS") under the Homeland Security Advisory System, there is the potential for significantly increased inconvenience and delays at many airports, including the Airport.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by various contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Airline Agreements, the PFC Act and other extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the events of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Transportation Security Administration and DHS.

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 Authority or whether such restrictions or legislation or regulations would adversely affect Revenues. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program" above.

Availability of PFC Revenues and Other Sources of Funding

The Authority's plan of finance for many of the completed CIP projects assumed that PFC revenues would be available in certain amounts and at certain times for the payment of a portion of the Debt Service on the Senior Lien Bonds and the Junior Lien Bonds issued to pay the costs of many of the projects. In addition, the Authority's plan of finance for its current five-year CIP assumes that federal grants will be received in certain amounts and at certain times to pay certain capital project costs. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program" above. No assurance can be given that these sources of funding actually will be available in the amounts or on the schedule assumed.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon the actual number of passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. A shortfall in projected PFC collections could have an adverse impact on the timely payment of principal of or interest on the Senior Lien Bonds and the Junior Lien Bonds. This adverse impact could be direct or indirect. For example, PFC shortfalls could result in sufficient increases in terminal rentals or Activity Fees at the Airport thereby negatively impacting the airlines' desire to operate at the Airport. As a result of decreases in passenger enplanements at the Airport since 2007, and the resultant decrease in anticipated PFC revenues, beginning in Operating Year 2011, Activity Fees at the Airport have been adversely impacted and it is projected that beginning in Operating Year 2012, terminal rentals and shared use fees will also be adversely impacted. While it is projected that this shortfall in PFC revenues will negatively impact the rental rates for both the McNamara Terminal and the North Terminal, due to provisions in the Airline Agreements with respect to the priority use of PFCs for Debt Service it is projected that there will be a greater negative impact on the rental rates for the North Terminal. To some extent, the Debt Service savings resulting from the issuance of the Series 2011 Refunding Bonds will mitigate the projected negative impact on the North Terminal rental rates.

Furthermore, under the terms of the PFC Act, the FAA may terminate the Authority's authority to impose a PFC if the Authority's PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder, or if the Authority otherwise violates the PFC Act or regulations. The FAA may also terminate the Authority's authority to impose a PFC for a violation by the

Authority of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. A process that will last a minimum of 180 days is required before the FAA can terminate the Authority's authority to impose a PFC for a violation of the PFC Act. In addition, although the FAA's PFC regulations require Collecting Carriers (as defined above) to account for PFC collections separately, and indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy court decisions indicate that in a bankruptcy proceeding involving a Collecting Carrier, it is likely that PFCs will not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds.

Also, as discussed under "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program – CIP Funding Sources – *Grants*" above, the assumptions with respect to entitlement and discretionary funding, although considered reasonable by the Authority, 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.

To the extent that any portion of the funding assumed in the plan of finance for the CIP is not available as anticipated, the Authority may be required to issue Additional Bonds or Junior Lien Bonds to pay the costs of the CIP and to increase airline rates and charges to pay Debt Service on the Senior Lien Bonds and the Junior Lien Bonds and to fund the required coverage thereon.

CIP Costs and Schedule

The estimated costs of, and the projected schedule for, the projects in the CIP depend on various sources of funding, and are subject to a number of uncertainties. The ability of the Authority to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the projects, (4) delays in contract awards, (5) material and/or labor shortages, (6) delays due to airline operational needs, (7) unforeseen site conditions, (8) adverse weather conditions, (9) contractor defaults, (10) labor disputes, (11) unanticipated levels of inflation, (12) litigation and (13) environmental issues. No assurance can be given that the costs of the projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue Additional Senior Lien Bonds or Junior Lien Bonds, which would require a new Weighted Majority approval for the projects with increased costs. The issuance of Additional Senior Lien Bonds or Junior Lien Bonds may result in increased costs per enplaned passenger to the airlines. No assurance can be given that the Authority would receive the required airline approvals, or that, absent such approvals, an alternative source of funding would be available. At present, the Authority is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, resulting in different results than those included in the projections.

Geophysical Events

Volcanoes, earthquakes and other geophysical events may have a material economic effect on the airline industry, as illustrated by the disruption to Asian travel of the Asian earthquake and tsunami disasters that occurred in March 2011 and the disruption to European and trans-Atlantic air travel resulting from the April 2010 eruption of Eyjafjoell volcano in Iceland. Although the economic costs of the Japanese disaster have yet to be quantified, the International Air Transport Association estimated that the Icelandic volcano crisis had cost airlines more than $1.7 billion in revenue for the six days following the initial eruption. For the three-day period during which when disruptions were most significant, lost revenues reached $400 million per day.

Assumptions in the 2010 Report of the Airport Consultant and Supplemental Letter

The 2010 Report of the Airport Consultant and Supplemental Letter should be read in its entirety for an understanding of the forecasts and the underlying assumptions. As noted in the 2010 Report of the Airport Consultant and Supplemental Letter, any financial forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those forecasts, and the variations may be material. Further, the 2010 Report of the Airport Consultant and Supplemental Letter do not cover the entire period through maturity of the Series 2011 Refunding Bonds. See APPENDIX A – "2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

LITIGATION AND OTHER LEGAL ACTIONS

There is no litigation pending, or to the knowledge of the Authority threatened, against or affecting the Authority or the Airport, or, to the Authority's knowledge, any basis therefor, wherein an unfavorable decision, ruling or outcome would have a material impact on the financial condition of the Airport or would adversely affect the transactions contemplated by this Official Statement, or the validity of the Series 2011 Refunding Bonds, the Ordinance, or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

Litigation

Thomas et al. v. Northwest Airlines Corporation and Wayne County Airport Authority (Case No. 08-11580; E.D. Mich.):

In April of 2008, five individuals with disabilities filed an action against the then-parent company of Northwest and the Authority, alleging violations of the Air Carrier Access Act (49 USC 4170), the Americans with Disabilities Act of 1990 (42 USC 12101) ("ADA") and Section 504 of the Rehabilitation Act of 1973 (29 USC 794). Plaintiffs claimed that they had been denied basic accessibility to flights operated by Northwest at the Airport, and discrimination as a result of the alleged lack of accessibility.

The case was framed as a declaratory action seeking injunctive relief against Northwest and the Authority to restrain from discriminating against individuals with disabilities. Plaintiffs also sought to restrain Defendants from receiving federal funding until each provides individuals with disabilities full and equal access to the Northwest flights and the Airport. Compensatory/monetary damages were not sought in this litigation. Portions of the case were dismissed in 2008.

On February 10, 2009, the Court entered an Order for Facilitation in the remainder of the case, ordering the parties, with their voluntary agreement, to participate in a facilitation process to resolve differences. As a result of the facilitation phase of the case, the parties entered into an Action Plan to address certain ADA-related facilities issues at the Airport. On August 16, 2011, the Court issued an Order Resolving Remaining Disputed Items in Action Plan, which addressed three facilities issues with respect to which the parties had been unable to agree in the Action Plan. The Court found in favor of the Authority and Delta (as successor to Northwest) on two of the three issues, but found that a moving walkway in the Ground Transportation Center at the McNamara Terminal Garage did not have an associated accessible path of travel for disabled individuals. As a result of this finding by the Court, the moving walkway at issue has been turned off in order to make it accessible for all customers at the Airport.

On September 16, 2011, the parties entered into a Stipulation for Dismissal of Litigation, pursuant to which the parties agreed to dismiss the litigation without prejudice, costs, attorney or consultant fees.

Robert Davis v. Wayne County Airport Authority et al. (Case No. 11-013946-CZ);

On November 10, 2011, Plaintiff Robert Davis brought suit in Wayne County Circuit Court against the Authority, the Authority Board, the Ad Hoc Search Committee of the Authority Board, and Renee C. Axt, individually and in her official capacity as Chairperson of the Authority Board, alleging violations of the Authority's By-laws, the Authority Act and the Michigan Open Meetings Act in connection with the Authority Board's search process for a new Chief Executive Officer of the Authority during the summer of 2011. Plaintiff has requested that the Court issue a Declaratory Judgment declaring that Defendants violated the Authority's By-laws, the Authority Act, and the Michigan Open Meetings Act, issue an order enjoining Defendants from further violations, and order Defendants to pay Plaintiff's court costs and attorney fees. No other financial penalties or fees are sought by Plaintiff.

The Authority intends to vigorously defend itself and the other Defendants against this action; however, an unfavorable decision, ruling or outcome in this matter would not have any impact on the financial condition of the Airport or adversely affect the transactions contemplated by this Official Statement.

Dismissal of Chief Executive Officer of the Authority

On October 31, 2011, the Board of the Authority terminated the employment of Turkia Awada Mullin from the position of Chief Executive Officer of the Authority, for cause. Ms. Mullin had been appointed to this position on August 2, 2011, by the Authority Board, and had commenced her employment with the Authority on September 6, 2011. While Ms. Mullin has indicated publicly that she intends to take legal action to challenge the Board's termination action, such legal action should not have a material adverse impact on the financial condition of the Airport or adversely affect the transactions contemplated by this Official Statement.

Other Developments

The Authority understands that the Federal Bureau of Investigation has initiated an investigation of the County, including the actions of various individuals affiliated directly and indirectly with the County and some of its agencies and related entities, which also includes records relating to the hiring of the Authority's former CEO, Ms. Mullin. The Authority has no reason to believe that it is a target of the investigation or that the investigation will have a material adverse impact on the Airport or adversely affect the transactions contemplated by this Official Statement.

UNDERWRITING

The Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds are being purchased by J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Siebert Brandford Shank & Co., L.L.C. and Wells Fargo Bank, National Association (collectively, the "Series 2011A-B Underwriters"). The Series 2011A-B Underwriters have agreed, subject to certain conditions, to (i) purchase the Series 2011A Refunding Bonds at an aggregate purchase price of $157,821,870.64 (equal to the par amount of the Series 2011A Refunding Bonds plus net original issue premium in an aggregate amount of $6,150,199.65, less an underwriting discount of $793,329.01) and (ii) purchase the Series 2011B Refunding Bonds at an aggregate purchase price of $18,340,562.29 (equal to the par amount of the Series 2011B Refunding Bonds plus net original issue premium in an aggregate amount of $1,447,930.70, less an underwriting discount of $72,368.41) pursuant to a Bond Purchase Agreement between the Authority and the Series 2011A-B Underwriters (the "Series 2011A-B Bond Purchase Agreement"). The Series 2011A-B Bond Purchase Agreement provides that the Series 2011A-B Underwriters will purchase all of the Series 2011A Refunding Bonds, if any are purchased, and all of the Series 2011B Refunding Bonds, if any are purchased. The Series 2011A-B Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds to the public. The obligations of the Series 2011A-B Underwriters to accept delivery of the Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds are subject to various conditions of the Series 2011A-B Bond Purchase Agreement.

The Series 2011A-B Underwriters may offer and sell the Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds to certain dealers (including depositing the Series 2011A Refunding Bonds and the Series 2011B Refunding Bonds into investment trusts, which investment trusts may be sponsored by the Underwriters) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Series 2011A-B Underwriters.

In the ordinary course of its business, J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Series 2011 Refunding Bonds, and certain of its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with the Authority. JPMS has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase Series 2011 Refunding Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2011 Refunding Bonds that such firm sells.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Series 2011 Refunding 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 Series 2011 Refunding Bonds.

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. Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Series 2011 Refunding Bonds s, has entered into an agreement (the "Distribution Agreement") with Wells Fargo Advisors, LLC ("WFA") for the retail distribution of certain municipal securities offerings, including the Series 2011 Refunding Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2011 Refunding Bonds with WFA. WFBNA and WFA are both subsidiaries of Wells Fargo & Company.

FINANCIAL ADVISORS

Public Financial Management, Inc. and D+G Consulting Group, LLC (collectively, the "Financial Advisors") are serving as Financial Advisors to the Authority in connection with the issuance of the Series 2011 Refunding Bonds. The Financial Advisors are financial advisory and consulting organizations and are not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisors have provided advice as to the plan of financing and the structuring of the Series 2011 Refunding Bonds and have reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2011 Refunding Bonds was based upon materials provided by sources of information believed to be reliable, but the Financial Advisors have not audited, authenticated or otherwise verified such information, including material contained in this Official Statement.

INDEPENDENT ACCOUNTANTS

The financial statements of the Authority as of and for the year ended September 30, 2010, included as APPENDIX B, have been audited by Plante & Moran, PLLC, independent accountants, as stated in their report appearing in APPENDIX B.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC will deliver to the Authority its attestation report verifying the mathematical accuracy of (i) the mathematical computations of the adequacy of the cash and the maturing principal of, and interest on, the obligations deposited in the Escrow Fund under the Master Bond Ordinance and the Series 2010 Refunding Ordinance to pay the redemption or purchase price and interest on the Refunded Bonds and (ii) the computations of the yield on the Series 2011 Refunding Bonds and the Refunded Bonds as originally issued, and the yield of certain obligations in the Escrow Fund purchased with proceeds of the Series 2011 Refunding Bonds and other funds of the Authority, supporting the conclusion of Bond Counsel that interest on the Series 2011 Refunding Bonds is excludable from gross income for federal income tax purposes as indicated under the caption "TAX MATTERS." Such verification will be based upon information and data provided by the Authority.

MISCELLANEOUS

This Official Statement has been duly authorized by the Board of the Authority, and duly executed and delivered by the Interim Chief Financial Officer and Treasurer of the Authority.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

WAYNE COUNTY AIRPORT AUTHORITY

By: /s/ Terrence P. Teifer
Interim Chief Financial Officer and Treasurer

APPENDIX A

2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER

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RICONDO®
& ASSOCIATES

November 7, 2011

Mr. Thomas J. Naughton
Interim Chief Executive Officer
Wayne County Airport Authority
L.C. Smith Terminal, Mezzanine Level
Detroit, Michigan 48242

RE: Report of the Airport Consultant Dated December 10, 2010
Wayne County Airport Authority
Airport Revenue Refunding Bonds, Series 2011A (AMT)
Airport Revenue Refunding Bonds, Series 2011B (Non-AMT)

Dear Mr. Naughton:

This letter was prepared by Ricondo & Associates, Inc. (R&A) in conjunction with the planned issuance by the Wayne County Airport Authority (the Authority) of its Airport Revenue Refunding Bonds, Series 2011A (AMT) and Airport Revenue Refunding Bonds, Series 2011B (Non-AMT) (collectively, the Series 2011 Bonds) to refund all or a portion of outstanding Series 1998A Bonds and Series 2002C Bonds, to fund certain reserves, and to pay related costs of issuance. The financial projections presented herein were developed pursuant to the Authority's Master Airport Revenue Bond Ordinance, adopted September 26, 2003 (Master Bond Ordinance) and the Series 2010 Refunding Ordinance (Series Ordinance), adopted September 23, 2010 as amended (collectively, the Ordinances). All capitalized terms in this report are used as defined in the Official Statement with respect to the Series 2011 Bonds, except as otherwise defined herein.

This letter, along with the Report of the Airport Consultant dated December 10, 2010 (the Series 2010 Report), discussed below, is intended for inclusion in the Official Statement for the Series 2011 Refunding Bonds as Appendix A: Report of the Independent Airport Consultant.

In December 2010, the Authority issued its Airport Revenue Refunding Bonds Series 2010A (Series 2010A Bonds), Airport Revenue Refunding Bonds Series 2010B (Series 2010B Bonds), Airport Revenue Refunding Bonds Series 2010C (Series 2010C Bonds), Airport Revenue Refunding Bonds Series 2010D (Series 2010D Bonds), Airport Revenue Refunding Bonds Series 2010E (Series 2010E Bonds), Airport Revenue Refunding Bonds Series 2010F (Series 2010F Bonds), and Airport Revenue Refunding Bonds Series 2010G (Series 2010G Bonds), collectively referred to as the Series 2010 Bonds. R&A prepared the Series 2010 Report which was included as Appendix A in the Official Statement for the Series 2010 Bonds and is included, along with this letter, as Appendix A in the Official Statement for the Series 2011 Bonds. The Series 2010 Report included aviation activity and financial projections prepared by R&A (collectively, the Series 2010 Projections) and actual and estimated future debt service requirements associated with the Series 2010 Bonds for the Operating Year (OY) ending September 30, 2011 through OY 2020 (the Projection Period).

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& ASSOCIATES

The Authority issued the Series 2010 Bonds to, together with other available funds, (1) refund a portion of the outstanding principal amount of the Series 1998A Bonds; (2) refund all of the outstanding principal amount of the 1998B Bonds; (3) refund all of the outstanding principal amount of the 2008B Bonds; (4) refund all of the outstanding principal amount of the 2008C Bonds; (5) refund all of the outstanding principal amount of the 2008D Bonds; (6) refund all of the outstanding principal amount of the 2008E Bonds; (7) refund all of the outstanding principal amount of the 2008F Bonds; (8) fund deposits to the Bond Reserve Account to satisfy the Reserve Requirement, and (9) pay certain costs of issuing the Series 2010 Bonds.

The various series of the Series 2010 Bonds were issued under three different interest rate structures. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, and Series 2010D Bonds were issued as fixed rate bonds. Actual debt service requirements during the Projection Period for these series were included in the Series 2010 Projections. The Series 2010E Bonds and Series 2010F Bonds were issued as variable rate demand obligations secured by bank letters of credit. The Series 2010G Bonds were placed privately, but for the purposes of the Series 2010 Report, estimated debt service requirements for this series were included in the estimated debt service requirements for the Series 2010E Bonds. Estimates of debt service requirements for the variable rate series over the Projection Period, assuming an all-in True Interest Cost (TIC) of approximately 3.4 percent and 3.3 percent, respectively, were included in the Series 2010 Projections.

The Series 2011 Bonds are being issued to refund certain maturities of the Series 1998A Bonds, the refunding of which did not meet the Authority's debt service savings targets given market conditions in December 2010. In addition, the Authority may issue Series 2011 Bonds to refund certain maturities of the Series 2002C Bonds as may be economically beneficial given market conditions at the time of pricing. The Authority will use the net proceeds of the Series 2011 Bonds to (1) refund all or portions of the outstanding principal amount of Series 1998A Bonds and Series 2002C Bonds; (2) fund deposits to the Bond Reserve Account to satisfy the Reserve Requirement, and (3) pay certain costs of issuing the Series 2011 Bonds.

This letter (1) serves as R&A's consent to the use of the Series 2010 Report (along with this letter) as Appendix A of the Preliminary Official Statement and Official Statement for the Series 2011 Bonds and (2) serves to confirm the findings reflected in the Series 2010 Report. Specifically, on the basis of the assumptions and analyses described in the Series 2010 Report, R&A provided its opinion in the Series 2010 Report that:

- Sufficient revenues will be generated to pay the Authority's requirements for its Operation and Maintenance (O&M) Fund, Bond Fund, Junior Lien Bond Fund, O&M Reserve Fund, Renewal and Replacement Fund, Authority Discretionary Fund, Airport Development Fund, and other remaining obligations or requirements of the Authority during the Projection Period through a combination of airline rates and charges and nonairline revenue sources; and

- Projected airline rates and charges are reasonable on an airline cost per enplaned passenger basis compared to other large-hub U.S. airports

Based on our review of socioeconomic, airline traffic activity, and financial information available since the date of the Series 2010 Report, as well as the revised enplaned passenger and financial projections described in sections below, R&A is of the opinion that the Series 2010 Report findings identified above are still valid. More specifically, based on the data and updated financial analysis summarized in this letter, following the issuance of the Series 2011 Bonds the Authority will generate sufficient revenues to meet the obligations and requirements of the Authority, including the Rate Covenant, as may be applicable based on the Master Bond Ordinance, the Series Ordinance, and the Airport Use and Lease Agreements (the Airline Agreements), each as more fully described in the Official Statement.

Economic Base for Air Transportation

Our review of certain socioeconomic information available since the date of the Series 2010 Report suggests the findings regarding the Airport's Air Trade Area[1] and economic base for air transportation presented in the Series 2010 Report remain valid (see Chapter I *Economic Base for Air Transportation* of the Series 2010 Report) and the economic base of the Air Trade Area remains capable of supporting increases in demand for air transportation at the Airport during the Projection Period, as generally supported by the following:

- The population of the 10-county Air Trade Area totaled approximately 5.3 million in 2010 based on the U.S. Census Bureau's 2010 Census data, a decrease of approximately 137,700 persons as compared to 2000 Census data. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 15th and 32nd-largest counties, respectively, in the nation for population in 2010. The City of Detroit was the 18th most populous city in the United States in 2010. Since the 2000 Census, the population of the City of Detroit has decreased by approximately 237,500 persons, a decrease of approximately 25.0 percent. Analysis of 2010 Census data indicates that the significant decrease in population experienced by the City of Detroit has been partially offset by population growth (as compared to 2000 Census data) in Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, and Washtenaw counties in the Air Trade Area.

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1 The Airport's Air Trade Area is defined as the Ann Arbor Metropolitan Statistical Area (MSA) that includes Washtenaw County; the Detroit-Warren-Livonia MSA that includes Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties; the Flint MSA that includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area that includes Lenawee County

- The Air Trade Area is headquarters to 17 Fortune 500 companies[2] including two companies ranked in the top ten, General Motors ranked 8th and Ford ranked 10th. As presented in the Series 2010 Report, Fortune's 2010 ranking of the 500 largest U.S. companies, based on 2009 revenues, included 13 companies headquartered in the Air Trade Area. Companies headquartered in the Air Trade Area that were added to the most recent list of Fortune 500 companies include Chrysler Group (ranked 59th), BorgWarner (ranked 403rd), Con-way (ranked 454th), and PulteGroup (ranked 486th).
- Based on data for August 2011 from the Bureau of Labor Statistics (preliminary data, latest data currently available), the unemployment rate for the Air Trade Area was 12.3 percent (non-seasonally adjusted). By comparison, the unemployment rate for the Air Trade Area in September 2010, as provided in the Series 2010 Report, was 13.0 percent.
- According to an October 2011 economic forecast from economists at the University of Michigan, Michigan is projected to have gained approximately 61,200 jobs in 2011, significantly stronger job growth than was projected (24,500 jobs) in the November 2010 forecast referenced in the Series 2010 Report. In the most recent forecast, job growth is projected at 33,000 jobs in 2012 and 53,700 jobs in 2013 reflecting projected steady rises in vehicle sales and an improving U.S. economy over the next two years. Personal income in Michigan is projected to increase 5.9 percent in 2011 as a result of a stronger labor market and the temporary two-percentage-point reduction in payroll taxes (which is estimated to have added 1.0 percentage point to the growth rate). Income growth is projected at approximately 3.0 percent in 2012 and 3.3 percent in 2013 as the forecast reflects the projected impacts of a strengthening economy being partially offset by the assumed end of the payroll tax holiday.

Airline Traffic and Air Service

The Series 2010 Report incorporated actual enplaned passenger statistics through OY 2009 and estimated totals for OY 2010. Enplaned passenger trends at the Airport for actual OY 2010, preliminary final OY 2011, and the Authority's OY 2012 budget are summarized in **Table 1**.

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2 Ranking is based on 2010 revenues listed in Fortune magazine's 2011 annual ranking of America's largest corporations (May 23, 2011 issue).

Table 1

Recent Airport Enplaned Passenger Trends

Enplaned Passengers (in Thousands)	Actual OY 2009	Actual OY 2010	Preliminary OY 2011	Budget OY 2012
Domestic	14,628	14,621	14,925	15,164
International	1,313	1,255	1,301	1,436
Total	15,941	15,876	16,226	16,600

Annual Change	Actual OY 2010	Preliminary OY 2011	Budget OY 2012
Domestic	-0.1%	2.1%	1.6%
International	-4.4%	3.7%	10.4%
Total	-0.4%	2.2%	2.3%

Source: Wayne County Airport Authority, November 2011.
Prepared by: Ricondo & Associates, Inc., November 2011.

Enplanement levels reflected in the Authority's OY 2012 budget are based, in part, on data that was provided to the Authority in May 2011 by airlines operating at the Airport. Since then, several airlines, including Delta Air Lines (Delta), have revised their plans for systemwide fleet capacity due to a variety of factors including the nation's lagging economic recovery, global economic uncertainty, and high fuel prices. Accordingly, Delta's and some of the other airlines' respective expectations for total system capacity in the coming year have been reduced since the Authority developed its OY 2012 enplanement estimates. R&A believes that these anticipated capacity reductions could impact available seat capacity at the Airport for reasons tied more closely to national and international factors than to Air Trade Area considerations. Therefore, and as described in more detail in a following section of this letter, R&A has assumed that OY 2012 enplanements at the Airport will remain level in relation to OY 2011 estimated enplanements, totaling approximately 16.2 million enplanements as compared to 16.6 million in the Authority's budget.

Updates available as of November 2011 to key considerations presented in the Series 2010 Report with respect to airline traffic and air service at the Airport are summarized below:

- In calendar year (CY) 2010[3], the Airport ranked 16th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers, an increase of approximately 3.3 percent as compared to CY 2009. In CY 2010, the Airport ranked 10th nationwide in total aircraft operations, with 452,616 takeoffs and landings, and increase of approximately 4.6 percent as compared to CY 2009.

- The Authority estimates that OY 2011 enplaned passengers totaled 16,226,026, an increase of approximately 2.2 percent as compared to OY 2010. Growth in domestic enplaned passengers is estimated at approximately 2.1 percent in OY 2011. Despite significant travel interruptions resulting from Asian earthquake and tsunami disasters that occurred in March 2011, international enplaned passengers are estimated to increase by approximately 3.7 percent as compared to OY 2010.

- The Series 2010 Report described international traffic as being a key driver of near-term enplanement growth at the Airport. Published flight schedules for the period December 2010 through November 2011 confirm that expectations identified in the Series 2010 Report with respect to international service additions at the Airport did materialize and contributed to recent increases in international enplanements at the Airport.

- For OY 2012, the Authority's budget, approved by the Authority Board on September 29, 2011, shows estimated enplaned passenger growth of approximately 2.3 percent, with domestic enplaned passengers increasing 1.6 percent and international enplaned passengers increasing 10.4 percent, all as compared to preliminary final OY 2011 amounts. The Authority developed the OY 2012 enplaned passenger estimate based, in part, on information provided by Delta and other airlines serving the Airport.

- As of November 2011, the Airport had scheduled passenger service provided by 25 U.S. flag scheduled passenger air carriers, including five legacy/mainline carriers[4], four low-cost carriers[5], and 16 regional carriers providing service for various legacy/mainline carriers. In addition, as of November 2011, four foreign flag carriers provided scheduled passenger service and one charter/other carrier provided non-scheduled passenger service at the Airport. Two all-cargo carriers provide scheduled cargo service at the Airport.

- Based on available information from OAG Aviation Solutions, airlines serving the Airport are scheduled to average 576 daily departures from the Airport during the month of November 2011 (as compared to 574 daily departures in December 2010) providing non-stop

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3 Based on final Airports Council International traffic data for North American traffic

4 Counts United and Continental as separate carriers; United and Continental closed their merger on October 1, 2010, a single operating certificate is expected to be issued by the FAA in the first quarter of 2012.

5 Counts Southwest and AirTran as separate carriers; Southwest acquired AirTran effective May 2, 2011, a single operating certificate is expected to be issued by the FAA in the first quarter of 2012.

service to 111 domestic destinations (as compared to 120 domestic destinations in December 2010). R&A does not consider the decrease in domestic destinations scheduled to be served with non-stop flights in November 2011 to be material. Only one domestic destination that has been eliminated in the November 2011 schedule had more than one scheduled daily departure in 2010 (Rochester International Airport with two daily departures). The remainder of the destinations had once-daily service, less than daily service, and in several cases less than daily or less than weekly service that was offered on a seasonal basis in December 2010. For the 12-month period ending November 2011, the Airport offered non-stop service to 30 international destinations, including some markets on a seasonal basis (as compared to 29 international destinations for the 12-month period ending December 2010).

Enplanement Projections

Our review of airline traffic activity data since the date of the Series 2010 Report as summarized below and reflected on Table 1 suggests the projections presented in the Series 2010 Report (see Chapter II *Air Traffic* of the Series 2010 Report) should be revised, as described below, for the purposes of supporting the Series 2011 Bonds financial projections presented herein.

Underlying Assumptions

The enplanement projections developed for the Series 2010 Report were based on the following underlying assumptions, which were stated in the Series 2010 Report as follows:

- The underlying economic conditions of the Air Trade Area are anticipated to drive future demand for O&D air travel at the Airport. Despite the recent restructuring of the "Big 3" U.S. automakers inside and outside of the bankruptcy process, the Air Trade Area continues to be a global leader in the automotive industry due to the large number of R&D facilities located throughout the region. The rapid globalization of the automobile industry will continue to drive demand for air transportation in the Air Trade Area.
- The Airport will continue its role of serving both O&D passengers and as a major connecting hub for Delta. The Airport will continue to serve as a connecting point for Delta to primarily short- to medium-haul markets in the eastern half of the U.S., and will continue to be one of Delta's major international gateways for both European and Asian traffic. The Airport will also continue to serve all major O&D markets in the U.S.
- Regional competition with other airports in or near the Air Trade Area is currently and is expected to remain relatively limited, given the Airport's major advantage of air service as compared to other regional airports.
- Airline consolidation/mergers that may occur during the projection period (including the merger of United and Continental completed on October 1, 2010 and the acquisition of AirTran by Southwest effective May 2, 2011) are not likely to negatively impact passenger

activity levels at the Airport. New airline alliances, should they develop, will be restricted to code sharing and joint frequent flyer programs, and will not reduce airline competition at the Airport.

- The Airport's competitive assets including its central geographic position, substantial airfield and terminal processing capability, the benefits of its local market, limited local airport competition, and its competitive airline cost structure will maintain the Airport as an attractive location for a major airline hub and an important O&D market.
- For these analyses, and similar to the FAA's nationwide projections, it is assumed that there will not be terrorist incidents against either domestic or international aviation during the projection period that negatively impact aviation demand.
- Economic disturbances will occur during the projection period causing year-to-year traffic variations; however, a long-term increase in nationwide traffic is expected to occur.
- It is assumed no major "Acts of God" which may disrupt the national and/or global airspace system, such as the volcanic eruption of Eyjafjallajokull in Iceland, will occur during the projection period that negatively impact aviation demand.

R&A believes that these underlying assumptions remain valid and events subsequent to the Series 2010 Report do not warrant any changes thereto. As supported by data previously presented in this letter and by national articles such as one recently published in the Wall Street Journal[6], the Detroit area has recently been experiencing an economic rebound with home prices, jobless rates, and nonfarm payrolls all improving at rates greater than experienced at the national level. A recent Bloomberg[7] article states that "Michigan's economy is recovering from the recession at the second-fastest pace in the U.S., lifted by reviving carmakers and local manufacturers, according to a new Bloomberg index that tracks the pace of state growth." A factor contributing to recent trends in the Air Trade Area is the improved financial conditions of Ford, GM, and Chrysler (the Big Three), each of which have made improvements in terms of sales, profits, and overall competitiveness. In addition, the Big Three recently agreed to new contracts with the United Auto Workers which allow for a lower wage structure for newer employees and include commitments by the Big Three to reopen or invest in plants and add jobs over the life of the contracts[8], with some of this investment and job creation expected to occur in the Air Trade Area.

Review of Series 2010 Projections

Based on recent industry trends and additional data provided by airlines operating at the Airport, the long-range enplanement projections for the Airport from the Series 2010 Report were reviewed to

[6] WSJ.com, "Detroit's Engine Roars on Signs of Turnaround," October 8, 2011.
[7] Bloomberg, "Michigan Surpassing 48 States Shows Autos Drive U.S. Recovery," November 2, 2011.
[8] CBS Moneywatch.com, "Made in USA: More Cars Coming After New UAW Contract," October 18, 2011.

determine their reasonableness for use in the financial analysis of the Series 2011 Bonds. Key factors identified in the Series 2010 Report supporting the enplanement projections developed therein were summarized in that report as follows:

> "Growth trends are expected to be more rapid in the shorter term as Delta increases its international capacity at the Airport, which is also expected to stimulate domestic connecting traffic slightly above longer-term growth rates. Delta has signaled its commitment to building its presence at Detroit, in the wake of its merger with Northwest, with several service enhancements, including expanded service to Shanghai, new nonstop services to Hong Kong and Seoul, South Korea. Delta has also returned its seasonal service to Rome with daily flights. Most recently, Delta also commenced daily service to Sao Paulo, beginning October 21, 2010. Beginning February 2011, Delta is expected to launch Detroit – Tokyo-Haneda nonstop to complement its existing Tokyo-Narita nonstop service. Also, on November 16, 2010, Delta applied to the U.S. Department of Transportation for an allocation of U.S.-China frequencies for five times weekly non-stop Detroit-Beijing service beginning July 1, 2011."

Published flight schedules for the period December 2010 through November 2011, as available in the Official Airline Guide (OAG) schedule database, indicate that the description of international service at the Airport in the Series 2010 Report remains valid and the expected service additions identified in that report did materialize. However, following the earthquake and tsunami in Japan, the Department of Transportation granted Delta a temporary waiver of service between the Airport and Haneda. Delta suspended service from the Airport to Haneda as of September 2011, but expects to resume daily year-round flights at the end of April 2012[9].

As stated above, the Series 2010 Report described international traffic as being a key driver of near-term enplanement growth at the Airport. Preliminary final OY 2011 enplanement statistics (See Table 1) support this assertion, with international enplanements expected to increase by approximately 3.7 percent in OY 2011 as compared to OY 2010. Domestic enplanement growth is estimated at 2.1 percent in OY 2011. Going forward, Delta representatives have indicated that in December 2011 Sao Paulo, Brazil service from the Airport will increase to daily frequency (from four weekly departures), and there are currently no plans to reduce international service at the Airport during CY 2012.

Updated Enplanement Projections

Based on a review of recent Airport enplaned passenger trends, airline capacity and service trends, available information with respect to Delta's system-wide capacity trends and expectations, and other considerations and data available since the Series 2010 Report, as more thoroughly described below, the Series 2010 enplaned passenger projections have been revised for use in the financial analysis of

[9] Delta press release July 8, 2011.

the Series 2011 Bonds. These revised projections provide a more conservative projection of future activity levels at the Airport from which to develop the financial projections summarized in this analysis.

Key considerations in the development of updated enplaned passenger projections include:

- **OY 2011 enplaned passengers**. Based on preliminary final numbers, the Authority currently estimates that OY 2011 Airport enplaned passengers totaled 16,226,062, an increase of approximately 2.2 percent over OY 2010 total enplaned passengers. In the Series 2010 Report, OY 2011 enplaned passengers were projected at approximately 16.1 million.
- **OY 2012 budgeted enplaned passengers**. As previously described, the Authority's OY 2012 operating budget assumes approximately 16.6 million annual enplaned passengers, based in part on information provided by Delta and other airlines operating at the Airport. Since that information was provided to the Authority (in May 2011), several airlines including Delta have announced downward revisions to their respective systemwide fleet capacity expectations for the coming year. As such, and based on additional data presented below, R&A believes that a more conservative assumption with respect to OY 2012 enplanements at the Airport should be used for the purposes of the analysis of the Series 2011 Bonds.
- **Global economic condition**. In a September 20, 2011[10] update to its World Economic Outlook, the International Monetary Fund (IMF) stated that the global economic recovery is slowing and as a result, the IMF is projecting slower global growth (Real GDP) in CY 2011 and CY 2012 as compared to CY 2010. Growth in world output was 5.1 percent in CY 2010 and the IMF is currently projecting global growth of approximately 4.0 percent in CY 2011 and CY 2012. In both CY 2011 and CY 2012, the IMF is projecting that growth in emerging and developing economies (projected at over 6.0 percent in each year) will significantly outpace growth in advanced economies (projected at less than 2.0 percent in each year). In developing the most recent projections, the IMF assumed that (1) the Euro-area financial crisis will be contained, (2) U.S. policy makers will "strike a judicious balance between support for the economy and medium-term fiscal consolidation," and (3) volatility in the global financial markets will not get worse. The IMF stated that if these assumptions are not met, global growth could be expected to be lower than reflected in the current forecasts.
- **Delta fleet expectations.** In a September 13, 2011 presentation at the Deutsche Bank Aviation and Transportation Conference, Delta outlined anticipated capacity reductions for the 4th quarter of CY 2011 and its current capacity expectations for CY 2012. Citing the impacts of high fuel costs, Delta indicated that 4th quarter CY 2011 capacity would be

[10] The IMF usually updates the World Economic Outlook twice a year as documentation for meetings of the International Monetary and Financial Committee.

reduced by 4-5 percent (as compared to the 4th quarter of CY 2010) focusing reductions in markets where revenue was not keeping pace with costs. For CY 2012, Delta is currently planning for capacity reductions of approximately 2-3 percent systemwide as compared to CY 2011 capacity. The Delta presentation identified specific capacity actions in the 4th quarter of CY 2011 for the following regions:

- **Domestic.** Reduce capacity by 1-3 percent, as compared to 4th quarter 2010, by reducing Memphis hub departures by 25 percent and right-sizing the domestic network for the high fuel cost environment.
- **Atlantic.** Reduce capacity by 10-12 percent, as compared to 4th quarter 2010, by making market cancellations and frequency reductions.
- **Latin.** Increase capacity by 3-5 percent, as compared to 4th quarter 2010, through a build-up of Mexico traffic and profitable South American routes, capacity increases that will be partially offset by the thinning of Caribbean markets during the off-season.
- **Pacific.** Reduce capacity by 1-3 percent, as compared to 4th quarter 2010, by frequency reductions and the down-gauging of Haneda service.

For the entire CY 2012, Delta representatives have indicated that total systemwide capacity is expected to be reduced by approximately 2.5 percent as compared to CY 2011, with domestic capacity decreasing by approximately 1.8 percent. However, Delta representatives have indicated that they do not expect the Airport to be as affected by anticipated capacity reductions as other Delta hubs. With respect to capacity expectations at the Airport, there are no current plans by Delta to cut international service at the Airport. To the contrary, Delta expects to add additional departures to Sao Paulo by the end of CY 2011. Delta has indicated that domestic capacity at the Airport is expected to stay level or experience a slight decrease in CY 2012, primarily attributable to national and international economic trends as compared to Air Trade Area considerations.

Based on recent announcements regarding airline industry capacity trends and discussions with Delta representatives regarding their expectations of activity at the Airport, R&A is of the opinion that a downward revision to the enplanement projections in the Series 2010 Report is warranted for the purposes of the Series 2011 Bonds financial analysis. For feasibility purposes, R&A is assuming that OY 2012 enplanements at the Airport will be flat as compared to OY 2011 enplanements, totaling approximately 16.2 million. In addition, we believe a downward revision to the projected OY 2013 enplanement growth rate (reduced to an increase of approximately 2.2 percent as compared to a projected 3.1 percent increase in the Series 2010 Report) is more in-line with industry-wide capacity expectations in the near-term and Delta's current expectations with respect capacity at the Airport in CY 2012.

Table 2 provides a summary comparison of the revised enplaned passenger projection used in the Series 2011 Bonds financial analysis as compared to the enplaned passenger projections incorporated in the Series 2010 Report.

Table 2

Enplaned Passenger Projections (in Thousands)

	Enplaned Passengers			Annual Growth Rates	
Operating Year	Series 2011 Projections	Series 2010 Projections	% Variance to Series 2010 Projections	Series 2011 Projections	Series 2010 Projections
2012	16,226	16,650	-2.5%	0.0%	3.5%
2013	16,589	17,168	-3.4%	2.2%	3.1%
2014	17,033	17,627	-3.4%	2.7%	2.7%
2015	17,474	18,083	-3.4%	2.6%	2.6%
2016	17,839	18,461	-3.4%	2.1%	2.1%
2017	18,168	18,801	-3.4%	1.8%	1.8%
2018	18,520	19,165	-3.4%	1.9%	1.9%
2019	18,879	19,545	-3.4%	1.9%	1.9%
2020	19,245	19,924	-3.4%	1.9%	1.9%
CAGR 2012-2020	2.2%	2.3%	-0.1%		

Source: Ricondo & Associates, November 2011.
Prepared by: Ricondo & Associates, Inc., November 2011.

The revised enplanement projections presented in Table 2 have been incorporated in the financial analysis presented in the following section and the resultant projections of key financial metrics for the Airport as presented in that section.

Financial Analysis

Financial information available since the date of the Series 2010 Report, as summarized below, was reviewed and used to update the financial projections presented in the Series 2010 Report (see Chapter V *Financial Analysis* of the Series 2010 Report). Key financial updates incorporated in the financial analysis of the Series 2011 Bonds (see summary financial projections presented in Table 3) include the following:

- **OY 2011 financial results (estimated).** Based on the Authority's OY 2011 mid-year estimate, developed in March 2011 based on 3-months of actual results, total OY 2011 operating revenues are estimated at $282.0 million, approximately 1.1 percent over the OY 2011 budget and an increase of approximately 6.6 percent as compared to OY 2010. The estimated revenue increase in OY 2011 is primarily attributable to increased airline revenue requirements resulting from the depletion of PFC reserves used to pay PFC-eligible debt service (as more fully described in the Series 2010 Report) and increased parking revenues. Total operating expenses are estimated at $198.6 million for OY 2011, an increase of approximately 0.5 percent as compared to the OY 2011 budget or approximately 4.7 percent as compared to OY 2010. In its mid-year review, the Authority estimated that the average airline cost per enplaned passenger (CPE[11]) in OY 2011 would be $9.72 as compared to the Authority's budgeted amount of $9.91.

- **OY 2012 budgeted revenues**. In the Authority's OY 2012 operating budget, which was approved by the Board on September 29, 2011, total operating revenues are budgeted at approximately $291.4 million, an increase of approximately 4.9 percent as compared to OY 2011 budgeted operating revenues. Non-airline revenues are budgeted to increase by approximately 6.9 percent in OY 2012 as compared to the OY 2011 budget, while airline revenues are budgeted to increase by approximately 3.4 percent for the same comparison compared. The OY 2012 average CPE is budgeted by the Authority to increase to $9.94, primarily attributable to the depletion of PFC reserves used to pay PFC-eligible debt service. Budgeted non-airline revenue growth is primarily attributable to increases in parking, car rental, and concession revenue as was experienced in OY 2011.

- **OY 2012 budgeted expenses**. In developing the OY 2012 operating budget, the Authority targeted a $20 million reduction in operating expenses as compared to initial budget estimates, understanding that certain components of the cost reduction plan may not be fully implemented until mid- to late-OY 2012. As such, the OY 2012 operating expense budget incorporates the Authority's planned cost reductions, although in some cases only partial-year savings are assumed. Total operating expenses for OY 2012 are budgeted at approximately $187.0 million as compared to $197.6 million budgeted for OY 2011, a decrease of approximately 5.4 percent. The Authority's primary motivation for the budgeted reduction in total operating expenses is to foster a competitive airline CPE at the Airport, seeking to attract new entrants and potential growth in activity by existing carriers.

- **Future capital program.** This analysis also considers future debt service requirements associated with certain other future projects included in the Authority's current CIP which includes estimated expenditures for projects expected to be completed in the period OY 2012 through OY 2016 and beyond. For the purposes of this analysis, the Authority's preliminary

[11] The Authority includes certain airline non-terminal rental revenue in its calculation of CPE. R&A's projection of CPE in Table 3 includes only airline terminal rental and activity fee revenues, an approach that is consistent with industry practice but that varies from the Authority's approach.

estimates of total project costs and assumed funding sources were incorporated. As of November 2011, the Authority had not yet requested Weighted Majority approval of the Signatory Airlines for all projects on this list that may require such approval, although based on reported conversations with Delta representatives, the Authority has reason to believe it will receive such approval when requested. Total estimated costs of the CIP projects are approximately $547.8 million. Through OY 2011, the Authority estimates that approximately $51.8 has already been expended on the CIP projects for which the Authority has received Weighted Majority approval, and the remaining $496.0 million in CIP project expenditures are estimated to occur over the period OY 2012 through OY 2016 and beyond. Anticipated funding sources for the CIP projects include Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants totaling approximately $77.2 million, other grants totaling approximately $8.6 million, existing general airport revenue bond (GARB) proceeds of approximately $49.2 million, and approximately $77.9 of Authority funds. Remaining project costs of approximately $334.9 million are assumed to be funded with the proceeds of future GARBs. Preliminary bond sizing and debt service estimates were assumed for these projects, as the timing, funding source, and expenditure estimates are preliminary at this time. Based on the Authority's CIP as of December 2010 and the assumed funding sources therein, the issuance of approximately $213.5 million in future bonds was assumed in the Series 2010 Report.

The financial projections described in the Series 2010 Report were updated based on the financial updates identified above, as well as other data updates available since the Series 2010 Report, recent aviation activity trends described in previous sections, and the revised enplaned passenger projections presented in Table 2. **Table 3** presents projections of key financial metrics resulting from the updated financial analysis of the Series 2011 Bonds.

As shown in Table 3, and reflecting the Airport's residual rate-making requirements, debt service coverage is projected to meet applicable requirements over the entire Projection Period. Furthermore, the projected average airline CPE is expected to remain at reasonable levels through the Projection Period. Based on the updated financial analysis, the Airport's CPE is projected to peak in OY 2015, reaching approximately $10.53 as compared to the peak CPE projected in the Series 2010 Report of approximately $11.71 (in OY 2014). The reduction in projected CPE in the updated financial analysis is primarily attributable to the budgeted reduction in operating expenses.

RICONDO & ASSOCIATES

Mr. Thomas J. Naughton
Interim Chief Executive Officer
Wayne County Airport Authority
November 7, 2011

Table 3 (1 of 2)

Summary of Series 2011 Financial Projections
(Amounts in Thousands Except for Rates and Airline Cost Per Enplaned Passenger, Operating Years Ending September 30)

	Actual	Estimated	Budget	Projected							
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Revenues and Debt Service Coverage											
Airline Revenues	$141,676	$157,205	$160,354	$159,009	$159,813	$183,961	$186,730	$177,895	$177,506	$175,805	$174,593
Nonairline Revenues	122,834	123,876	131,329	135,259	139,161	143,637	147,798	152,089	156,515	161,551	166,265
Other Available Moneys 1/	99,207	85,516	65,672	66,444	68,092	67,436	65,784	66,996	68,295	69,617	70,969
Bond Fund and Bond Reserve Fund Income 2/	2,192	3,443	2,770	3,044	3,031	3,023	2,994	2,810	2,772	8,141	6,456
Other Grants and Transfers	1,064	941	915	0	0	0	0	0	0	0	0
Total Revenues and Other Available Moneys	$366,973	$370,981	$361,040	$363,756	$370,097	$398,057	$403,307	$399,790	$405,088	$415,113	$418,283
ADD: Unencumbered Revenue Fund Balance	$48,931	$48,931	$51,641	$53,295	$53,018	$58,274	$57,784	$55,056	$54,950	$56,082	$55,151
LESS: Operation and Maintenance Fund 3/	194,014	198,619	187,287	184,192	190,605	197,252	204,142	211,285	218,689	226,366	234,325
Net Revenues Available for Senior Lien Debt Service	$221,890	$221,293	$225,395	$232,860	$232,510	$259,080	$256,949	$243,561	$241,348	$244,830	$239,109
Senior Lien Bond Debt Service - Existing 4/	$157,858	$151,757	$152,669	$159,284	$158,174	$157,415	$155,455	$144,542	$142,182	$144,266	$139,204
Senior Lien Bond Debt Service - Future 4/	0	0	0	0	0	21,786	21,786	21,786	21,786	21,786	21,786
Total Senior Lien Bond Debt Service	$157,858	$151,757	$152,669	$159,284	$158,174	$179,201	$177,241	$166,328	$163,968	$166,052	$160,990
Debt Service Coverage - Senior Lien Bonds	**1.41**	**1.46**	**1.48**	**1.46**	**1.47**	**1.45**	**1.45**	**1.46**	**1.47**	**1.47**	**1.49**
Total Senior Lien and Junior Lien Bond Debt Service 4/	$165,290	$163,476	$164,940	$171,523	$170,405	$191,433	$189,511	$178,604	$176,242	$178,327	$173,266
Debt Service Coverage - Senior Lien Bonds and Junior Lien Bonds	**1.34**	**1.35**	**1.37**	**1.36**	**1.36**	**1.35**	**1.36**	**1.36**	**1.37**	**1.37**	**1.38**

RICONDO & ASSOCIATES

Mr. Thomas J. Naughton
Interim Chief Executive Officer
Wayne County Airport Authority
November 7, 2011

Table 3 (2 of 2)

Summary of Series 2011 Financial Projections
(Amounts in Thousands Except for Rates and Airline Cost Per Enplaned Passenger, Operating Years Ending September 30)

	Actual	Estimated	Budget	Projected							
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airline Rates and Charges											
South Terminal Rental Rate (per square foot)	$59.00	$60.00	$62.00	$66.02	$66.65	$67.79	$70.16	$70.23	$71.55	$74.03	$76.03
North Terminal Rental Rate (per square foot)	$76.00	$68.00	$128.00	$164.69	$154.95	$149.44	$159.50	$145.51	$140.30	$145.04	$144.38
Airport Activity Fee	$3.44	$3.62	$3.13	$2.57	$2.62	$3.63	$3.57	$3.26	$3.21	$2.97	$2.82
Airline Cost Per Enplaned Passenger											
Total Airline Revenues	$141,676	$157,205	$160,354	$159,009	$159,813	$183,961	$186,730	$177,895	$177,506	$175,805	$174,593
Enplaned Passengers	15,876	16,226	16,226	16,589	17,033	17,474	17,839	18,168	18,520	18,879	19,245
Airline Cost Per Enplaned Passenger	**$8.92**	**$9.69**	**$9.88**	**$9.59**	**$9.38**	**$10.53**	**$10.47**	**$9.79**	**$9.58**	**$9.31**	**$9.07**

Notes:

1/ In addition to PFCs available to pay debt service, includes additional amounts that the Authority anticipates applying to offset airfield debt service in OY 2012 through OY 2015.

2/ For OY 2019 and OY 2020, includes debt service reserve funds used to pay final year debt service payments on Series 2002C Bonds (OY 2020) and Series 2002D Bonds (OY 2019 and OY 2020).

3/ Includes Capital Acquisition and Interest Expense.

4/ Estimated debt service for variable rate debt in OY 2013 through OY 2020 assumes all-in-TIC between 3.3 percent and 3.4 percent. Debt service requirements on future Senior Lien Bonds issued in OY 2012 assumes 30-year fixed rate bonds with all-in-TIC of 5.0 percent.

Source: Wayne County Airport Authority (Actual OY 2010, Estimated OY 2011, Budget OY 2012), October 2011; Ricondo & Associates, Inc. (Projections), November 2011.
Prepared by: Ricondo & Associates, Inc., November 2011.

As described in greater detail below, the updated financial analysis **does not** incorporate the impacts of anticipated debt service savings that would result from the issuance of the Series 2011 Bonds. If such debt service savings were incorporated in the analysis, resultant projections of CPE would be lower than referenced herein.

The updated financial projections can further be summarized as follows:

- **Airline Revenues.** Pursuant to the terms of the Airline Agreements, the Authority calculates airline landing fee rates under an Airport-wide residual rate-making methodology. As such, Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service requirements. Airline revenues (airline terminal rental and activity fee revenues), calculated per the requirements of the Airline Agreements, are projected to increase from approximately $160.4 million budgeted in OY 2012 to approximately $174.6 million in OY 2020, representing a compound annual growth rate (CAGR) of approximately 1.1 percent.

- **Nonairline Revenues.** The updated projections of nonairline revenues presented in Table 3 utilize the same underlying assumptions as in the Series 2010 Report, after incorporating the Authority's OY 2012 nonairline revenue budget and the updated enplaned passenger projection presented in Table 2. As shown, nonairline revenues are projected to increase from approximately $131.3 million in the OY 2012 budget to approximately $166.3 million in OY 2020, representing a CAGR of approximately 3.0 percent. Projected growth in nonairline revenues is primarily attributable to projections of future enplanement levels and assumed inflationary impacts of approximately 3.0 percent per year.

- **Other Available Moneys.** Other Available Moneys, primarily comprised of passenger facility charge (PFC) collections from PFC applications previously filed by the Authority and approved by the FAA, are used to pay PFC-eligible debt service. Exhibit H of the Airline Agreements identifies agreed upon uses of PFCs and the priority with which available PFCs are applied to PFC-eligible debt service. As shown in Table 3, based on updated passenger enplanement projections, total Other Available Moneys are projected to increase from approximately $65.7 million in OY 2012 to approximately $71.0 million in OY 2020. In addition, based on current Authority expectations, an additional $3.0 million per year of federal noise grant reimbursements for previous PFC-funded expenditures are projected to be applied towards PFC-eligible debt service in OY 2012 through OY 2015.

- **Total Revenues and Other Available Moneys.** Based on the updated financial analysis, Total Revenues and Other Available Moneys, inclusive of bond fund and bond reserve fund income, are projected to increase from approximately $361.0 million in OY 2012 to approximately $418.3 million in OY 2020, representing a CAGR of approximately 1.9 percent.

- **Operation and Maintenance Fund.** Operation and Maintenance Fund requirements, which includes total operating expenses, capital acquisition costs, and interest expense, are projected to increase from approximately $187.3 million in the OY 2012 budget to approximately $234.3 million in OY 2020, representing a CAGR of approximately 2.8 percent. The updated financial analysis incorporates the Authority's budgeted operating expense reductions for OY 2012 and estimates of incremental operating expense reductions in OY 2013 reflecting full-year cost savings for certain components of the Authority's cost reduction plan that will be implemented over the course of OY 2012. Beyond OY 2013, the same operating expense growth rate assumptions as used in the Series 2010 Report are used in the updated financial analysis.

- **Revenue Bond Debt Service.** Estimated debt service savings resulting from the issuance of the Series 2011 Bonds **are not** incorporated in the updated financial analysis summarized in Table 3. Projected debt service requirements presented in Table 3 incorporate actual debt service requirements for the Authority's existing fixed-rate debt, the same general assumptions on the Authority's existing variable rate debt as used in the Series 2010 Report (all-in TIC of between 3.3 percent and 3.4 percent in OY 2013 through OY 2020), and estimates of future debt service requirements associated with the future capital program previously described in the letter. For the purposes of estimating future debt service requirements it was assumed that future Senior Lien Bonds (with a 30-year term, an average coupon rate of approximately 5.0 percent, and level debt service) would be issued in OY 2012 to fund approximately $334.9 million in future project costs. It was assumed that interest on the future bonds would be capitalized for three years. As shown in Table 3, annual debt service on existing Senior Lien Bonds is expected to decrease from approximately $152.7 million in OY 2012 to approximately $139.2 million in OY 2020. Annual debt service requirements on future Senior Lien Bonds is estimated at approximately $21.8 million per year beginning in OY 2015. Based on the CIP and funding source assumptions in the Series 2010 Report, future Senior Lien Bond debt service was estimated at approximately $13.9 million per year. Total Senior Lien Bond and Junior Lien Bond debt service, net of capitalized interest, is projected to increase from approximately $152.3 million in OY 2012 to approximately $173.3 million in OY 2020.

- **Debt Service Coverage.** Based on the projections previously described and current and projected unencumbered fund balances, Senior Lien Bond debt service coverage is projected to remain at 1.45 times or better during the Projection Period. Debt service coverage on Senior Lien Bonds and Junior Lien Bonds, together, is expected to be 1.35 times or better during the Projection Period.

- **Terminal Rental Rates.** Table 3 presents projections of airline rates and charges at the Airport over the Projection Period calculated per the requirements of the Airline Agreements. Terminal rental rates are calculated based on each terminal's respective net requirement divided by its total rented airline premise. Beginning in OY 2012 and continuing through the Projection Period, the comparatively higher terminal rental rate projected for the North Terminal as compared to the South Terminal is primarily attributable to the amount of Other Available Moneys projected to be applied to debt service attributable to the North Terminal based on PFC-eligible debt service funding priorities and declining PFC balances. The Authority has contractually agreed with the Signatory Airlines to use additional PFC collections that would result from increases to per passenger PFC amounts (no increases assumed in this analysis) to fund PFC-eligible debt service, which may mitigate the projected rate increases in the North Terminal and, to a lesser degree, the South Terminal. However, no such increases to the per passenger PFC collection amount are expected in the near future.

- **Airport Activity Fee.** The Airport Activity Fee is calculated using an Airport-wide residual rate-making methodology and is charged on a per 1,000 pounds landed weight basis. As shown in Table 3, the Signatory Airline Activity Fee is projected to fluctuate over the Projection Period, decreasing in OY 2012 and OY 2013 as a result of budgeted and projected operating expense reductions before increasing in OY 2015 as the result of estimated future debt service requirements. The projected Signatory Airline Activity Fee is projected to decrease slightly in each year after OY 2016 and reach approximately $2.82 in OY 2020. In each year, the Non-Signatory Airline Activity Fee Rate is 125 percent of the Signatory Airline Activity Fee.
- **Airline CPE.** Over the Projection Period, the average airline CPE is projected to decrease from approximately $9.88 in OY 2012 to approximately $9.07 in OY 2020, despite a projected increase beginning in OY 2015 as a result of estimated future debt service requirements. In the Series 2010 Report, average airline CPE was projected to range from $11.52 in OY 2012 to approximately $9.72 in OY 2020. The comparatively lower projected CPE in the current financial analysis reflects the residual nature of the Airline Agreements and the comparatively lower operating expense requirements and comparatively higher nonairline revenues projected therein, all as compared to the Series 2010 Projections. As the CPE projections in the current analysis illustrate, the impacts that the updated operating expense and nonairline revenue projections have on projected airline requirements over the Projection Period more than offset the higher estimated future debt service requirements and more conservative projection of enplaned passengers used in the current analysis.

The Official Statement for the Series 2011 Bonds presents certain information and data that is more current than the information and data reflected in the Series 2010 Report. R&A has not updated the Series 2010 Report and has no obligation to update this letter or the Series 2010 Report. Furthermore, while this letter presents updates to certain information considered relevant to the financial analysis of the Series 2011 Bonds, it should be understood that material changes may have occurred to certain data presented in the Series 2010 Report that would impact the assumptions and analyses therein and that the letter has not necessarily identified all such material changes.

Mr. Thomas J. Naughton
Interim Chief Executive Officer
Wayne County Airport Authority
November 7, 2011

The Series 2010 Report should be read in its entirety for an understanding of the projections and underlying assumptions contained therein. Any projection is subject to uncertainties, some assumptions will not be realized, unanticipated events and circumstances may occur, and there are likely to be differences between projections and actual results, and those differences may be material.

R&A complies with the recently enacted regulations related to Municipal Advisors, as it pertains to consulting firms such as R&A. Based on the definition of "Municipal Advisor" put forth in the Securities and Exchange Commission's (SEC) proposed rule implementing Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which includes firms providing feasibility studies for inclusion in an official statement for a municipal bond transaction, R&A has registered with both the SEC and the Municipal Securities Rulemaking Board as a Municipal Advisor.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

APPENDIX A

Wayne County Airport Authority
Airport Revenue Refunding Bonds
Detroit Metropolitan Wayne County Airport
Series 2010A, Series 2010B, Series 2010C,
Series 2010D, Series 2010E, and Series 2010F

Report of the Airport Consultant

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RICONDO
& ASSOCIATES

December 9, 2010

Ms. Genelle M. Allen
Interim Chief Executive Officer
Wayne County Airport Authority
L.C. Smith Terminal, Mezzanine Level
Detroit, Michigan 48242

Re: ***Report of the Airport Consultant***
Wayne County Airport Authority
Airport Revenue Refunding Bonds
Detroit Metropolitan Wayne County Airport
Series 2010A, Series 2010B, Series 2010C,
Series 2010D, Series 2010E, and Series 2010F

Dear Ms. Allen:

This report sets forth the findings, assumptions, and projections of the air traffic and financial analyses developed by Ricondo & Associates, Inc. (R&A), in conjunction with the planned issuance by the Wayne County Airport Authority (the Authority) of its Airport Revenue Refunding Bonds, Series 2010A (Series 2010A Bonds), Airport Revenue Refunding Bonds, Series 2010B (Series 2010B Bonds), Airport Revenue Refunding Bonds, Series 2010C (Series 2010C Bonds), Airport Revenue Refunding Bonds, Series 2010D (Series 2010D Bonds), Airport Revenue Refunding Bonds, Series 2010E (Series 2010E Bonds), and Airport Revenue Refunding Bonds, Series 2010F (Series 2010F Bonds) (collectively, the Series 2010 Bonds) to refund all or a portion of the Authority's outstanding Airport Revenue Bonds, Series 1998A (Series 1998A Bonds), Airport Revenue Bonds, Series 1998B (Series 1998B Bonds), Airport Revenue Refunding Bonds, Series 2008B (Series 2008B Bonds), Airport Revenue Refunding Bonds, Series 2008C (Series 2008C Bonds), Airport Revenue Refunding Bonds, Series 2008D (Series 2008D Bonds), Airport Revenue Refunding Bonds, Series 2008E (Series 2008E Bonds), and Airport Revenue Refunding Bonds, Series 2008F (Series 2008F Bonds). The financial projections presented herein were developed pursuant to the Authority's Master Airport Revenue Bond Ordinance, adopted September 26, 2003 (Master Bond Ordinance) and the Series 2010 Refunding Ordinance (Series Ordinance), adopted September 23, 2010 (collectively, the Ordinances).

This report is intended for inclusion in the Official Statement for the Series 2010 Bonds as Appendix A, *Report of the Airport Consultant.* All capitalized terms in this report are used as defined in the Official Statement with respect to the Series 2010 Bonds, except as otherwise defined herein.

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Detroit Metropolitan Wayne County Airport (the Airport) serves as a key component in the U.S. air transportation system as it is the 16^{th} busiest airport in the U.S. in terms of passengers and serves as a major airline hub for Delta Air Lines (Delta). In 2008, Delta acquired Northwest Airlines Corporation, including Northwest Airlines, Inc. (Northwest) and its regional partner Mesaba Aviation, Inc. (Mesaba). Prior to its merger with Delta, Northwest, together with Mesaba and Pinnacle Airlines, Inc. (Pinnacle), accounted for approximately 76 percent of the total enplaned passengers at the Airport in Operating Year (OY[1]) 2007. As of December 31, 2009, Delta and Northwest were merged into a single entity that now operates as Delta Air Lines under the Delta brand. In conjunction with the December 31, 2009 merger, Delta assumed all of the obligations of Northwest under the leases and agreements between Northwest and the Authority. Subsequently, the Authority entered in a new Airport Use and Lease Agreement with the merged airline (referred to in this report as the Delta Agreement) effective October 1, 2010. Delta and Northwest, including Mesaba and Pinnacle, accounted for approximately 81 percent of the total enplaned passengers at the Airport in OY 2010 (preliminary) and 80 percent of total enplaned passengers in OY 2009. On July 1, 2010, Delta sold Mesaba to Pinnacle and according to public filings made by Delta, Mesaba will continue to operate certain Delta Connection flights under long-term, extendable agreements.

On the basis of the assumptions and analyses described in this report, R&A is of the opinion that (i) sufficient revenues will be generated to pay the Authority's requirements for its Operation and Maintenance (O&M) Fund, Bond Fund, Junior Lien Bond Fund, O&M Reserve Fund, Renewal and Replacement Fund, Authority Discretionary Fund, Airport Development Fund, and other remaining obligations or requirements of the Authority during the projection period from OY 2011 through 2020 (Projection Period) through a combination of airline rates and charges and nonairline revenue sources, and (ii) projected airline rates and charges are reasonable on an airline cost per enplaned passenger basis compared to other large-hub U.S. airports.

The Airport

The Airport occupies approximately 6,700 acres of land located approximately 20 miles southwest of downtown Detroit. Major airfield facilities at the Airport consist of six air carrier runways, four of which are north/south parallels from prevailing wind conditions and two of which are east/west crosswind parallels. An extensive taxiway system provides aircraft access to terminal areas, aircraft parking aprons, and other cargo, maintenance, and hangar areas. The Airport currently has 147 aircraft gates within its two passenger terminal facilities: the Edward H. McNamara Terminal (also referred to as the McNamara or South

1 The Authority's operating year is October 1 through September 30.

Terminal), which opened in February 2002, and the North Terminal which opened in September 2008. The construction and expansion of the McNamara Terminal and the completion of the North Terminal have resulted in the Airport having two of the most modern and efficient terminal facilities of any airport in the United States.

Series 2010 Bonds

The Authority will use the proceeds from the sale of the Series 2010 Bonds, together with other available funds, to (1) refund a portion of the outstanding principal amount of the Series 1998A Bonds; (2) refund all of the outstanding principal amount of the 1998B Bonds; (3) refund all of the outstanding principal amount of the 2008B Bonds; (4) refund all of the outstanding principal amount of the 2008C Bonds; (5) refund all of the outstanding principal amount of the 2008D Bonds; (6) refund all of the outstanding principal amount of the 2008E Bonds; (7) refund all of the outstanding principal amount of the 2008F Bonds; (8) fund deposits to the Bond Reserve Account to satisfy the Reserve Requirement, and (9) pay certain costs of issuing the Series 2010 Bonds.

Air Traffic and Financial Analyses

R&A's examinations of the underlying economic base of the Airport's Air Trade Area; historical and projected air traffic at the Airport; description of Airport facilities, including a summary of the existing facilities and other certain future projects; and projected revenues and expenses are presented in this report for the period from OY 2011 through OY 2020.

Findings of these analyses include the following:

Role of the Airport

- **Key Component of the U.S. Air Transportation System.** The Airport is a key component in the U.S. air transportation system. It serves a large origin-destination (O&D) passenger market, is strategically located within the United States from a geographic standpoint, has airport facilities and substantial processing capacity to accommodate domestic and international passengers, and is a major airline hub for Delta.

- **One of the World's Busiest Airports.** Based on final calendar year (CY) 2009 statistics from Airports Council International (ACI), the Airport ranked 16th nationwide in total passengers, enplaning and deplaning approximately 31.4 million passengers. In CY 2009, the Airport ranked 11th nationwide and 16th worldwide in total aircraft operations with 432,589 takeoffs and landings.

- **International Gateway.** Delta utilizes the Airport as an international gateway and as a connection point for its international traffic and its SkyTeam alliance partners. Several other foreign flag carriers also operate at the Airport. The relative size of the Airport's local market, the socioeconomic characteristics of the market, and the Airport's ability to attract international passengers from a significant portion of the Midwest attributes to its international traffic component.

- **Large Number of Domestic Airlines.** The Airport serves as an important O&D market for Delta and the other passenger airlines serving the Airport. Passenger service is provided at the Airport by all five of the nation's legacy/mainline passenger airlines, numerous regional carriers operating as affiliates to legacy/mainline carriers, four low cost carriers, and four foreign flag carriers. In addition, non-scheduled service is provided by one charter carrier operating at the Airport.

- **Natural Location for Hubbing Operations.** The location of the Air Trade Area (as defined in this report) along the heavily traveled east/west air routes and its relatively large population base make it a natural location for airline hubbing operations. Delta and its regional affiliate carriers enplaned an estimated 12.8 million passengers at the Airport in OY 2010, which represented approximately 80.6 percent of total enplaned passengers at the Airport.

Economic Base for Air Transportation

- **Large Population Base.** The population of the 10-county Air Trade Area totaled approximately 5.4 million people in 2009. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 13th and 31st-largest counties, respectively, in the nation for population in 2009. The City of Detroit was the 11th most populous city in the United States in 2009.

- **Diverse Population.** The Air Trade Area's diverse population contributes to the demand for air travel to and from homeland countries, as well as providing an economic advantage to the region by establishing trade and investment opportunities with international markets.

- **Unique Economic Base.** Despite the recent restructuring of the "Big 3" United States automakers, the Air Trade Area continues to be a global leader in the automotive industry, including advanced battery research for alternative fuel vehicles, due to the large number of R&D facilities located throughout the region. The rapid globalization of the automobile industry generates additional business travel obligations and will continue to drive demand for air transportation in the Air Trade Area. Manufacturing and R&D activities for the life sciences industry are also a significant component of the Air Trade Area's economy.

- **Large Number of Households in Higher Income Categories and Fortune 500 Companies Stimulates Demand for Air Travel.** The Air Trade Area has a percentage of households in higher income categories (>$60,000) that is significantly greater than in Michigan and the United States, and the Air Trade Area is home to 13 Fortune 500 companies. Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Consistently appearing near the top of the Fortune 500 rankings, Ford Motor is ranked eighth and General Motors is ranked fifteenth with approximately $118.3 billion and $104.6 billion in revenues, respectively, in 2009.

- In summary, notwithstanding the recent economic instability in the Air Trade Area, the economic base of the Air Trade Area is capable of supporting the projected increases in demand for air transportation at the Airport during the projection period. In addition, the geographic location of the Airport, as well as the large population base in the Air Trade Area, should continue to make the Airport a natural location for airline hub operations, and provide continued growth in passengers.

Air Traffic

- **Large Number of Worldwide Passenger Airlines and All-Cargo Airlines.** In December 2010, the Airport has scheduled passenger service by five legacy/mainline carriers (including several regional carriers that supplement the mainline service), four low-cost carriers, four foreign-flag airlines, and non-scheduled passenger service by one charter airline. In addition, two all-cargo airlines provide service at the Airport.

- **Large Connecting Hub for Delta.** Delta maintains a large connecting hub at the Airport. The Airport has increased from a 16.2 to a 16.6 percent share of Delta and Northwest total hub domestic scheduled departing seats from a pre-merger (second half of CY 2008) period to a representative post-merger period (second half of CY 2010) and, based on total hub domestic scheduled departing seats, outperformed certain other Delta and Northwest hubs since the merger. For the same periods, Minneapolis-St. Paul International Airport's share has decreased slightly from a 16.7 percent share pre-merger to a 16.6 percent share post-merger and Cincinnati/Northern Kentucky International Airport's share of Delta and Northwest's total scheduled domestic departing seats has decreased by approximately 44 percent from a 7.9

percent share pre-merger to a 4.4 percent post-merger. Examination of the Airport's share of Delta and Northwest hub airports' scheduled domestic departing seats before and after the merger reveals that the Airport's role in serving domestic traffic in the current Delta network is similar to its role in the pre-merger Northwest network and, to date, the merger has not had a material effect on the Airport.

- **Nonstop Service Provided to Significant Number of O&D Markets.** Based on available information from OAG Aviation Solutions, airlines serving the Airport are scheduled to average 574 daily departures from the Airport during the month of December 2010 providing non-stop service to 120 domestic destinations. For the 12-month period ending December 2010, the Airport offered non-stop service to 29 international destinations, including some markets on a seasonal basis.

- **Airfield Capacity.** The Airport's capacity was improved in December 2001 with the opening of Runway 4L/22R. The Airport compares favorably to other hub airports in terms of aircraft delay. As such, the Airport has an efficient balance of airfield capacity during various types of weather conditions.

Financial Analysis

- **Residual Rate-Making Methodology.** The Airport Use and Lease Agreements specify an Airport-wide residual methodology for the calculation of airline landing fees. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service requirements.

- **Financial Projections.** The financial projections from OY 2011 through OY 2020 demonstrate the Authority's ability to meet the requirements of its Rate Covenant contained in the Master Bond Ordinance after taking into account Bond Debt Service on the Series 2010 Bonds and other certain future capital projects.

- **Projected Airline Cost per Enplaned Passenger.** The estimated average airline cost per enplaned passenger for the Airport is projected to remain at reasonable levels as compared with other large hub airports. These levels are projected to increase from $8.81 estimated for OY 2010 to $11.71 in OY 2014, before decreasing in each year thereafter and reaching $9.72 in OY 2020. In comparison to other large hub airports in the nation, the Airport is one of the lower cost airports. It is also important to note that the Authority has recently completed a significant capital program that has modernized its terminal facilities. As such, the Authority has been able to keep its costs to the airlines low while investing significant capital into the Airport. The

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low airline costs per enplaned passenger combined with the modern facilities strategically position the Airport well into the foreseeable future.

- **Debt Service Coverage, Additional Senior Lien Bonds, and Additional Junior Lien Bonds**. The Debt Service coverage requirements of the Ordinances for Senior Lien Bonds and Junior Lien Bonds are projected to be satisfied in each year of the projection period from OY 2011 through OY 2020, as are the Additional Senior Lien Bonds and Additional Junior Lien Bonds test requirements. Specifically, projections of Net Revenues, Revenue Fund Balances, and Other Available Moneys are expected to exceed 125 percent of projected amounts of Bond Debt Service and 110 percent of projected amounts of the sum of Senior Lien Bond Debt Service and Junior Lien Bond Debt Service.

The techniques and methodologies used in preparing this report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes that the approach and assumptions used are reasonable, some assumptions regarding future trends and events detailed in this report including, but not limited to, implementation schedule and enplanement projections may not materialize. Achievement of the projections presented in this report, therefore, is dependent upon the occurrence of future events, which cannot be assured, and the variations may be material.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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I. Role of the Airport

This chapter describes the Detroit Metropolitan Wayne County Airport (the Airport) and summarizes the role it serves in accommodating aviation activity for the nation, the region, and as a major airline hub. The Airport is the primary air carrier airport serving the City of Detroit (the 11th most populous city in the United States) and the 10-county surrounding area. Furthermore, as a hub airport in Delta Air Lines' (Delta) route network, the Airport serves a key role as a domestic connection point and an international gateway.

1.1 National Perspective

Table I-1 presents the Airport's U.S. ranking in annual passengers and aircraft operations for calendar year (CY) 2009.[1] In that year, the Airport ranked 16th nationwide in total passengers, enplaning and deplaning approximately 31.4 million passengers. In CY 2009, the Airport ranked 11th nationwide in total aircraft operations, with 432,589 takeoffs and landings.

Exhibit I-1 presents a comparison of international and domestic enplanements at the Airport. As shown, and based on preliminary data, domestic enplanements represented approximately 92 percent of total enplanements at the Airport in Operating Year (OY) 2010; the remaining eight percent of enplaned passengers were traveling to international destinations[2]. For consistency purposes with Authority records, Canadian traffic at the Airport is categorized as domestic traffic in the graphs and tables accompanying this report which may differ from the manner in which Canadian traffic is reported at the other airports and Delta hubs referenced in this report. The percentage of international enplanements at the Airport reflects its role as an international gateway and connection point in the Delta system and, to a certain degree, the demographic and economic characteristics of the Airport's Air Trade Area (as defined in Section 1.2).

Reflecting the Airport's role as a major hub airport, it serves both origin and destination (O&D) and connecting passengers. As shown in Exhibit I-1, for CY 2009, approximately 47 percent of the Airport's total domestic enplanements were O&D passengers and the remaining 53 percent were connecting passengers. Currently, Delta, which completed its merger with Northwest Airlines at the end of 2009, is the primary hubbing carrier at the Airport and serves almost all of the connecting passengers at the Airport.

Exhibit I-2 illustrates the OY 2010 enplanement market share for passenger air carriers operating at the Airport, based on preliminary year-end data. As shown, Delta and its affiliates carried approximately 80.6 percent of total Airport enplanements. Spirit Airlines, Southwest Airlines, and US Airways were the only other carriers at the Airport to enplane over 3 percent of the Airport's market share. Although Delta carriers account for more than a majority of passenger activity at the Airport, other air carriers operating at the Airport, including low cost carriers, foreign flag carriers, a charter, and other legacy and regional carriers, provide complementary service to many of the Airport's top O&D markets.

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1 Based on final Airports Council International traffic data for North American traffic
2 The Airport's Operating Year is the 12-month period ending September 30.

Table I-1

U.S. Ranking of Activity - (Calendar Year 2009)

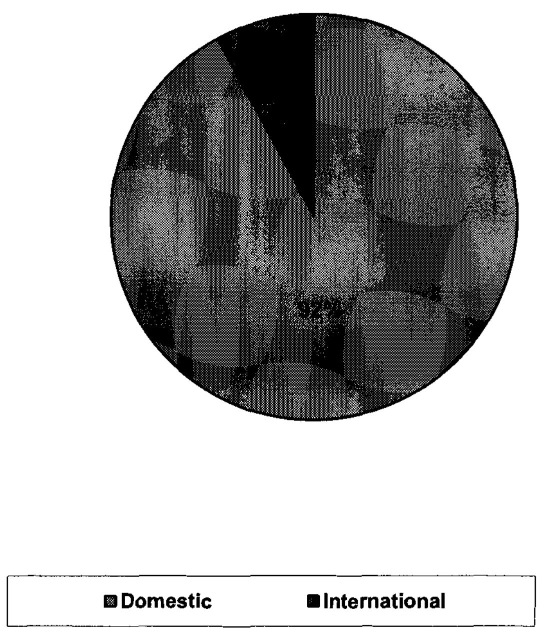
Rank	Airport	Total Passengers	Rank	Airport	Total Operations
1	Atlanta (ATL)	88,032,086	1	Atlanta (ATL)	970,235
2	Chicago (ORD)	64,158,343	2	Chicago (ORD)	827,899
3	Los Angeles (LAX)	56,520,843	3	Los Angeles (LAX)	638,782
4	Dallas/Fort Worth (DFW)	56,030,457	4	Dallas/Fort Worth (DFW)	634,383
5	Denver (DEN)	50,167,485	5	Denver (DEN)	607,019
6	New York (JFK)	45,915,069	6	Houston (IAH)	538,168
7	Las Vegas (LAS)	40,469,012	7	Las Vegas (LAS)	511,064
8	Houston (IAH)	40,007,354	8	Charlotte (CLT)	509,448
9	Phoenix (PHX)	37,824,982	9	Philadelphia (PHL)	472,668
10	San Fransisco (SFO)	37,338,942	10	Phoenix (PHX)	457,207
11	Charlotte (CLT)	34,536,666	**11**	**Detroit (DTW)**	**432,589**
12	Miami (MIA)	33,886,025	12	Minneapolis/St Paul (MSP)	432,395
13	Orlando (MCO)	33,693,649	13	New York (JFK)	416,945
14	Newark (EWR)	33,399,207	14	Newark (EWR)	411,607
15	Minneapolis/St Paul (MSP)	32,378,599	15	Toronto (YYZ)	407,352
16	**Detroit (DTW)**	**31,357,388**	16	Phoenix (PHX)	402,335
17	Seattle (SEA)	31,227,512	17	San Fransisco (SFO)	379,751
18	Philadelphia (PHL)	30,669,564	18	Salt Lake City (SLC)	372,300
19	Toronto (YYZ)	30,368,339	19	New York (LGA)	354,594
20	Boston (BOS)	25,512,086	20	Miami (MIA)	351,417

Source: Airports Council International, *2009 North American Final Traffic Report,* October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

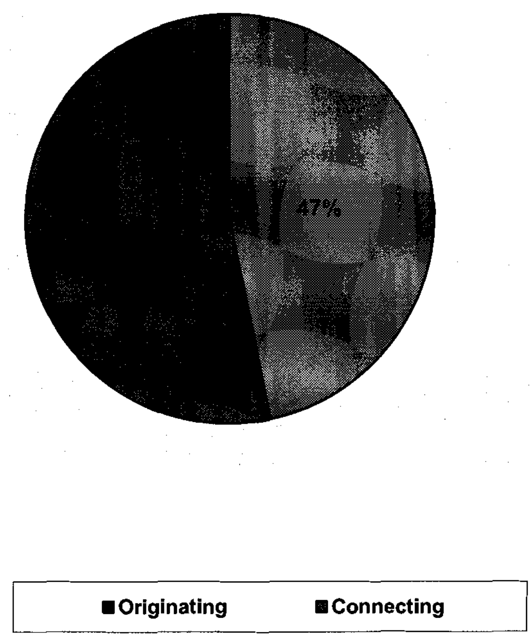
Exhibit I-1

Airport Enplanement Characteristics

Preliminary OY 2010 Enplanements



CY 2009 Domestic Enplanements 1/



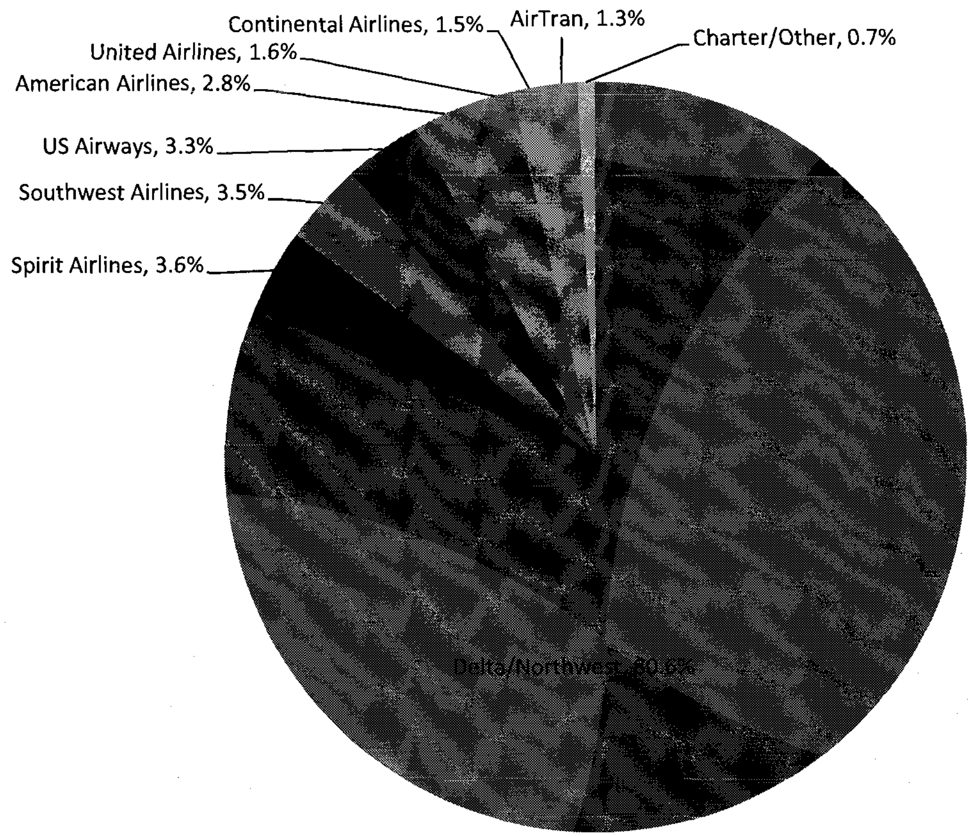
Note:

1/ For consistency purposes with Authority records, Canadian traffic is categorized as domestic.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Exhibit I-2

Enplanement Share by Airline - Preliminary Operating Year 2010 [1/]



Note:

1/ Includes regional affiliates as applicable. Airlines with less than one percent market share are grouped in the charter/other category.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table I-2 provides a comparison of the Airport and other non-coastal U.S. airline hub airports primarily serving east/west traffic. As shown, the Airport accommodated approximately 31.4 million passengers, including approximately 2.4 million international passengers, in CY 2009. Of the thirteen airline hub airports included in the comparison, eight accommodated more passengers than the Airport in CY 2009; four of those eight airports had two hubbing carriers. In addition, the Airport accommodated the fifth most international passengers of the comparison group in CY 2009.

1.2 Local Perspective

Based on available information from OAG Aviation Solutions, the airlines serving the Airport are scheduled to average approximately 574 daily departures from the Airport during the month of December 2010 (as compared to 555 in December 2009), with non-stop service to 120 domestic destinations (as compared to 124 in December 2009). For the 12-month period ending December 2010, the Airport offered non-stop service to 29 international destinations, including some markets on a seasonal basis. The Airport's non-stop domestic and international destinations are depicted in **Exhibit I-3** and **Exhibit I-4**, respectively. In addition to the non-stop domestic destinations shown in Exhibit I-3, other domestic destinations are served with non-stop service on a seasonal basis. As of November 2010, the following domestic destinations are scheduled to have non-stop service from the Airport during the summer of 2011: Atlantic City, NJ; Anchorage, AK; Myrtle Beach, SC; Portland, OR; and Sacramento, CA.

The extent of air carrier service provided at the Airport is a key factor in determining its air trade area (i.e., the geographical area served by the Airport). In addition, the borders of an air trade area are influenced by the location of other metropolitan and micropolitan areas and their associated airport facilities.

For purposes of these analyses, the ***primary* air trade area** for the Airport consists of the Ann Arbor Metropolitan Statistical Area (MSA) that includes Washtenaw County; the Detroit-Warren-Livonia MSA that includes Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties; the Flint MSA that includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area that includes Lenawee County.[3] This 10-county area is located within the State of Michigan (Michigan). The primary air trade area is accessible and within close geographical-proximity to Canadian cities (e.g., Windsor, Ontario), which serve as an extended ***secondary air trade area***. It is the economic strength of the ten counties encompassing the primary air trade area, however, that provides the principal base for supporting O&D air travel at the Airport. As a result, only data for the primary air trade area (hereinafter referred to as the Air Trade Area) were examined in following analyses. **Exhibit I-5** presents the geographical location of the Airport's Air Trade Area, as well as the Airport's proximity to alternative airports.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport to the south, Fort Wayne International Airport to the southwest, Kalamazoo/Battle Creek International and Lansing Capital City Airports to the west, and Bishop International Airport (Flint)

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3 In June 2003, the Office of Management and Budget revised its geographic Census definitions to include Metropolitan and Micropolitan Statistical Areas, collectively called Core Based Statistical Areas (CBSAs). The CBSA Metropolitan Areas have at least one central urbanized core area of 50,000 people and the CBSA Micropolitan Areas have at least one urbanized core area of at least 10,000 people, but fewer than 50,000.

Table I-2

Comparison of U.S. East/West Airline Hub Airports (CY 2009, Passengers in Millions)

Airport	Total Passengers	Hubbing Passenger Carrier(s) [1/]	Domestic Passengers	International Passengers	Domestic Share	International Share
Atlanta	88.0	Delta/Northwest, AirTran	79.2	8.8	90.0%	10.0%
Chicago - O'Hare	64.2	American, United	53.7	10.4	83.7%	16.3%
Dallas - Fort Worth	56.0	American	50.9	5.1	90.9%	9.1%
Denver	50.2	Frontier, United	48.3	1.9	96.2%	3.8%
Houston - George Bush	40.0	Continental	32.2	7.8	80.5%	19.5%
Phoenix [2/]	37.8	Southwest/US Airways	36.0	1.9	95.1%	4.9%
Charlotte	34.5	US Airways	32.4	2.2	93.7%	6.3%
Minneapolis - St. Paul	32.4	Delta/Northwest	30.2	2.2	93.3%	6.7%
Detroit	**31.4**	**Delta/Northwest**	**29.0**	**2.4**	**92.5%**	**7.5%**
Salt Lake City	20.4	Delta/Northwest	20.0	0.4	97.9%	2.1%
Cincinnati [3/]	10.6	Delta/Northwest	10.2	0.4	95.9%	4.1%
Memphis	10.3	Delta/Northwest	9.9	0.3	96.6%	3.4%
Cleveland	9.7	Continental	9.5	0.2	97.6%	2.4%

Notes:

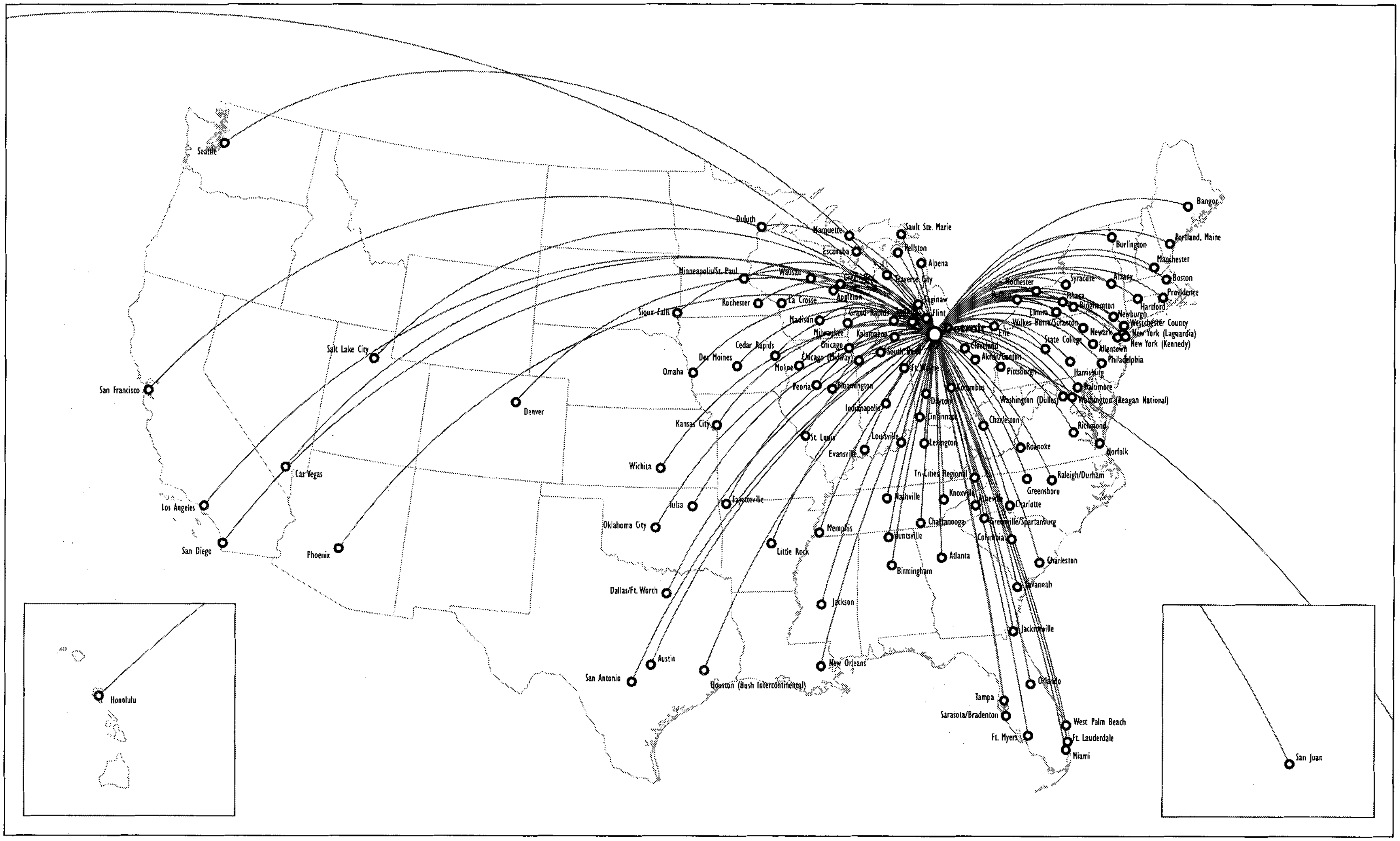
1/ Includes regional affiliate carriers, where applicable.

2/ Southwest does not operate as a traditional hub-and-spoke airline; however, it is included in this comparison due to its high level of activity.

3/ Total international passengers for Cincinnati are estimated by multiplying the reported international enplaned passengers by two.

Sources: Wayne County Airport Authority; Individual airport websites, October 2010

Prepared by: Ricondo & Associates, Inc., November 2010

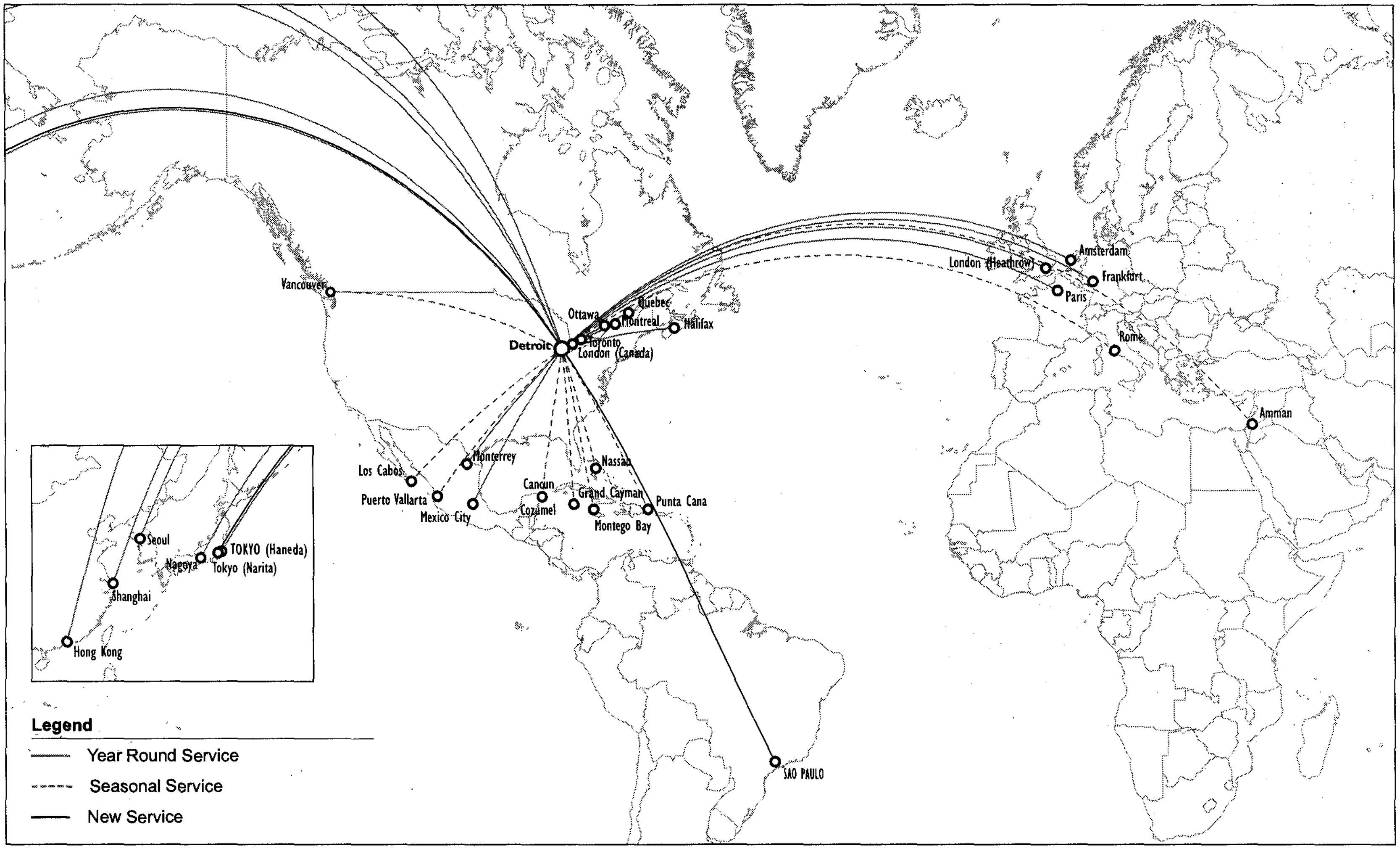


Source: Official Airline Guide (OAG), December 2010.
Prepared by: Ricondo & Associates, Inc., October 2010.

Exhibit I-3

Not to Scale. north

Scheduled Non-Stop Domestic Destinations

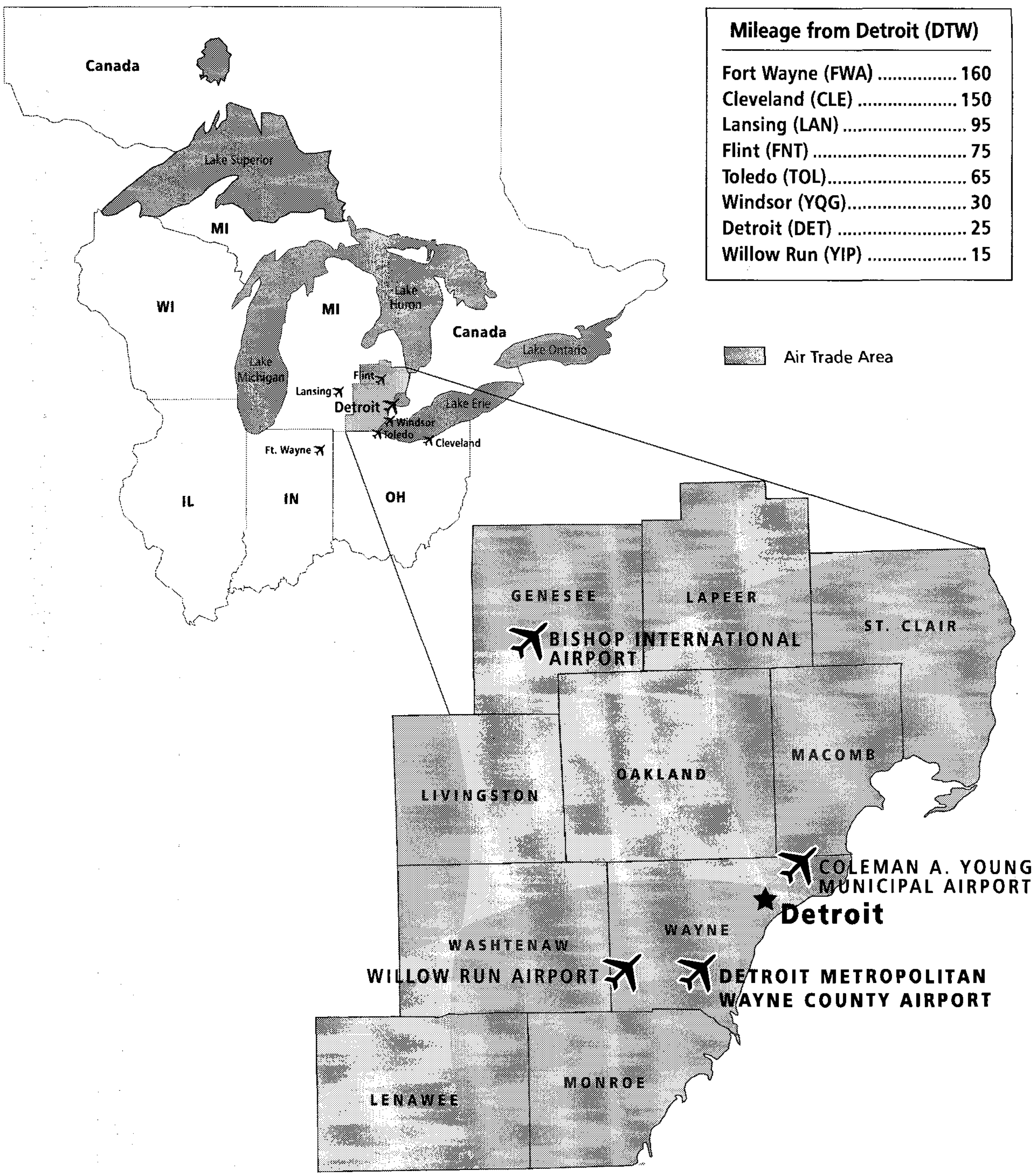


Source: Official Airline Guide (OAG), July 2010 - June 2011.
Prepared by: Ricondo & Associates, Inc., October 2010.

Exhibit I-4

Not to Scale. north

Scheduled Non-Stop International Destinations



Source: Map Resources, 2007.
Prepared by: Ricondo & Associates, Inc., October 2010.

Exhibit I-5

Air Trade Area and Alternative Facilities

to the north. Typically, an air trade area for an airport accounts for 80 to 90 percent of its O&D passenger traffic.

Other nearby airport facilities include the Coleman A. Young International Airport (formerly Detroit City Airport), Willow Run Airport, and Windsor Airport across the U.S. border in Ontario, Canada. Coleman A. Young International Airport is approximately eight miles northeast of downtown Detroit; however, it has not had commercial passenger airline service since 2000. Willow Run Airport, also operated by the Authority, is located seven miles west of the Airport and service cargo, corporate, and general aviation clients. Windsor Airport is located approximately nine miles southeast of downtown Detroit.

The next nearest large hub airport to the Air Trade Area is Cleveland-Hopkins International Airport, which primarily serves its unique air trade area approximately 150 miles southeast of the Airport across Lake Erie. Cleveland-Hopkins International Airport, a hub airport in the Continental Airlines system, processed approximately 9.7 million total passengers in CY 2009, far below the 31.4 million passengers for the Airport in the same period. In CY 2009, each of the other airports bordering the Air Trade Area accommodated fewer than 500,000 total passengers and ranked outside of the top 115 domestic airports in terms of total passengers. Although these other airports may compete to some degree to serve the Air Trade Area's passenger needs, from a regional perspective they operate in a complementary role to the Airport.

Having enplaned approximately 6.7 million domestic O&D passengers in CY 2009 (the most recent estimate available) and an estimated 1.2 million international passengers in OY 2010, the Airport serves the diverse travel needs of its Air Trade Area including activity associated with business, leisure, and international travelers. Furthermore, some of those travelers utilizing other airports that border the Air Trade Area connect through the Airport to access Delta's route system and reach their ultimate destination. Based on factors such as the breadth and frequency of air carrier service provided at the Airport, its total passenger and enplanement levels, and the demographic and economic characteristics of its local market, the Airport is considered the primary air carrier airport in the Air Trade Area and one of several major airline connecting hubs in the Midwest region.

1.3 Role within Delta Air Lines' System

As discussed earlier and based on preliminary OY 2010 results, Delta and its affiliated carriers accounted for 80.6 percent of the Airport's total enplanements in OY 2010. Due to Delta's major presence, the role that the Airport serves in the Air Trade Area is determined, in part, by the Airport's role within the Delta system network. This section provides a general overview of how Delta utilizes the Airport in its system network and provides comparisons of the Airport to Delta's other domestic airport hubs.

Northwest merged with Delta under a single operating certificate on December 31, 2009. Prior to the merger, Northwest operated three U.S. hubs: the Airport, Minneapolis-St. Paul International Airport (MSP), and Memphis International Airport (MEM). The Airport and MSP served as its primary domestic hubs, offering a wide breadth of service from both airports to major domestic destinations. Primarily driven by geography, smaller secondary markets in the eastern and southern U.S. were generally served from the Airport. Similar sized markets in the western and southwestern U.S. were generally served by Northwest from its MSP hub. MEM, the airline's other domestic hub, provided geographic balance to the system network and was used primarily to serve smaller southern markets. Northwest's domestic route network was somewhat unique in its use of the Airport and MSP, as they are similar size domestic hubs within close proximity of one another in the upper Midwestern U.S. Northwest referred to this as its "Heartland Strategy."

Delta has retained all of its pre-merger hubs and Northwest's pre-merger hubs; therefore, Delta's current system network consists of the following domestic hub airports: the Airport (DTW), Cincinnati/Northern Kentucky International Airport (CVG), Hartsfield-Jackson Atlanta International Airport (ATL), John F. Kennedy International Airport (JFK), Minneapolis-St. Paul International Airport (MSP), Memphis International Airport (MEM), and Salt Lake City International Airport (SLC). **Table I-3** lists the top 25 domestic airports within Delta's route network for CY 2009. Overall, the Airport is Delta's third largest airport in terms of total enplaned passengers, behind ATL and MSP. The Airport is Delta's third largest hub in terms of international passengers, scheduled departing seats, and destinations served, and the second largest in terms of scheduled departures.

To gain a better understanding of Delta's current operations at the Airport, and its future plans for the Airport, and to substantiate the assumptions underlying the forecast of short and long-term air service provided by Delta at the Airport, R&A conducted a telephone interview with Delta.[4] Delta representatives participating on the call indicated that the Airport is Delta's largest Midwest connecting hub and is also an excellent connector for its Asian operations. Because of the Airport's large O&D base and ideal geographical location, Delta is able to move passengers from the U.S. Midwest to anywhere in the world as well as move passengers travelling from the U.S. east coast to U.S. west coast or vice versa. Delta has been growing its international service at the Airport with additional international destinations, such as Incheon, South Korea, Hong Kong, and Haneda, Japan. The newly combined airline will be able to expand more effectively at the Airport than Northwest could do on its own prior to the merger as synergies created from the merger provide for more growth opportunities and mitigate impacts of economic downturns. Prior to the merger, Northwest had no presence in Latin America, but with Delta's presence in that market as well as successful operations in Sao Paulo and other Brazilian destinations from other U.S. gateways, the addition of Detroit – Sao Paulo service was a natural extension because of Delta's strength in Latin America and the volume of business traffic that travels to Brazil from the U.S. Midwest. Delta expects the company to continue to grow its activity at the Airport in the future.

Exhibit I-6 presents Official Airline Guide data comparing scheduled departing seat data for Delta's current hubs for representative pre-merger (second half of CY 2008) and post-merger (second half of CY 2010) periods.

As shown in Exhibit I-6, the Airport increased from a 16.2 percent share to a 16.6 percent share of total Delta and Northwest hub domestic scheduled departing seats for the pre-merger and post-merger periods presented, and MSP's share has decreased slightly from a 16.7 percent share pre-merger to a 16.6 percent share post-merger for the same periods. CVG's share of total Delta and Northwest hub scheduled domestic departing seats has decreased by approximately 44 percent from an 7.9 percent share pre-merger to a 4.4 percent post-merger. Examination of the Airport's share of Delta and Northwest hub airports' scheduled domestic departing seats before and after the merger reveals that the Airport's and MSP's roles in serving domestic traffic in the current network are similar to their roles in the pre-merger Northwest network, while CVG's current role compared to its role in the pre-merger Delta network has decreased significantly. When comparing the presented

[4] Telephone interview conducted on October 27, 2010.

Table I-3

2009 Ranking of Delta Activity at U.S. Domestic Airports within Delta's route network [1/]

Airport	Enplaned Passengers	Passenger Rank	Share of Airport Enplanements	Share Rank	International Passengers	Intl Psgr Rank	Intl Psgr of Delta Total	Scheduled Seats	Seat Rank	Scheduled Departures	Departure Rank	Destinations Served	Destination Rank
ATL	33,280,703	1	75.6%	5	3,758,844	1	11.3%	39,952,985	1	357,815	1	254	1
MSP	12,700,647	2	78.9%	4	1,004,160	4	7.9%	16,202,770	2	162,308	3	166	2
DTW	12,444,238	3	79.8%	3	1,174,561	3	9.4%	15,761,649	3	173,276	2	163	3
SLC	7,572,116	4	74.2%	6	209,483	6	2.8%	9,155,578	4	108,756	4	108	4
JFK	5,679,813	5	24.8%	8	1,918,969	2	33.8%	7,456,237	5	65,487	7	100	6
CVG	4,840,072	6	91.3%	2	195,798	7	4.0%	6,053,414	6	86,919	5	95	7
MEM	4,510,720	7	92.0%	1	183,903	8	4.1%	5,861,148	7	81,509	6	101	5
LAX	3,293,264	8	11.6%	17	249,637	5	7.6%	3,642,416	9	20,869	11	27	10
LGA	3,126,877	9	28.1%	7	25,993	12	0.8%	4,850,615	8	46,638	8	42	8
MCO	2,652,742	10	15.8%	14	5,653	14	0.2%	3,001,233	11	18,287	12	16	13
BOS	2,386,493	11	18.7%	13	171,566	10	7.2%	3,419,069	10	30,940	9	28	9
LAS	1,963,674	12	9.9%	19	-	23	0.0%	2,134,156	13	12,950	17	9	18
SEA	1,942,968	13	12.4%	16	179,480	9	9.2%	2,113,619	14	11,955	21	12	16
DCA	1,906,345	14	21.7%	9	-	23	0.0%	2,703,397	12	27,055	10	18	12
TPA	1,608,318	15	19.0%	12	319	19	0.0%	1,833,558	15	12,416	18	14	14
SFO	1,573,298	16	8.5%	20	71,629	11	4.6%	1,717,633	17	10,753	24	9	18
FLL	1,538,435	17	14.6%	15	451	17	0.0%	1,822,578	16	12,031	20	13	15
DEN	1,269,456	18	5.1%	23	-	23	0.0%	1,469,030	19	11,283	23	7	22
PHX	1,229,423	19	6.5%	22	35	22	0.0%	1,395,994	21	9,896	25	7	22
BWI	1,151,113	20	11.0%	18	107	20	0.0%	1,417,483	20	12,262	19	8	21
PHL	1,098,059	21	7.2%	21	7,387	13	0.7%	1,390,883	22	13,252	16	9	18
DFW	1,023,894	22	3.7%	24	51	21	0.0%	1,204,381	25	11,481	22	7	22
RDU	972,175	23	21.6%	10	1,933	16	0.2%	1,256,445	24	13,902	15	12	16
ORD	914,191	24	2.9%	25	368	18	0.0%	1,544,471	18	15,390	14	6	25
IND	746,068	25	19.9%	11	2,877	15	0.4%	1,353,851	23	16,744	13	19	11

Note:

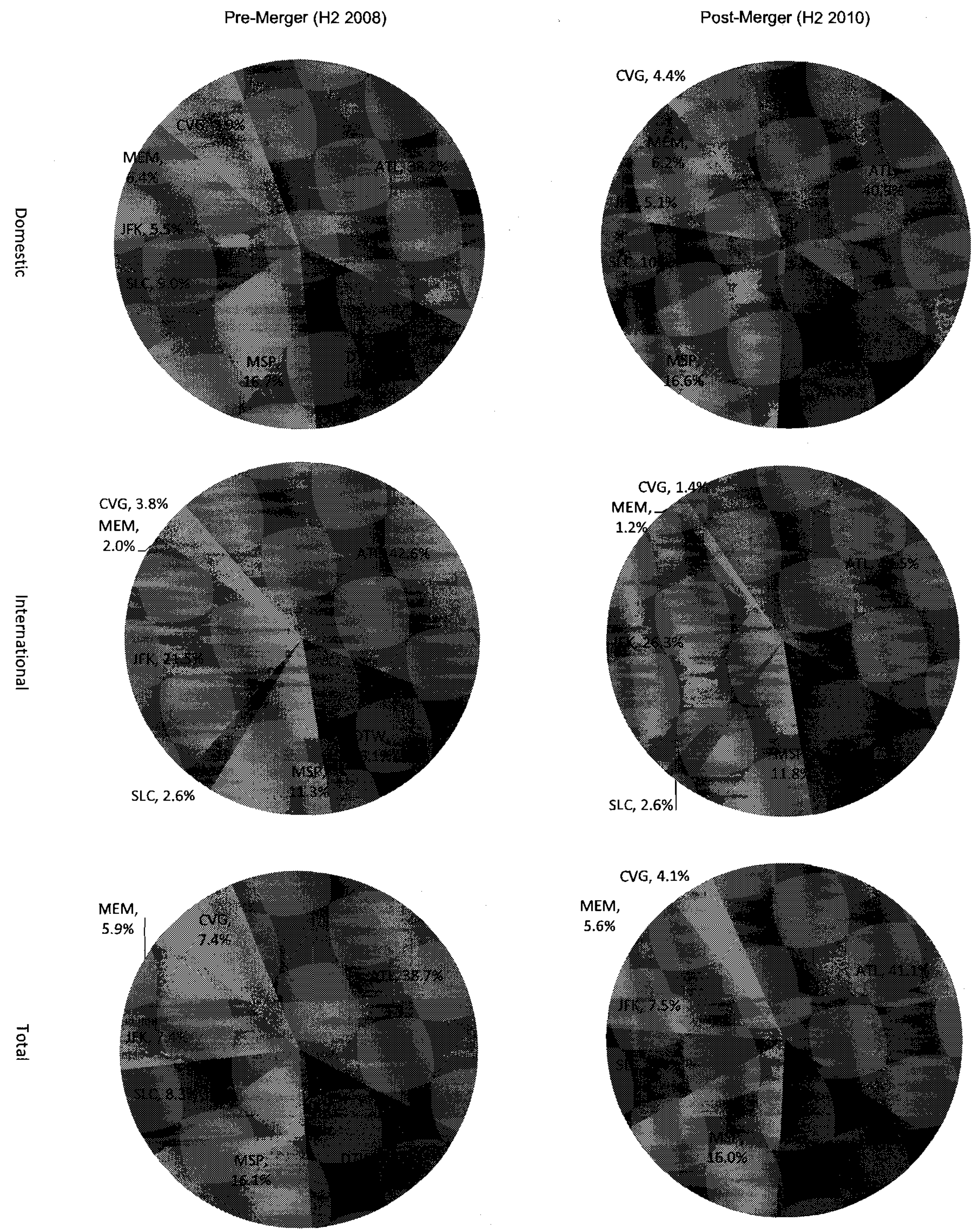
1/ Inclusive of Delta Air Lines, Delta Connections, Northwest Airlines, and Northwest Airlink domestic and international activity.

Source: Various airport websites and T100 (for other airports), and Official Airline Guide, accessed June 2010.

Prepared by: Ricondo & Associates, Inc., November 2010

Exhibit I-6

Delta/Northwest Hub Scheduled Departing Seats by Airport Share



Source: Official Airline Guide, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010

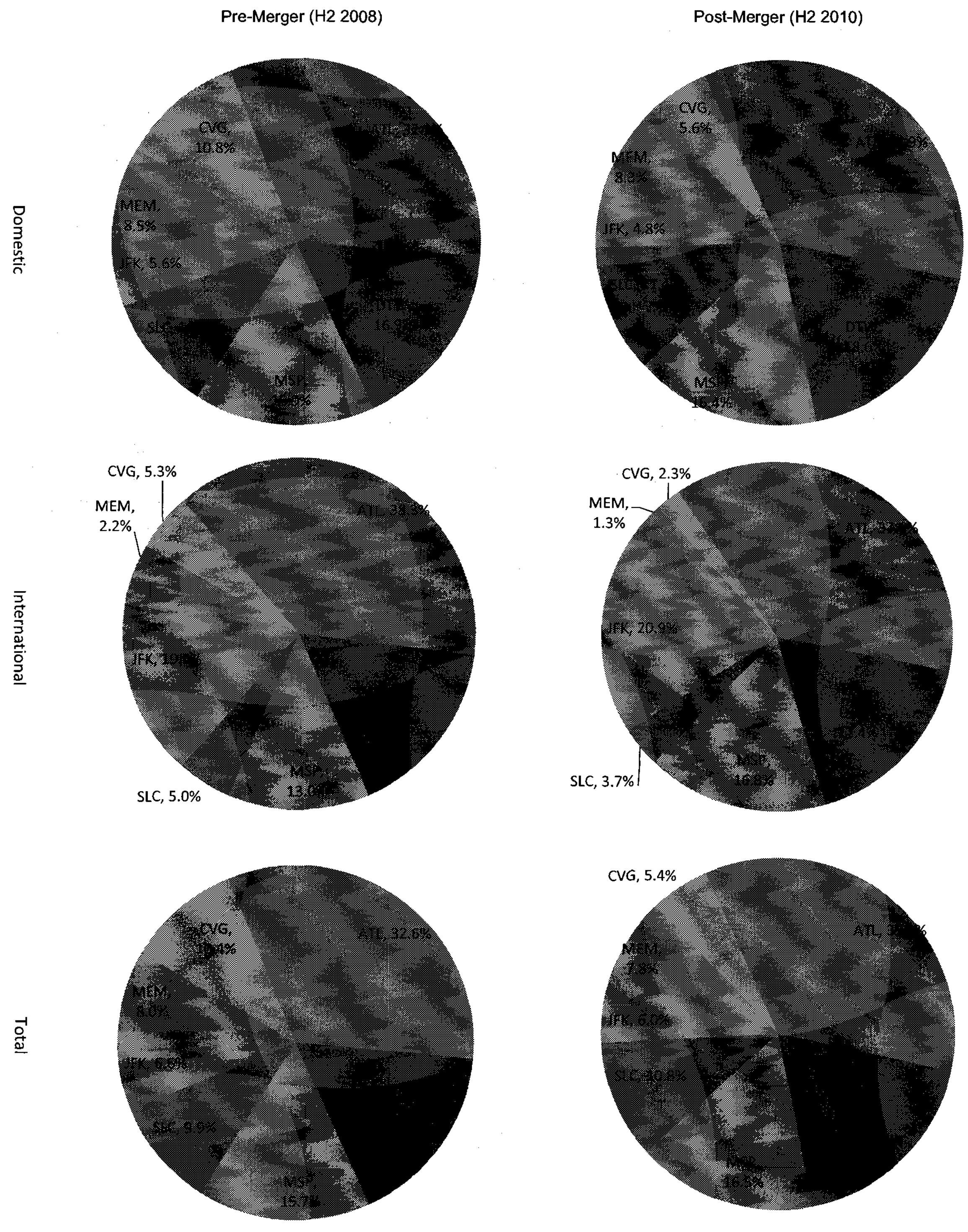
pre-merger and post-merger periods, the Airport has maintained its position of having the third largest share of total Delta and Northwest hub international scheduled departing seats; however the Airport's overall share decreased by 1.5 percent.

Exhibit I-7 presents Official Airline Guide data comparing scheduled departures for Delta's current hubs for representative pre-merger (second half of CY 2008) and post-merger (second half of CY 2010) periods. The Airport's share of total Delta and Northwest hub domestic and international scheduled departures for the post-merger period has increased slightly as compared to the pre-merger period. The Airport's share has increased by 1.7 percent for domestic scheduled departures and 0.8 percent for international scheduled departures. Thus, based on the Airport's share of Delta and Northwest hub scheduled departing seats and scheduled departures presented in Exhibit I-6 and Exhibit I-7, respectively, the Airport has maintained its role through the merger as a premier Midwest hub that chiefly flows traffic to the markets in the eastern and western U.S. and an international gateway that primarily serves Asia.

Exhibit I-8 provides a comparison of total, domestic, and international scheduled departing seats for the Delta system and the seven domestic hubs for CY 2010. For CY 2010, the Airport has the second largest share of total Delta scheduled total departing seats at 7 percent (MSP also has 7 percent) and total Delta domestic scheduled departing seats at 8 percent (MSP also has 8 percent). ATL, the largest of the Delta hubs and the busiest airport in North America and the world, is the only airport with more Delta scheduled departing seats than the Airport. The Airport has the third largest share of Delta international scheduled departing seats (5 percent, along with MSP) behind ATL (17 percent) and JFK (10 percent).

Exhibit I-7

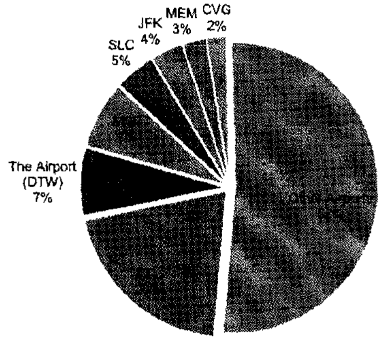
Delta/Northwest Hub Scheduled Departures by Airport Share



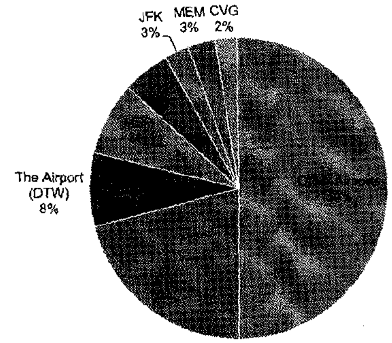
Source: Official Airline Guide, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010

Exhibit I-8
Delta Air Lines Scheduled Departing Seats at its Domestic Hub Airports

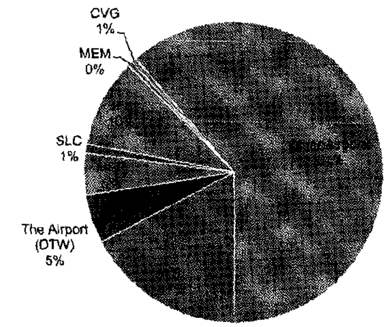
2010 Total Scheduled Departing Seats
(203.1 million seats)



2010 Domestic Scheduled Departing Seats
(174.8 million seats)



2010 International Scheduled Departing Seats
(28.4 million seats)



Source: Official Airline Guide, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010

II. Economic Base for Air Transportation

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area), particularly for the O&D portion of an airport's passenger traffic. Although O&D passengers are only a portion of the Airport's total traffic, primarily as a result of hubbing activity by Delta and Delta Connection, the strength and characteristics of the Airport's underlying economic base remain significant with regard to expectations of continued growth in its O&D demand.[1] This section presents data that indicates that the Air Trade Area has an economic base capable of supporting increased demand for air travel during the projection period.

2.1 Population

2.1.1 Population Growth

Wayne and Oakland counties are the Air Trade Area's two most populous counties. According to the U.S. Census Bureau, Wayne and Oakland counties are ranked as the 13th and 31st-largest counties, respectively, in the nation for population in 2009. Historical population for the Air Trade Area, Michigan, and the United States is presented in **Table II-1.** As shown, population in the Air Trade Area increased from 5,187,171 people in 1990 to 5,456,428 people in 2000, and then decreased to 5,427,601 people in 2009. Expansion in the Air Trade Area between 1990 and 2009 resulted in eight of the ten counties in the Air Trade Area experiencing positive population growth. The highest growth rates in population between 1990 and 2009 occurred in Livingston County, compounded annual growth rate (CAGR) of 2.4 percent, and Washtenaw County, CAGR of 1.1 percent. Population in Genesee and Wayne counties has decreased since 1990, at compounded annual rates of -0.1 and -0.5 percent, respectively. As also shown, overall population in the Air Trade Area between 1990 and 2009 grew at a CAGR of 0.2 percent, slightly below Michigan's CAGR of 0.4 percent, and below the United States' CAGR of 1.1 percent, during this same period.

Table II-1 also presents population projections for the Air Trade Area, Michigan, and the United States for 2020. As shown, population in the Air Trade Area is expected to increase slightly between 2009 and 2020, from 5,427,601 people in 2009 to 5,542,715 in 2020. This increase represents a CAGR of 0.2 percent during this period. Projected population for Michigan is expected to increase at a CAGR of 0.3 percent between 2009 and 2020, similar to the Air Trade Area, yet lower than the 1.0 percent CAGR projected for the United States during this same period.

2.1.2 Population Diversity

The Air Trade Area has an ethnically diverse population, a characteristic that contributes to demand for air travel. For example, the University of Michigan, located in the Air Trade Area, has the sixth-largest amount of international students among all U.S. universities.[2] In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage because employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. This immigrant influx from various parts of the world has been a

1 Based on Authority records, domestic O&D passengers accounted for approximately 46.7 percent of total domestic passengers at the Airport in CY 2009.

2 Crain's Detroit Business, "Economy Benefits from Michigan's Big Share of International Students," November 19, 2010.

Table II-1

Historical & Projected Population

Area	Historical			Projected	Compounded Annual Growth Rate			
	1990	2000	2009	2020	1990-2000	2000-2009	1990-2009	2009-2020
Genesee County	430,459	436,141	424,043	424,049	0.1%	-0.3%	-0.1%	0.0%
Lapeer County	74,768	87,904	89,974	98,965	1.6%	0.3%	1.0%	0.9%
Lenawee County	91,476	98,890	99,837	101,359	0.8%	0.1%	0.5%	0.1%
Livingston County	115,645	156,951	183,118	212,370	3.1%	1.7%	2.4%	1.4%
Macomb County	717,400	788,149	831,427	872,603	0.9%	0.6%	0.8%	0.4%
Monroe County	133,600	145,945	152,721	163,199	0.9%	0.5%	0.7%	0.6%
Oakland County	1,083,592	1,194,156	1,205,508	1,270,466	1.0%	0.1%	0.6%	0.5%
St. Clair County	145,607	164,235	167,562	180,485	1.2%	0.2%	0.7%	0.7%
Washtenaw County	282,937	322,895	347,563	382,547	1.3%	0.8%	1.1%	0.9%
Wayne County	2,111,687	2,061,162	1,925,848	1,836,672	-0.2%	-0.8%	-0.5%	-0.4%
Air Trade Area	5,187,171	5,456,428	5,427,601	5,542,715	0.5%	-0.1%	0.2%	0.2%
State of Michigan	9,295,297	9,938,444	9,969,727	10,324,000	0.7%	0.0%	0.4%	0.3%
United States	248,709,873	281,421,906	307,006,556	341,251,700	1.2%	1.0%	1.1%	1.0%

Sources: U.S. Department of Commerce, Bureau of the Census, Population Estimates, October 2010 (historical) and Woods and Poole Economics, Inc., *2011 Complete Economic and Demographic Data Source (CEDDS),* 2010 (projected).

Prepared by: Ricondo & Associates, Inc., November 2010.

significant component of the economy of the Air Trade Area. Key sectors in the Air Trade Area's regional economy – manufacturing, technology, and research and development (R&D) - are impacted by the contribution of labor and investment from immigrant communities and entrepreneurs. An ethnically diverse population also retains family ties that create demand for air travel services to and from homeland countries.[3]

As shown in **Table II-2**, according to U.S. Census Bureau data, approximately half of the foreign-born population residing in the Air Trade Area comes from Asia, while a quarter were born in Europe. Iraq is the most represented country of birth of the Air Trade Area's foreign-born residents, followed by India and Mexico.

2.1.3 Age Distribution

Table II-3 shows that the median age in the Air Trade Area in 2009 (38.4 years) was similar to Michigan (38.5 years) and higher than the United States (36.8 years).

According to a survey from the U.S. Travel Association, air travel frequency in the United States varies by age group, and persons between the ages of 35 and 54 tend to travel the most by air. Persons between the ages of 35 and 54 account for 46 percent of air trips, while persons between the ages of 18 and 34 account for 26 percent of air trips, and persons 55 years and older account for 27 percent of air trips.[4]

Data in Table II-3 shows that in 2009, Air Trade Area residents between the ages of 35 and 54 made up approximately 29.9 percent of the population, compared with 28.8 percent of the population of Michigan and 28.1 percent of the population of the United States. The Air Trade Area's greater percentage of the population in the age category that travels most frequently nationwide represents an important source of demand for air service at the Airport.

2.2 Income

Another key indicator regarding demand for air travel is air trade area wealth, which can be measured by assessing levels of personal income. Personal income is the sum of wages and salaries, other labor income, proprietors' income, rental income of persons, dividend income, personal interest income, and transfer payments less personal contributions for government social insurance. Personal income is a composite measurement of market potential; and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure).

Table II-4 presents historical per capita personal income between 2002 and 2009 for the Air Trade Area, Michigan and the United States. As shown, between 2002 and 2009, per capita personal income for the Air Trade Area was higher than equivalent measures for Michigan but, for the most recent years, slightly lower than equivalent measures for the United States. Per capita personal income for the Air Trade Area decreased at a compounded annual rate of -1.0 percent between 2002 and 2009, compared with a -0.6 percent decrease for Michigan and a CAGR of 0.8 percent for the United States during this same period.

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[3] The Brattle Group, "The Impact on the U.S. Economy of Lifting Restrictions on Travel to Cuba," July 2002.
[4] Travel Industry Association of America, "2006 Domestic Travel Market Report."

Table II-2

World Region of Birth of Foreign-Born Population In Air Trade Area (2009)

Region	Population	Percent
Asia	226,308	50.7%
Iraq	*46,378*	*10.4%*
India	*41,983*	*9.4%*
Lebanon	*18,409*	*4.1%*
Europe	117,707	26.4%
Albania	*14,831*	*3.3%*
Germany	*13,226*	*3.0%*
United Kingdom	*12,860*	*2.9%*
Latin America	58,608	13.1%
Mexico	*40,386*	*9.0%*
Jamaica	*3,147*	*0.7%*
Colombia	*2,456*	*0.6%*
North America	26,714	6.0%
Africa	15,825	3.5%
Oceana	1,101	0.2%
Total	446,263	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2009* .
Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-3

Age Distribution (2009)

Total Population	Air Trade Area[2/] 5,327,764	State of Michigan 9,969,727	United States 307,006,556
By Age Group			
17 and Under	24.1%	23.7%	24.3%
18 - 34	21.5%	22.0%	23.5%
35 - 54[1/]	29.9%	28.8%	28.1%
55+	24.5%	25.5%	24.1%
Total	100.0%	100.0%	100.0%
Median Age	38.4 years	38.5 years	36.8 years

Notes:

1/ Data from the Travel Industry Association of America shows that this age group travels more frequently by air than other age groups.

2/ Data only available for Detroit-Warren-Flint Combined Statistical Area (excludes Lenawee County).

Source: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2009* .

Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-4

Per Capita Personal Income

	Per Capita Personal Income (in 2005 dollars)		
Year	Air Trade Area	State of Michigan	United States
Historical			
2002	$36,165	$32,548	$33,926
2003	$36,734	$32,986	$34,105
2004	$35,913	$32,599	$34,894
2005	$35,521	$32,274	$35,424
2006	$35,370	$32,316	$36,691
2007	$35,368	$32,383	$37,316
2008	$34,814	$32,049	$36,829
2009	$33,693	$31,142	$35,821
Projected			
2020	$39,171	$35,754	$39,928
Compounded Annual Growth Rate			
2002-2009	-1.0%	-0.6%	0.8%
2009-2020	1.4%	1.3%	1.0%

Percentage of Households in Income Categories (2009)

Income Category (in 2000 $)	Air Trade Area	State of Michigan	United States
Less than $29,999	28.8%	30.4%	30.7%
$30,000 to $59,999	29.8%	32.4%	32.4%
$60,000 to $74,999	11.8%	11.9%	11.7%
$75,000 to $99,999	13.1%	12.0%	11.5%
$100,000 or More	16.4%	13.2%	13.7%

Note: As household income increases, air transportation becomes more affordable and, therefore, is used more frequently.

Source: Woods and Poole Economics, Inc., *2011 Complete Economic and Demographic Data Source (CEDDS)*, 2010.

Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-4 also presents projections of per capita personal income for 2020. According to data from Woods and Poole Economics, Inc., per capita personal income for the Air Trade Area is projected to increase at a CAGR of 1.4 percent, from $33,693 in 2009 to $39,171 in 2020. The 2009-2020 projection for the Air Trade Area is similar to projections for Michigan, which is expected to grow at a 1.3 CAGR, and the United States as a whole, which is projected to grow at a slower 1.0 percent CAGR. The forecast outperformance of the Air Trade Area and Michigan when compared to the United States as a whole is partly due to expected new employment opportunities in the restructured automobile manufacturing industry, the outmigration of lower income individuals, the relative stability of the higher-wage health and education sectors, and the growth coming off of a lower base as compared to the nation.

An additional indicator of wealth, and thus a market's potential to generate demand for air transportation, is the percentage of households in the higher income categories. An examination of this indicator is important in that as household income increases, air transportation becomes more affordable and, therefore, is used more frequently. Table II-4 also presents percentages of households in selected household income categories for 2009. As shown, 41.4 percent of households in the Air Trade Area had household incomes of $60,000 or more in 2009, which was significantly higher than the 37.2 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

2.3 Employment

Recent employment trends for the Air Trade Area, Michigan, and the United States are presented in **Table II-5**. As shown, the Air Trade Area's civilian labor force increased from approximately 2,789,000 workers in 1999 to approximately 2,814,000 workers in 2000. Each year since 2000, the Air Trade Area's civilian labor force has decreased, from approximately 2,807,000 workers in 2001 to approximately 2,608,000 workers in 2009. During the ten-year time period between 1999 and 2009, Air Trade Area and Michigan civilian labor forces decreased at compounded annual rates of -0.7 percent and -0.4 percent, respectively, whereas the civilian labor force of the United States experienced positive growth during this same period with a CAGR of 1.0 percent.

As also shown in Table II-5, annual non-seasonally adjusted unemployment rates for the Air Trade Area were below or equal to those for Michigan from 1999 to 2004, and above those for Michigan from 2005 onwards. Annual non-seasonally adjusted unemployment rates for the Air Trade Area were below or equal to those for the United States in 1999 and 2000, and above those for the United States from 2001 onwards. The Air Trade Area's unemployment rate was 13.0 percent in September 2010. This rate was higher than the unemployment rate experienced by Michigan (12.3 percent) and the United States during the same period (9.2 percent), though Air Trade Area unemployment rates have declined more rapidly than respective rates for Michigan and the United States year-to-date. According to the Detroit Regional Chamber, the Air Trade Area's high unemployment rates can be attributed to the steady decrease in manufacturing employment over the past decade. More specifically, this decline has been sparked by the dislocation in the automotive and related industries (parts suppliers, etc.).

An analysis of nonagricultural employment trends by major industry sector is presented in **Table II-6**, which compares the Air Trade Area's employment trends to those for the nation for 2004 and 2009. As shown, nonagricultural employment in the Air Trade Area decreased from approximately 2.45 million workers in 2004 to approximately 2.10 million workers in 2009. This

Table II-5

Civilian Labor Force & Unemployment Rates

	Civilian Labor Force (000's)		
Year	Air Trade Area	State of Michigan	United States
1999	2,789	5,089	139,368
2000	2,814	5,144	142,583
2001	2,807	5,144	143,734
2002	2,751	5,040	144,863
2003	2,733	5,033	146,510
2004	2,724	5,043	147,401
2005	2,721	5,063	149,320
2006	2,710	5,071	151,428
2007	2,684	5,038	153,124
2008	2,641	4,976	154,287
2009	2,608	4,888	154,142
Compounded Annual Growth Rate			
1999-2009	-0.7%	-0.4%	1.0%

	Non-Seasonally Adjusted Unemployment Rates		
Year	Air Trade Area	State of Michigan	United States
1999	3.8%	3.8%	4.2%
2000	3.6%	3.7%	4.0%
2001	5.2%	5.2%	4.7%
2002	6.2%	6.2%	5.8%
2003	7.0%	7.1%	6.0%
2004	7.0%	7.1%	5.5%
2005	7.1%	6.8%	5.1%
2006	7.1%	6.9%	4.6%
2007	7.4%	7.1%	4.6%
2008	8.7%	8.3%	5.8%
2009	14.6%	13.6%	9.3%
September 2010	13.0%	12.3%	9.2%

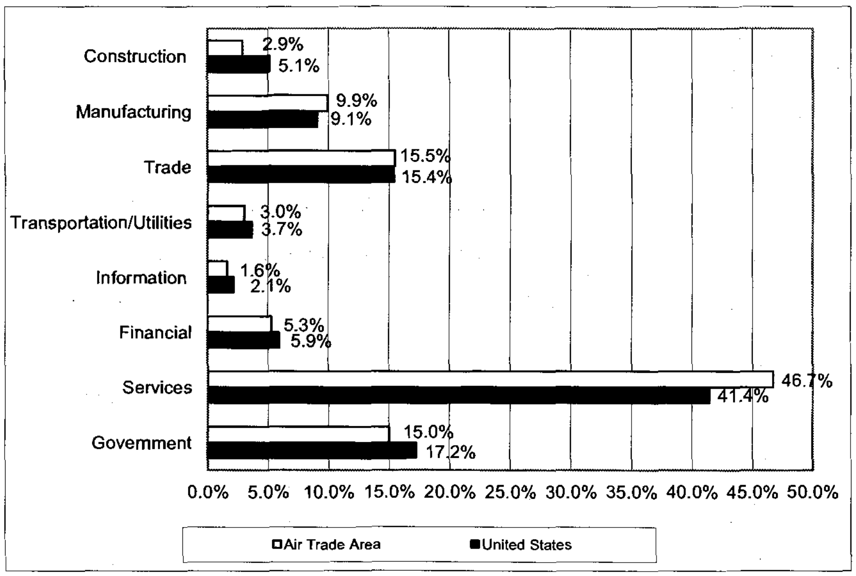
Source: U.S. Department of Labor, Bureau of Labor Statistics, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-6

Employment Trends by Major Industry Sector

	Air Trade Area Nonagricultural Employment (000's)			United States Nonagricultural Employment (000's)		
Industry	2004	2009	Compounded Annual Growth Rate	2004	2009	Compounded Annual Growth Rate
Construction [1/]	101	61	(9.5%)	7,567	6,737	(2.3%)
Manufacturing	354	209	(10.0%)	14,315	11,883	(3.7%)
Trade	377	326	(2.8%)	20,721	20,153	(0.6%)
Transportation/Utilities	75	64	(3.3%)	4,812	4,796	(0.1%)
Information [2/]	43	34	(4.3%)	3,118	2,807	(2.1%)
Financial	132	111	(3.4%)	8,031	7,758	(0.7%)
Services [3/]	1,037	982	(1.1%)	51,249	54,237	1.1%
Government	334	315	(1.2%)	21,621	22,549	0.8%
Total	2,452	2,103	(3.0%)	131,434	130,920	(0.1%)

Percent of 2009 Nonagricultural Employment



Notes:

1/ Includes mining employment.

2/ The information sector includes communications, publishing, motion picture and sound recording, and on-line services.

3/ The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.

Source: U.S. Department of Labor, Bureau of Labor Statistics, October 2010.

Prepared by: Ricondo & Associates, Inc., November 2010.

trend represents a compounded annual decrease of -3.0 percent during this period, compared to a decrease of -0.1 percent nationwide.

The Air Trade Area experienced a decrease in employment in all industry sectors between 2004 and 2009, with the greatest decreases occurring in the manufacturing and construction sectors. The nation's employment experienced similar but smaller decreases across most industry sectors, with the exception of increases in services and government. As also shown in Table II-6, with the exception of services, construction and government, the sectors of nonagricultural employment are generally in concert with those of the nation on a percentage basis in 2009.

A shifting of the Air Trade Area's industrial mix occurred between 2004 and 2009, as manufacturing employment decreased from 14.4 percent of total employment in 2004 to 9.9 percent in 2009; and services employment increased from 42.3 percent of total employment in 2004 to 46.7 percent in 2009. This increase in the percentage of services employment in the Air Trade Area can be partially attributed to the outsourcing of manufacturing jobs. The trends in the Air Trade Area's industrial mix were consistent with, but more pronounced than, changes in the industrial mix nationwide, as manufacturing decreased from 10.9 percent to 9.1 percent and services increased from 39.0 percent to 41.4 percent during this same period for the nation as a whole.

Major employers in the Air Trade Area, as measured by the number of employees, are presented in **Table II-7.**[5] As shown, there are more than 24 organizations in the Air Trade Area with 3,500 or more employees. The largest employer in the Air Trade Area is the automobile manufacturer, Ford Motor, with 40,011 employees; followed by the University of Michigan (26,433 employees); automobile manufacturers General Motors (20,774 employees) and Chrysler Group (19,882 employees); and the Henry Ford Health System (18,282 employees).

Table II-8 presents the 13 Fortune 500 companies headquartered in the Air Trade Area.[6] Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Consistently appearing near the top of the rankings, Ford Motor is ranked eighth and General Motors is ranked fifteenth with approximately $118.3 billion and $104.6 billion in revenues, respectively, in 2009.

2.4 Economic Base

This section reviews the local business climate and economy in greater detail to more clearly examine the basis for the economic strength of the Air Trade Area.

2.4.1 Business Climate

According to the Detroit Regional Chamber, the Air Trade Area has approximately 247,000 existing businesses. With its high concentration of Fortune 500 companies, high-capacity transportation infrastructure, skilled workforce, and R&D facilities, the Air Trade Area has been gaining recognition as one of the best places in the nation for new and expanded business according to the Detroit Regional Chamber. This optimistic assessment was echoed by an October 2010 article in *Inc.* magazine, entitled "Five Reasons to Start a Business in Detroit." In particular the article noted the

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5 Includes the most current (December 2009) and comprehensive list of largest employers in Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These five counties represent more than 83 percent of the Air Trade Area's population.

6 Ranking is based on the 2009 revenues listed in *Fortune* magazine's 2010 annual ranking of America's largest corporations (May 3, 2010 issue).

Table II-7

Major Employers [1/]

Employer	Number of Employees	Product or Service
Ford Motor Co.	44,011	Automobile Manufacturer
University of Michigan	26,433	Public University and Health System
General Motors Co.	20,774	Automobile Manufacturer
Chrysler Group L.L.C.	19,882	Automobile Manufacturer
Henry Ford Health System	18,282	Health Care System
U.S. Government	16,694	Federal Government
William Beaumont Hospitals	15,275	Private, Nonprofit Hospital
Detroit Public Schools	13,750	Public School System
City of Detroit	13,187	City Government
U.S. Postal Service	12,765	Postal Service
St. John Providence Health System	12,684	Health Care System
Detroit Medical Center	11,626	Health Care System
Trinity Health Corp.	10,941	Health Care System
State of Michigan	10,887	State Government
Blue Cross Blue Shield of Michigan/Blue Care Network	7,206	Health Insurer
DTE Energy Co.	6,632	Energy
Oakwood Healthcare Inc.	5,679	Health Care System
Comerica Bank	5,616	Financial Services
Wayne State University	5,019	Public University
Wayne County Government	4,545	County Government
Johnson Controls	4,116	Automotive Supplier, Building Control Systems and Facilities Management
EDS Corp.	4,000	IT Services
Utica Community Schools	3,756	Public School System
AutoAlliance International Inc.	3,508	Joint Venture Automobile Assembly

Notes:

1/ Includes the most current (December 2009) and comprehensive list of largest employers in Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These five counties represent approximately 83 percent of the Air Trade Area's population. Some employers listed may have experienced additional recent headcount reductions that are not reflected above.

Source: Crain's Detroit Business, *2010 Book of Lists.*

Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-8

Fortune 500 Companies Headquartered in the Air Trade Area[1/]

Company	Rank	2009 Revenues ($ millions)	Industry
Ford Motor	8	$118,308.0	Motor Vehicles & Parts
General Motors	15	$104,589.0	Motor Vehicles & Parts
GMAC[2/]	122	$19,403.0	Financial Services
TRW Automotive Holdings	201	$11,614.0	Motor Vehicles & Parts
Lear	242	$9,739.6	Motor Vehicles & Parts
Penske Automotive Group	245	$9,558.1	Motor Vehicles & Parts
DTE Energy	285	$8,014.0	Utilities: Gas & Electric
Masco	291	$7,858.0	Home Products
Visteon[3/]	335	$6,685.0	Motor Vehicles & Parts
CMS Energy	350	$6,212.0	Utilities: Gas & Electric
Autoliv	410	$5,120.7	Motor Vehicles & Parts
ArvinMeritor	450	$4,617.0	Motor Vehicles & Parts
Kelly Services	479	$4,314.8	Workforce Solutions

Notes:

1/ Based on 2009 revenues.

2/ In May 2010, the GMAC corporate entity became known as Ally Financial, Inc..

3/ Visteon emerged from Chapter 11 bankruptcy protection on October 1, 2010.

Source: 2010 Fortune 500 (published May 3, 2010).

Prepared by: Ricondo & Associates, Inc., November 2010.

Air Trade Area's strong support network for new businesses (including government support) and access to space and capital.

In 2009, the Air Trade Area was a leader in business development and expansion with over 132 corporate real estate projects, the fourth-highest of major metropolitan areas, according to *Site Selection* magazine. Businesses are attracted to the area by costs of doing business that are lower than other major global business centers, according to KPMG's Competitive Alternatives 2010 study. According to the Council for Community and Economic Research's ACCRA Cost of Living Index, the Air Trade Area's cost of living is only 102.6 (the average for all participating communities, both metropolitan and nonmetropolitan, equals 100). Compared with other major metropolitan areas throughout the United States, the Detroit region is an affordable place to live, facilitating the recruitment of skilled employees. As a result of this climate, the Air Trade Area ranked fifteenth in the World Knowledge Competitiveness Index 2008 (WKC Index), a measure of the Air Trade Area's ability to compete against other global regions for businesses and individuals to create, understand and utilize knowledge for innovative services and product offerings. The Area's relatively high score in the WKC Index was partially attributable to the large amount of R&D spending by Air Trade Area businesses.

2.4.2 Construction

Construction employment in the Air Trade Area decreased at a compounded annual rate of -9.5 percent between 2004 and 2009, compared to a decrease of -2.3 percent for the nation. In 2009, the construction sector accounted for approximately 61,000 employees in the Air Trade Area, which accounted for 2.9 percent of total nonagricultural employment.

Both building permits and housing prices are indirect indicators of employment in the construction sector. As shown in **Table II-9**, Air Trade Area residential building permit units and valuation experienced a cycle over the 1999 to 2009 period that differed from the experience of the United States as a whole. From 1999 until the peak of the most recent residential real estate building cycle in 2005, the Air Trade Area's residential building permit units decreased at a compounded annual rate of -4.3 percent (compared to a 4.4 percent CAGR for the United States) and building permit valuation decreased at a compounded annual rate of -0.1 percent (compared to a 10.5 percent CAGR for the United States). From 2005 through 2009, the Air Trade Area's residential building permit units decreased at a compounded annual rate of -45.1 percent (compared to a decrease of -27.9 percent for the United States) and building permit valuation decreased at a compounded annual rate of -42.0 percent (compared to a decrease of -26.6 percent for the United States). However, when year-to-date 2010 (through September 2010) residential building permit units and valuation are compared to year-to-date 2009 (through September 2009) statistics, the Detroit area has experienced year-over-year growth in residential building permit units and valuation that has significantly outpaced the United States (e.g., in units, Air Trade Area growth of 109 percent versus growth of 7 percent for the United States).

According to the most recent S&P/Case-Shiller Home Price Index report, Air Trade Area home prices are down 43.7 percent since the local market peak in December 2005 (versus a 28.1 percent decrease from peak nationally). According to an August 2010 forecast compiled for Businessweek.com by Fiserv and Moody's Economy.com, Air Trade Area home prices are projected to bottom out in the second quarter of 2011. As homes have become more affordable—the median home price in the Air Trade Area is lower than median family income—demand is expected to increase. According to the aforementioned forecast, prices are projected to increase 33.1 percent

Table II-9

Residential Building Permits and Valuation -- 1999-2009
(Dollar Amounts in Thousands)

	Air Trade Area		State of Michigan		United States	
Year	Units	Valuation	Units	Valuation	Units	Valuation
1999	27,537	$3,432,605	54,257	$6,204,660	1,663,533	$181,246,047
2000	25,317	$3,413,275	52,489	$6,255,868	1,592,267	$185,743,681
2001	24,495	$3,242,282	50,139	$6,085,397	1,636,676	$196,242,858
2002	25,251	$3,457,878	49,968	$6,371,831	1,747,678	$219,188,681
2003	26,383	$3,717,077	53,913	$7,052,549	1,889,214	$249,693,105
2004	28,633	$4,272,219	54,721	$7,624,595	2,070,077	$292,413,691
2005	21,106	$3,406,384	45,328	$6,642,418	2,155,316	$329,254,468
2006	11,445	$1,941,661	29,191	$4,492,911	1,838,903	$291,314,492
2007	6,016	$1,080,276	17,767	$2,908,219	1,398,415	$225,236,551
2008	3,424	$619,601	10,911	$1,792,236	905,359	$141,623,457
2009	1,918	$385,688	6,884	$1,172,901	582,963	$95,410,298
Compounded Annual Growth Rate						
1999-2005	-4.3%	-0.1%	-3.0%	1.1%	4.4%	10.5%
2005-2009	-45.1%	-42.0%	-37.6%	-35.2%	-27.9%	-26.6%

Source: U.S. Department of Commerce, Bureau of the Census, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010.

over the next four years, one of the fastest rates of increase projected for all United States metropolitan areas. The growing prevalence of short sales over foreclosures is expected to help drive up the median home price in the Air Trade Area. The Air Trade Area residential property market is also attracting interest among international investors.

According to the Southeast Michigan Council of Governments, 188 nonresidential development projects were completed in the Air Trade Area in 2009, totaling 8.6 million sq. ft. of space and over $2 billion in value. Projects under construction contributed an additional 137 projects, 6.9 million sq. ft. of space, and $1.7 billion in value for the Air Trade Area in 2009. While Air Trade Area nonresidential development projects, as measured by sq. ft. delivered, are projected to decrease through 2011, a modest recovery is anticipated to begin by 2012.

2.4.3 Manufacturing

Although manufacturing employment in the Air Trade Area decreased significantly between 2004 and 2009, which also occurred nationwide to a lesser extent during the same period, manufacturing continues to be an important component of the Air Trade Area's economy. In 2009, the manufacturing sector accounted for approximately 209,000 employees in the Air Trade Area, which accounted for 9.9 percent of total nonagricultural employment.

Despite recent declines in production, the Air Trade Area continues to be known as "The Automotive Capital of the World." According to the Michigan Senate Fiscal Agency, between August 2009 and August 2010, the most recent data available, the United States produced approximately 8.9 million cars and trucks. During this period, Michigan was responsible for approximately 22 percent of the nation's car and truck production, more than any other state in the nation. In addition, over four-fifths of Michigan's car and truck production is manufactured in the Air Trade Area, which represents production of more vehicles than any other metropolitan area in the United States. Nearly 20 of the top 100 global automotive suppliers are headquartered in the Air Trade Area, with approximately 90 of them having an office presence in the Air Trade Area. As shown in Table II-7, the three of the top four major employers in the Air Trade Area are automobile manufacturers: Ford Motor with 44,011 employees; General Motors with 20,774 employees; and Chrysler Group with 19,882 employees.[7] The automotive supplier Johnson Controls also appears on this list of major employers in the Air Trade Area with 4,116 employees.

Ford Motor was the only one of the "Big 3" automakers to avoid seeking bankruptcy protection over the past two years. Due to aggressive restructuring and asset sales, including the sale of the Jaguar and Land Rover brands to India's Tata Motors, the sale of the Volvo brand to China's Geely Automobile, and the phase out of the Mercury brand, Ford Motor posted a full year 2009 profit of $2.7 billion. According to its most recent Q3 2010 earnings report, Ford earned a profit of $1.7 billion in the quarter, the best third quarter in 20 years for the automaker, and Ford projects that all business units will be profitable in 2011.

On June 1, 2009, General Motors Corporation filed for Chapter 11 bankruptcy protection, and emerged on July 10, 2009. The corporation was reorganized as a new entity, General Motors Company, which acquired the most valuable assets of the original corporation. At that time, the U.S.

[7] The major automotive manufacturers in the Air Trade Area have experienced significant job reductions in recent years due to the slowdown of the automotive industry. Employment levels shown may not reflect recent changes.

Department of the Treasury has a 61 percent stake in GM as a result of spending approximately $50 billion to ensure the viability of the company. As part of its restructuring, in the United States, General Motors eliminated approximately 3,600 of its 6,000 dealerships, closed 14 plants, shed approximately 20,000 employees during 2009, sold the Saab brand to Netherlands' Spyker Cars (which located Saab's North American headquarters in the Air Trade Area in April 2010), and phased out the Hummer, Pontiac and Saturn brands. The "new" GM posted approximately $2 billion in profit for the first six months of 2010 and $2 billion in profit for Q3 2010.

On November 18, 2010, an initial public offering (IPO) of GM's stock was completed, allowing the U.S. Department of the Treasury to reduce its ownership stake in the company. Local economic experts expect the GM IPO to speed the Air Trade Area's economic recovery and give a boost to local auto suppliers going to capital markets with their own future stock offerings.[8]

On April 30, 2009, Chrysler LLC filed for Chapter 11 bankruptcy protection and emerged on June 10, 2009. The corporation was reorganized as a new entity, Chrysler Group LLC, which acquired the most valuable assets of the original corporation. Chrysler emerged from bankruptcy with a United Auto Workers' retiree trust owning 55 percent, Italy's Fiat owning a 20 percent share that is expected to grow to 35 percent by the end of 2011, and the United States and Canadian governments holding minority stakes. Fiat was given management control over Chrysler as part of an agreement that called for Fiat to provide technical expertise and build at least one vehicle in a Chrysler plant. For the first three quarters of 2010, Chrysler posted an operating profit of $565 million.

Automotive-related companies that have announced and/or completed manufacturing-related expansions in the Air Trade Area in recent years include the following:

- **General Motors.** GM plans to retool four plants in Flint by investing more than $230 million in an effort to launch the Chevy Volt (GM's electric vehicle, recently named *Motor Trend* and *Automobile* magazines' "Car of the Year" for 2011) and Cruze (a small sedan) in 2011. The investment is expected to create more than 500 new jobs for the area. In addition to manufacturing fuel efficient cars, the plants will recycle 97 percent of the waste they generate.
- **Ford Motor**. In October 2010, Ford announced that it will invest $850 million dollars in two Air Trade Area factories. The plants will design and build fuel-efficient six-speed transmissions that will be offered company-wide by 2013. The investment is expected create 1,200 full-time jobs by 2013.
- **Chrysler Group.** In July 2010, Chrysler began a second shift at its Jefferson North Assembly plant in the Air Trade Area, necessitating the hiring of 1,100 workers to help build the new Jeep Grand Cherokee.
- **Lear Corp. and Comer Holdings.** In August 2010, these two companies announced plans to open a new assembly plant in the city of Detroit, potentially creating more than 200 manufacturing jobs as early as next year. The plant is expected to produce seating parts, exterior mirrors and other vehicle components.
- **Weber Automotive.** In November 2010, this German automotive supplier announced that it recently purchased a vacant, 230,000 sq. ft. manufacturing facility in the Air Trade Area. As

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8 Crain's Detroit Business, "GM IPO a Boon for Auto Suppliers, Economy in Southeast Michigan," November 18, 2010.

this facility becomes operational, it is expected to create 280 new jobs in the next five years, approximately 116 of those in the first year.

In recent years, the Air Trade Area has experienced a shift in emphasis from automobile manufacturing to testing facilities and R&D. Michigan is the leading state for automotive-related R&D activity in the nation. There are approximately 300 automotive-related R&D facilities in the Air Trade Area, which is evolving the Air Trade Area into a global "think tank" for new technology in the automotive industry. According to the Detroit Regional Chamber, two of the top five companies for R&D spending globally in 2008 have a significant presence in the Air Trade Area: Toyota, ranked first with $9.0 billion in spending and General Motors, ranked fifth with $8.0 billion in spending. Despite the auto industry's recent intense economic crisis, both the 1,100 employee Toyota Technical Center and the 170 employee Hyundai-Kia America Technical Center have avoided layoffs.[9] In June 2009, General Motors made a significant investment in its R&D capabilities by opening the largest advanced battery research laboratory in the United States on its technical center campus in Warren, Michigan.

In addition to the automotive industry, manufacturing and R&D activities for the life sciences industry are also a significant component of the Air Trade Area's economy. According to the Detroit Regional Chamber, more than 70 major life sciences companies are located within the Air Trade Area. State-wide, there are approximately 540 life sciences companies with nearly 32,000 employees and total annual sales of $4.8 billion. In July 2010, contract pharmaceutical manufacturer Ash Stevens, Inc. announced a $20 million expansion project that would add approximately 68 direct and 142 indirect jobs (construction-related) over the next few years. The University of Michigan is also investing $900 million in its life sciences R&D effort. The University's 230,000 sq. ft. Life Sciences Institute houses 450 staff members, including 150 students and 29 faculty, who have obtained over $150 million in research grants and published approximately 650 papers.

2.4.4 Trade

Trade employment in the Air Trade Area decreased at a compounded annual rate of -2.8 percent between 2004 and 2009, compared to an average annual decrease of -0.6 percent for the nation during this same period. In 2009, the trade sector accounted for approximately 326,000 employees in the Air Trade Area, which accounted for 15.5 percent of total nonagricultural employment. Of the Air Trade Area employees in the trade sector, approximately 72 percent were engaged in retail trade.

One indicator of growth in the trade sector is retail sales, defined as all net sales (gross sales minus refunds and allowances for returns) for establishments engaged primarily in retail trade. **Table II-10** presents total retail sales for the Air Trade Area, Michigan and the United States between 2002 and 2009. As shown in Table II-10, between 2002 and 2007 total retail sales in the Air Trade Area grew at a CAGR of 1.5 percent, identical to Michigan's CAGR, and less than the CAGR the United States experienced during this period, 2.4 percent. Between 2007 and 2009, as the recession took hold, Air Trade Area retail sales decreased at a compounded annual rate of -6.7 percent, greater than the decrease that both Michigan and the United States experienced during this period (-6.6 and -5.3 percent decreases, respectively).

9 Ann Arbor.com, "Ann Arbor Region's Toyota Technical Center has Avoided Cuts, Executive Says," January 17, 2010.

Table II-10

Total Retail Sales
(In 2005 Dollars, Amounts in Millions)

Year	Air Trade Area	State of Michigan	United States
Historical			
2002	$74,688	$129,053	$3,642,407
2003	$75,953	$131,268	$3,727,549
2004	$78,289	$135,298	$3,869,610
2005	$80,027	$138,311	$3,992,285
2006	$80,975	$140,020	$4,084,437
2007	$80,275	$139,043	$4,109,239
2008	$75,874	$131,704	$3,947,379
2009	$69,886	$121,400	$3,682,032
Projected			
2020	$81,966	$143,767	$4,684,036
Compounded Annual Growth Rate			
2002 - 2007	1.5%	1.5%	2.4%
2007 - 2009	-6.7%	-6.6%	-5.3%
2009 - 2020	1.5%	1.5%	2.2%

Source: Woods and Poole Economics, Inc., *2011 Complete Economic and Demographic Data Source (CEDDS)*, 2010.

Prepared by: Ricondo & Associates, Inc., November 2010.

Table II-10 also presents projections of total retail sales for 2020. According to data from Woods and Poole Economics, Inc., total retail sales for the Air Trade Area are projected to increase from approximately $69.9 billion in 2009 to approximately $82.0 billion in 2020. This increase represents a CAGR of 1.5 percent, compared to an identical CAGR for Michigan and a 2.2 percent CAGR for the United States.

International trade is a vital component of the Air Trade Area's economy. According to the Office of Trade and Industry Information of the U.S. Department of Commerce's International Trade Administration, over one quarter (27.8 percent) of Michigan manufacturing jobs are dependent upon international trade. Export-supported jobs linked to manufacturing account for almost eight percent of Michigan's total private-sector employment. According to a 2010 Brookings Institution study, among the nation's 100 largest metropolitan areas, the Air Trade Area ranks ninth in total value of exports and twelfth in terms of exports as a percentage of Gross Metropolitan Product.

Similarly, businesses in the Air Trade Area have taken advantage of overseas markets and expanded their operations internationally. Many of the Air Trade Area's top companies (e.g., Ford Motor) depend on offshore plants and suppliers for manufacturing and assembly as well as raw materials. This expanding international business activity generates demand for both international air travel and air freight services.

2.4.5 Transportation/Utilities

Transportation/utilities employment in the Air Trade Area decreased at a compounded annual rate of -3.3 percent between 2004 and 2009, compared to a decrease of -0.1 percent for the nation. In 2009, the transportation/utilities sector accounted for approximately 64,000 employees in the Air Trade Area, which accounted for 3.0 percent of total nonagricultural employment.

The well-developed transportation infrastructure in the Air Trade Area is diversified and is a significant catalyst for attracting new and expanded businesses to the region. The Air Trade Area is home to one of the largest foreign trade zones in North America and offers seven international border crossings. These border crossings include the Ambassador Bridge in Detroit and the Blue Water Bridge in Port Huron, the first and fourth busiest border crossings, respectively, in North America. According to the Foreign Trade Division of the U.S. Department of Commerce's Bureau of the Census, the Detroit Customs District is ranked third when compared with all freight gateways (land, air, and sea) in the United States for the value of its exports and imports with approximately $167.1 billion in 2009.

Air transportation demand in the Air Trade Area is primarily serviced by the Airport. Freight rail service is also a significant component of the Air Trade Area's infrastructure as the Area is served by four of the seven national Class I railroads in the United States. According to the United States Department of Transportation's Bureau of Transportation Statistics, the Port of Port Huron ranked first and the Port of Detroit ranked third in total freight rail exports and imports in 2009 with approximately $17.4 billion and $12.2 billion of exports and imports, respectively. Limited passenger rail service is provided by Amtrak. In addition, the Air Trade Area maintains a vast integrated highway and freeway infrastructure that consists of six interstates, 24 highways, four United States routes, and 21 state routes. Michigan's highway infrastructure was built and maintained for industrial use and is toll-free. According to the Michigan Department of Transportation's 2010-2014 Transportation Program, approximately $3.8 billion will be invested into the highway infrastructure for improvements over the next five years.

The Air Trade Area's utilities infrastructure is also well-developed and capable of supporting the demanding needs of the region's economy, particularly in the automotive industry. In order to keep utility rates affordable, the Air Trade Area's utilities market is open to alternative providers for electricity, natural gas, and telephone. As shown earlier in Table II-7, DTE Energy, a diversified energy company headquartered in the Air Trade Area, is the largest employer in the transportation/utilities sector of the Air Trade Area with approximately 6,632 employees.

The Air Trade Area is also a leader in alternative energy research. There are more than 100 corporations in the Air Trade Area focused on alternative energy and power generation. One prominent organization, NextEnergy, was founded in 2002 to serve as a research and federal grant catalyst, business incubator and accelerator for clean-energy technologies. Since its founding, NextEnergy has been awarded more than $50 million in grants (which flow through NextEnergy to tenants and subcontractors) and has helped local alternative-energy companies find more than $90 million in funding.[10]

2.4.6 Information

The information sector combines traditional publishing, motion picture and sound recording, broadcasting, software, online services and data processing. Information sector employment in the Air Trade Area decreased at a compounded annual rate of -4.3 percent between 2004 and 2009, compared to a decrease of -2.1 percent for the nation. In 2009, the information sector accounted for approximately 34,000 employees in the Air Trade Area, which accounted for 1.6 percent of total nonagricultural employment.

As shown in Table II-7, one information sector company, EDS, is among the top 25 major employers in the Air Trade Area. In October 2010, the Novi, Michigan-based subsidiary of Tata Technologies Ltd., part of the India-based conglomerate Tata Group, announced plans to hire hundreds of new employees in the Air Trade Area.[11] Tata Technologies provides outsourced engineering and design work, software for that work and support for implementation of the software, such as training, help-desk service and on-site consultants. In June 2009, General Electric announced that it would develop a new $100 million R&D facility in the Air Trade Area that will employ approximately 1,300 scientists and engineers over the next five years, focusing on information technology, clean energy, and aviation R&D.

In order to promote the growth of information and technology based companies and jobs, Michigan created "SmartZones," which is a designated cluster of new and emerging businesses primarily focused on commercializing ideas, patents, and other opportunities. This collaboration consists of universities, industry, research organizations, government, and other community institutions. The Air Trade Area offers six SmartZones. The Air Trade Area's most prominent research and technology park, TechTown, is located within the Woodward Technology Corridor SmartZone. This 12-square-block entrepreneurial village was created in partnership with Wayne State University, a major research institution, and is an incubator that provides support and access to the capital needed to build high-technology based companies and also serves as a developer that facilitates commercial and residential projects.

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[10] Crain's Detroit Business, "Green Businesses Find Homes at NextEnergy," October 3, 2010.
[11] Crain's Detroit Business, "Local Tata Divisions to Bring Hundreds of Jobs to State," October 3, 2010.

A recent, related Air Trade Area initiative to reposition the local economy around new information and technology-related businesses is the formation of the Business Accelerator Network for Southeast Michigan. Comprised of the region's four key business accelerators - Ann Arbor SPARK, Automation Alley, Macomb-OU INCubator, and the TechTown initiative discussed above - these business accelerators have invested in 339 start-up companies, having investing more than $18 million to-date, created more than 1,000 jobs, and secured more than $101.2 million in additional capital for the companies.

One aspect of the Air Trade Area's information sector that has received particular attention in recent years is the film industry. More than 100 film and television productions have taken place in Michigan in the last two years as the result of generous tax rebates.[12] According to the Michigan Film Office, producers have spent nearly $350 million in the state since the tax rebates began in 2008, a figure expected to reach $650 million by the end of CY 2010, having created approximately 8,000 jobs. About 80% of these shoots take place in and around the Air Trade Area.

2.4.7 Financial

The financial sector comprises financial, insurance, and real estate services. Financial employment in the Air Trade Area decreased at a compounded annual rate of -3.4 percent between 2004 and 2009, compared to a decrease of -0.7 percent for the nation. In 2009, the financial sector accounted for approximately 111,000 employees in the Air Trade Area, which accounted for 5.3 percent of total nonagricultural employment.

As shown in Table II-7, two financial sector companies are among the major employers in the Air Trade Area: the insurance provider Blue Cross Blue Shield of Michigan/Blue Care Network, with approximately 7,206 employees, and the banking institution Comerica, with approximately 5,616 employees.

Based on Federal Deposit Insurance Corporation data, Comerica is the largest banking institution in the Air Trade Area with approximately $18.3 billion in deposits and 21.3 percent of the deposits in the Air Trade Area as of June 30, 2010. Other institutions with a significant portion of the Air Trade Area bank deposit market share include: JPMorgan Chase (19.4 percent), Bank of America (13.7 percent), and PNC Bank (11.7 percent).

Table II-11 presents total bank deposits for the Air Trade Area, Michigan, and the nation between 2000 and 2010. Total bank deposits are an indicator of the economic activity of the financial sector. As shown, total bank deposits in the Air Trade Area increased from approximately $73.2 billion in 2000 to approximately $99.4 billion in 2010.[13] This increase represents a CAGR of 3.1 percent during this period, which was higher than that for Michigan yet lower than that for the nation (CAGRs of 2.9 and 6.7 percent, respectively) during this same period.

2.4.8 Services

Services employment in the Air Trade Area decreased at a compounded annual rate of -1.1 percent between 2004 and 2009 (slowest rate of decrease of any Air Trade Area industry sector between 2004 and 2009), compared to a CAGR of 1.1 percent for the nation. In 2009, the services sector

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[12] The Wall St. Journal, "Motown Becomes Movietown," September 17, 2010.
[13] Twelve months ending June 30th for the years depicted in Table II-11.

Table II-11

Total Bank Deposits

	Total Bank Deposits ($000,000)		
Fiscal Year	Air Trade Area	State of Michigan	United States
Historical			
2000	$73,248	$117,242	$4,003,744
2001	$77,489	$122,204	$4,326,207
2002	$80,663	$126,598	$4,606,092
2003	$89,147	$137,104	$5,132,110
2004	$87,044	$136,073	$5,464,782
2005	$88,443	$139,351	$5,933,763
2006	$99,176	$152,588	$6,449,864
2007	$101,151	$154,684	$6,702,053
2008	$103,925	$157,224	$7,025,791
2009	$108,762	$163,767	$7,559,616
2010	$99,416	$155,698	$7,675,621
Compounded Annual Growth Rate			
2000-2010	3.1%	2.9%	6.7%

Note: Fiscal Year Ending June 30th.

Source: Federal Deposit Insurance Corporation (FDIC), *Summary of Deposits Report*, October 2010.

Prepared by: Ricondo & Associates, Inc., November 2010.

accounted for approximately 982,000 employees in the Air Trade Area, which accounted for 46.7 percent of total nonagricultural employment, the highest employment level among all sectors. Leisure and hospitality and educational and health services employment accounted for 20.7 and 34.6 percent, respectively, of total Air Trade Area services sector employment in 2009.

2.4.8.1 Travel and Tourism

According to the Detroit Metro Convention and Visitors Bureau, approximately 15 million people visit the metropolitan Detroit area annually, which includes Wayne, Oakland, and Macomb counties. In 2009, the metropolitan Detroit area hosted approximately 4.6 million people for conventions, events and business travel.

There are approximately 35,000 hotel rooms in the metropolitan Detroit area and the central business district of Detroit offers approximately 5,115 hotel rooms. According to STR, a hotel research information company, since April 2010, the Detroit hotel occupancy rate has climbed each month compared with the same time a year ago. In September 2010, the Detroit hotel occupancy rate stood at 58.9 percent, higher than eight of the 25 largest U.S. markets.

The Air Trade Area's travel and tourism industry is served by a variety of cultural centers, museums, theaters, historical sites, attractions, and annual events. The Air Trade Area offers more than 30 cultural centers and museums, including: the recently renovated Detroit Institute of Arts, which is the sixth-largest fine arts museum in the nation; the Charles H. Wright Museum of African American History, which houses the largest collection of African American art and artifacts in the world; the New Detroit Science Center which includes several interactive laboratories, galleries, and theaters and which now operates the Detroit Children's Museum; the Holocaust Memorial Center, which was the first of its kind; The Henry Ford Museum and Greenfield Village, an American history museum; and the Motown Historical Museum that includes displays of album covers, gold records, and other Motown music memorabilia.

With 18 professional, 21 community, and eight student/university theaters, music and theater are an important component of the Air Trade Area. Some of the most popular venues for theater and entertainment in the Air Trade Area include: the Fox Theater, a venue that stages Broadway plays, movies, and entertainers; the Fisher Theatre, which also presents Broadway plays; the Masonic Temple that serves the area Masons and features concerts; the Detroit Opera House, the venue of the Michigan Opera Theater; and the Max M. Fisher Music Center where the highly acclaimed Detroit Symphony Orchestra usually performs.

The history of the Air Trade Area can be experienced at the Crossroads Village and Huckleberry Railroad, a 51-acre village featuring 34 historical structures, the Genesee Belle (a replica of the paddle wheel boats from the Mark Twain era), and other time period aspects of the 1800's. The Air Trade Area also offers tours of the automobile baron's homes, including the Edsel and Eleanor Ford House, a Cotswold-style home on 87-acres that preserves architecture from the 16th, 17th, and 18th centuries; the Henry Ford Estate, the final home of the pioneer of the Ford Motor Company; and the Meadow Brook Hall estate, an 88,000 square foot Tudor-style mansion that is the fourth-largest historic house museum in the United States.

The North American International Auto Show (NAIAS) is an annual event held in the Air Trade Area that attracted more than 715,000 visitors in 2010. The NAIAS includes world-class vehicle unveilings, media coverage, and unique exhibits from leading manufacturers in the automotive industry. Generating an economic impact in the Air Trade Area of approximately $325 million, the

2010 NAIAS featured nearly 40 vehicle unveilings before approximately 5,000 members of the media from more than 60 countries.

2.4.8.2 Sports and Recreational Activities

With a wide variety of professional and collegiate sports, in 2010, the *Sporting News* magazine rated Detroit as one of the top sports towns in the nation. The Air Trade Area offers four professional sports teams: Major League Baseball's (MLB) Detroit Tigers, runner-up in the 2006 World Series; the National Basketball Association's (NBA) Detroit Pistons, winner of three NBA titles, most recently the 2004 NBA championship; the National Football League's (NFL) Detroit Lions; and the National Hockey League's (NHL) Detroit Red Wings, 1997, 1998, 2002 and 2008 Stanley Cup champions. Collegiate sports in the Air Trade Area are represented by the University of Michigan Wolverines, whose National Collegiate Athletic Association's (NCAA) football games generate crowds of more than 100,000 for home games. University of Detroit-Mercy, Oakland University, Eastern Michigan University and Wayne State University also offer competitive NCAA sports in the Air Trade Area. The Air Trade Area hosted the 2004 Ryder Cup golf tournament, MLB's All-Star Game in 2005, the NFL's Super Bowl XL in 2006, World Wrestling Entertainment's WrestleMania in 2007, the 2008 Professional Golfers' Association's PGA Championship, the NCAA Division I Men's Basketball 2009 Final Four Tournament, and the 2010 NCAA Division I Men's Hockey Frozen Four Tournament. These events combined generated an economic impact in the Air Trade Area of approximately $221 million according to a May 2010 *Crain's Detroit Business* analysis.

Outdoor recreation opportunities in the Air Trade Area include golfing, boating, skiing and snowmobiling, and a variety of parks. Michigan has more public golf courses than any other state in the nation. In the Air Trade Area, there are approximately 170 public golf courses, 75 private golf courses, and 35 driving ranges. With the close proximity to water throughout the state, boating is a popular source of recreation in the Air Trade Area. Michigan ranks among the top states in the nation in the number of registered boats. The annual hydroplane boat races, held on the Detroit River, attract more than half a million spectators. With the location of the Great Lakes, lake-effect snow makes skiing and snowmobiling a significant recreational activity in the Air Trade Area. Approximately 450,000 cross-country skiers and 400,000 snowmobilers visit Michigan each year. For other outdoor recreation, including swimming, biking, hiking, fishing, and skating, the Air Trade Area provides 13 metro parks, three state parks, nine state recreation areas, three state game area, and hundreds of municipal and county parks. Encompassing 1,000-acres, the Belle Isle Park is the largest city island park in the nation. This park features a variety of facilities including the Anna Scripps Whitcomb Conservatory, the Belle Isle Nature Zoo, and The Dossin Great Lakes Museum.

The gaming industry has been a significant source of entertainment and employment in the Air Trade Area since casinos began operating in the Air Trade Area in 1999. The Air Trade Area has three main casinos: MGM Grand Detroit (43 percent of the local market by revenue); MotorCity Casino (31 percent of the local market by revenue) and Greektown Casino (26 percent of the local market by revenue). After posting their first yearly revenue declines in 2009, the casinos have shown year-over-year revenue improvement for seven months out of nine in 2010, compared with an average of three positive months for casinos across the country. The recently renovated Caesars Windsor casino, located across the Detroit River in Windsor, Ontario (Canada), also provides gaming opportunities to Air Trade Area residents.

2.4.8.3 Medical and Health

The Air Trade Area offers 64 hospitals with approximately 11,000 physicians working in more than 80 specialty and sub-specialty areas. Nine Air Trade Area hospitals earned a "Best Hospitals" ranking in 2009-2010 by *U.S. News and World Report*, with numerous hospitals earning top rankings in multiple categories. The Air Trade Area offers a wide range of advanced healthcare facilities and is recognized internationally for its expertise in such areas as heart disease, stroke, cancer, trauma, and pediatrics. Major medical facilities and systems in the Air Trade Area include:

- **Henry Ford Health System.** This health system is comprised of the Henry Ford Hospital, Henry Ford Macomb Hospital - Clinton Township, Henry Ford Wyandotte Hospital, the new Henry Ford West Bloomfield Hospital (opened in 2009), and the Henry Ford Macomb Hospital – Warren. In total, the Henry Ford Health System employs approximately 18,282 employees in the Air Trade Area (the fifth-largest employer in the Air Trade Area) and has approximately 2,220 licensed beds. Henry Ford Hospital, the health system's flagship facility, has been recognized by *U.S. News and World Report* as one of the top hospitals in the nation for six different specialty areas.
- **William Beaumont Hospitals**. This health system is comprised of three hospitals in Royal Oak, Troy and Grosse Pointe. The Royal Oak facility is a major, 1,061-bed academic and referral center with Level 1 trauma status. In total, William Beaumont Hospitals employs approximately 15,275 employees in the Air Trade Area (the seventh-largest employer in the Air Trade Area), has more than 3,700 affiliated physicians and approximately 1,744 licensed beds. In 2010, Oakland University and William Beaumont Hospital received accreditation to open an allopathic medical school to be called Oakland University William Beaumont Medical School.
- **St. John Providence Health System.** This health system is affiliated with Wayne State, Michigan State, and Oakland Universities and is comprised of seven hospitals plus more than 125 medical facilities in southeast Michigan. In total, St. John Providence Health System employs approximately 12,684 employees in the Air Trade Area (the 11th-largest employer in the Air Trade Area) and has approximately 2,340 licensed beds. In 2010, Providence Hospital was ranked as one of the nation's top 15 major teaching hospitals by one of the country's leading sources of health care information and research.
- **The Detroit Medical Center.** This medical center is affiliated with Wayne State University and is comprised of the Children's Hospital of Michigan, Detroit Receiving Hospital, Harper University Hospital, Huron Valley-Sinai Hospital, Hutzel Women's Hospital, Kresge Eye Institute, DMC Surgery Hospital, Rehabilitation Institute of Michigan, and Sinai-Grace Hospital. The Medical Center is also affiliated with the Karmanos Cancer Institute, which operates one of 40 comprehensive cancer centers designated by the National Cancer Institute and has one of the nation's largest and most acclaimed bone marrow transplant programs. In total, the Medical Center employs approximately 11,626 employees in the Air Trade Area (the 12th-largest employer in the Air Trade Area), has more than 2,000 licensed beds, and has more than 3,000 affiliated physicians with hundreds of who are regularly included in the list of "America's Best Doctors."
- **Trinity Health System.** This health system is the fourth-largest Catholic health system in the United States. Trinity Health System has 19 ministry organizations that encompass 46 hospitals, 379 outpatient clinics/facilities, numerous long-term care facilities, home health and hospice programs, and senior housing communities in nine states (including Michigan).

In total, Trinity Heath System employs approximately 10,941 employees in the Air Trade Area (the 13th-largest employer in the Air Trade Area).

Other major medical facilities and systems in the Air Trade Area, based on number of licensed beds, include: Oakwood Healthcare (1,267 licensed beds); the University of Michigan Health System (930 licensed beds); McLaren Regional Medical Center (404 licensed beds); Botsford Hospital (330 licensed beds); POH Regional Medical Center (328 licensed beds); and Garden City Hospital (323 licensed beds).

2.4.8.4 Higher Education

Higher education in the Air Trade Area is provided by numerous universities, colleges and community colleges. The largest universities, based on the number of enrolled students, include:

- **University of Michigan.** Founded in 1817, this university was the nation's first state university. With three campuses that include approximately 58,000 enrolled students, the University of Michigan's undergraduate program was recently ranked in the top 30 by *U.S. News and World Report's* annual list of top universities. This magazine also ranked the University's law school ninth in the nation and the medical school sixth in the nation based on research. The university's main campus is located in Ann Arbor and offers 19 different schools and colleges. The smaller Flint and Dearborn campuses offer 5 and 4 different schools and colleges, respectively. In addition, the University of Michigan is the second-largest employer in the Air Trade Area with approximately 26,433 employees.
- **Wayne State University.** Established in 1868, this university is primarily a commuter college and has approximately 31,000 enrolled students. The University offers more than 400 undergraduate, post-bachelor's, master's, doctoral, professional, specialist and certificate programs in 13 schools and colleges. Wayne State University is a major employer in the Air Trade Area with approximately 5,019 employees.
- **Eastern Michigan University.** This public institution was established in 1849 and offers programs in arts and sciences, business, education, health and human services, and technology. The University is located on a 400-acre campus east of Ann Arbor and has approximately 23,000 enrolled students.
- **Oakland University.** Founded in 1957, this public university consists of six schools and a new School of Medicine with its inaugural class set to enter in 2011. Having approximately 19,053 enrolled students, this liberal arts and professional institution primarily serves commuter students. The campus is approximately 1,400 acres and is located north of Detroit.

The Air Trade Area continues to be recognized for its excellence in the field of engineering. *U.S. News and World Report* recently ranked Kettering University's mechanical engineering department as the second-best in the nation. Formally the GMI Engineering and Management Institute, Kettering University offers specialized undergraduate and graduate programs to approximately 3,200 enrolled students studying to become innovators in engineering, business, science and math. Due to the vast number of higher education opportunities and the manufacturing driven economy in the Air Trade Area, the *American Association of Engineering Societies* has ranked Michigan fourth in the nation for the number of engineering bachelor's degrees.

Located within the Air Trade Area, Macomb and Oakland community colleges are among the largest community colleges in the nation. Macomb Community College (MCC) has approximately 59,000 enrolled students annually and offers associate degree courses in general education, liberal arts, business, public service, health and human services, technologies, and apprenticeship training. With approximately 77,000 enrolled students annually, Oakland Community College (OCC) provides academic, technical-vocational, general, and continuing education opportunities to youth and adults.

2.4.9 Government

Government employment in the Air Trade Area decreased at a compounded annual rate of -1.2 percent between 2004 and 2009, compared to a CAGR of 0.8 percent for the nation. In 2009, this sector accounted for approximately 315,000 employees in the Air Trade Area, which accounted for 15.0 percent of total nonagricultural employment.

As shown in Table II-7, five governmental agencies are among the major employers in the Air Trade Area, including: the United States Government (16,694 employees); the City of Detroit (13,187 employees); the United States Postal Service (12,765 employees); the State of Michigan (10,887 employees); and the Wayne County Government (4,545 employees).

Selfridge Air National Guard Base is an Air National Guard installation located in the Air Trade Area. The host organization is the 127th Wing of the Michigan Air National Guard, but a variety of Air Force, Navy, Marine Corps, Coast Guard and Army reservists and national guardsmen use the facility as well.

Both Macomb County and Washtenaw counties have significant defense industry clusters. In Macomb County there are nearly 500 companies performing defense contract business including General Dynamics, BAE Systems, and Burtek Incorporated. The U.S. Army Tank Automotive Research, Development and Engineering Center (TARDEC) is also located in Macomb County.

2.5 Economic Outlook

Despite the severe economic stress experienced by Michigan and the Air Trade area for most of the past decade, it appears that the Michigan economy, and by implication the Air Trade Area economy, is in the process of bottoming. According to a November 2010 economic forecast from economists at the University of Michigan, Michigan is projected to gain 24,500 jobs in 2011 and 63,100 jobs in 2012. These would be the first increases in jobs spanning a full year that Michigan has experienced in more than a decade. Real disposable personal income is projected to increase by 1.1 percent in 2010, experience a comparatively smaller increase of 0.6 percent in 2011 due to rising federal personal taxes and inflation, and increase by 1.9 percent in 2012.

There is also additional recent evidence suggesting that the Air Trade Area is successfully repositioning its economy for future growth:

- Sales of vehicles from Air Trade Area manufacturers have climbed 11 percent this year through August, compared with an 8 percent increase for the overall market due to a combination of new technology, popular designs, and better quality.[14]
- In October 2010, the U.S. Commerce Department announced that it was considering the Air Trade Area as a candidate for a regional patent office due to the large amount of cutting-edge

14 The New York Times, "Detroit Refueled," October 14, 2010.

innovation that is occurring in the Area.[15] For example, more than half of the 1,300 patents filed by General Motors in 2009 are green innovations.

- According to data released in October 2010 by the Michigan Department of Energy, Labor & Economic Growth, the Detroit-Warren-Livonia MSA's non-seasonally adjusted unemployment rate decreased a full percentage point in September 2010, the largest decrease among Michigan's labor markets for the month. In addition, the Detroit-Warren-Livonia MSA's unemployment rate in September 2010 (13.4 percent) decreased 2.4 percent as compared the unemployment rate in September 2009 (15.8 percent). The unemployment rate for the Ann Arbor MSA also declined in September 2010, decreasing from 8.8 percent in August to 8.4 percent.[16]

Complementing the improved financial condition of the major automakers and recent and anticipated manufacturing and R&D expansions in the Air Trade Area, each of which is described in previous sections, groups such as the New Economy Initiative for Southeast Michigan (NEI) are undertaking initiatives to accelerate the transition of metro Detroit to an innovation-based economy. Ten national and local foundations have committed $100 million to the NEI's initiatives, including the Business Accelerator Network for Southeast Michigan which is described in Section 2.4.6. Overall, the NEI's eight-year initiative is targeted at the following activities; promoting a successful entrepreneurial eco-system, capitalizing on existing regional assets and resources; and building and employing a more skilled and educated workforce.

Although the Air Trade Area's non-seasonally adjusted unemployment rate reached a peak of 14.6 percent in 2009, well above the 9.3 percent rate for the nation, the most recent employment statistics indicate the initial stages of a recovery. Initiatives such as those being undertaken by NEI are seeking to provide additional catalysts for the Air Trade Area's regional economy. Illustrating the anticipated gradual recovery to the Air Trade Area's economy, among other factors, Moody's Economy.com projects that the Air Trade Area's seasonally adjusted unemployment rate will gradually decrease over the Projection Period. By 2020, the Air Trade Area's seasonally adjusted unemployment rate will approach parity with the nationwide seasonally adjusted unemployment rate at approximately 6 percent.

2.6 Summary

A summary of the socioeconomic trends in the Air Trade Area includes the following:

- Despite the recent restructuring of the "Big 3" United States automakers inside and outside of the bankruptcy process, the Air Trade Area continues to be a global leader in the automotive industry, including advanced battery research for alternative fuel vehicles, due to the large number of R&D facilities located throughout the region. The rapid globalization of the automobile industry generates additional business travel obligations and will continue to drive demand for air transportation in the Air Trade Area.
- As population levels in the Air Trade Area are anticipated to increase during the projection period, the Airport's O&D passenger base is forecasted to grow during this same period.

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[15] Crain's Detroit Business, "Detroit May Get Regional Patent Office, Commerce Secretary Says," October 26, 2010.

[16] Crain's Detroit Business, "Detroit Unemployment Rates Drop a Percentage Point in September," October 28, 2010.

- The Air Trade Area's diverse population contributes to the demand for air travel to and from homeland countries, as well as providing an economic advantage to the region by establishing trade and investment opportunities with international markets.
- Market research has shown that persons between the ages of 35 and 54 tend to travel the most by air. The Air Trade Area has a greater percentage of persons between the ages of 35 and 54 than either Michigan or the United States.
- Demand for air transportation in the Air Trade Area is also supported by a percentage of households in higher income categories (>$60,000) that is significantly greater than in Michigan and the United States, and the presence of numerous Fortune 500 companies headquartered in the Air Trade Area.
- Air Trade Area home prices are projected to bottom out in the second quarter of 2011. Prices are projected to increase 33.1 percent over the next four years, one of the fastest rates of increase projected for all United States metropolitan areas.
- The high-capacity transportation infrastructure in the Air Trade Area is a significant catalyst for attracting new and expanded businesses to the region.
- The Air Trade Area offers a variety of cultural, recreational, and educational resources and activities.
- Between 2010-2012, Michigan, and by implication the Air Trade Area, is projected to experience its first yearly employment gains in over a decade along with increases in real disposable personal income.
- Notwithstanding the recent economic instability in the Air Trade Area, its economic base is considered capable of supporting increased demand for air travel at the Airport during the projection period.

III. Airport Facilities and Development

This chapter presents a review of existing Airport facilities and describes the capital improvement projects proposed at the Airport.

3.1 Existing Airport Facilities

The Airport occupies approximately 6,700 acres of land within Wayne County, Michigan and the City of Romulus, which is approximately 20 miles southwest of downtown Detroit. Access to the Airport from the City of Detroit is by and large from Interstate 94, which generally borders the Airport to the north. Interstate 275 is west of the Airport and, generally, provides access for communities to the south and north of the Airport. A description of the Airport's major existing facilities is provided in this section.

3.1.1 Airfield Facilities

The major airfield facilities at the Airport consist of six air carrier runways, four of which are north/south parallels for prevailing wind conditions and two of which are east/west crosswind parallels, an extensive taxiway system which provides aircraft access to terminal areas, aircraft parking aprons, and other cargo, maintenance, and hangar areas. The Authority has invested over $125 million in airfield reconstruction/rehabilitation costs at the Airport over the last five years. Primary characteristics of each runway are as follows:

- **Runway 4L/22R.** This runway is 10,000 feet long by 150 feet wide and is equipped with high intensity runway edge lights (HIRL) and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4L end having Category III instrument landing system (ILS) capability and the Runway 22R end having ILS capability with a medium intensity approach lighting system (MALSR). Runway 4L/22R is the newest runway at the Airport, opening in December 2001.
- **Runway 4R/22L.** This runway is 12,001 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4R end having Category III instrument landing system (ILS) capability and the Runway 22L end having ILS capability with a MALSR. Runway 4R/22L is scheduled for complete reconstruction beginning in OY 2012.
- **Runway 3L/21R.** This runway is 8,500 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have non-precision runway markings. The south portion of Runway 3L/21R was rehabilitated in OY 2009.
- **Runway 3R/21L.** This runway is 10,000 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 3R end having Category III instrument landing system (ILS) capability and the Runway 21L end having ILS capability with a MALSR. Runway 3R/21L was reconstructed in OY 2006 and 2007.
- **Runway 9L/27R.** This crosswind runway is 8,700 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27R end having ILS capability with a MALSR. The majority of Runway 9L/27R was reconstructed in OY 2009 and reconstruction of the remaining portion is planned for OY 2012 to OY 2013.

- **Runway 9R/27L.** This crosswind runway is 8,500 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27L end having ILS capability with a MALSR.

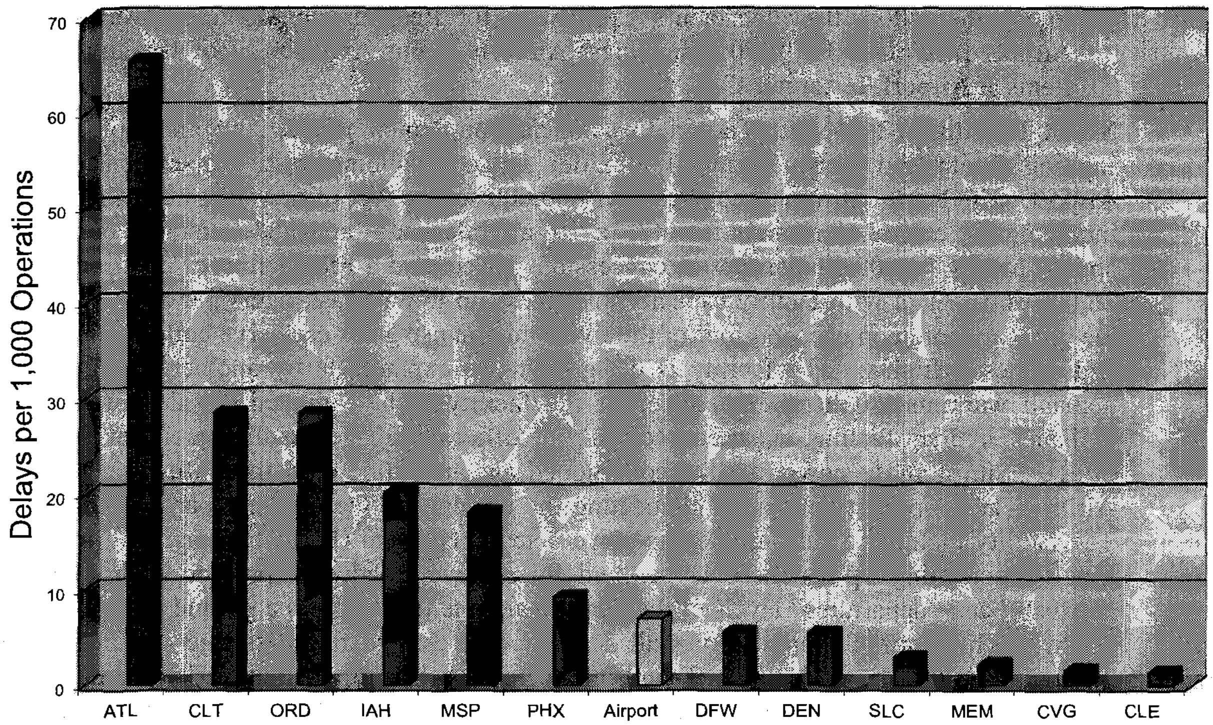
The Airport has an extensive taxiway system providing safe and efficient access to and from runway ends, terminal facilities, apron areas, and cargo and hangar facilities. Each runway has an associated parallel, full length taxiway.

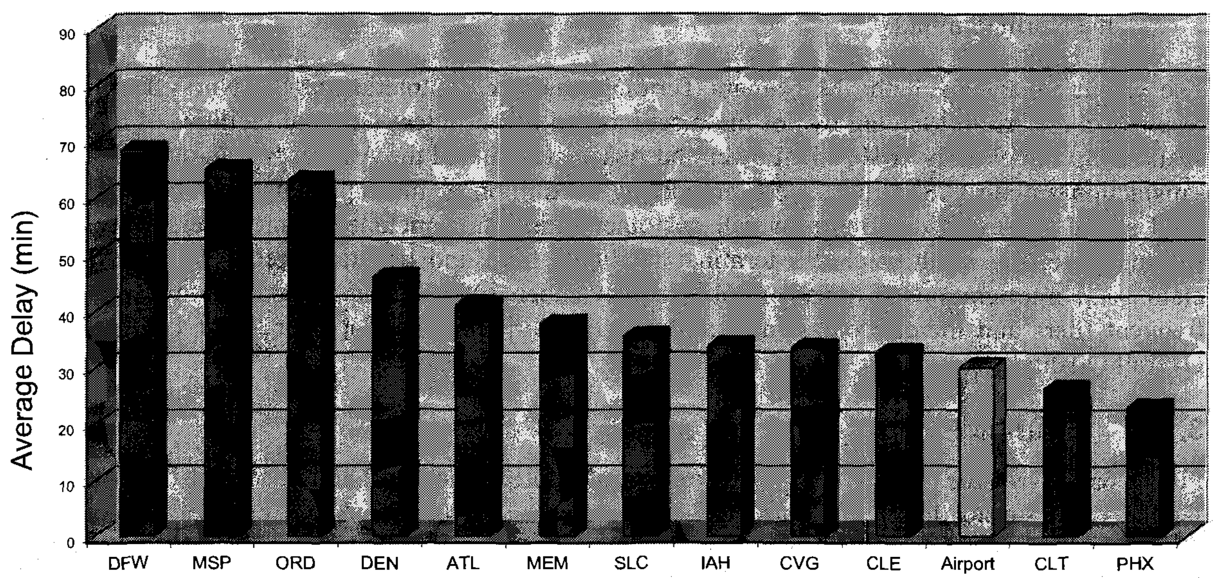
Exhibit III-1 presents aircraft delay data for CY 2009 for several east/west airline hub airports taken from the FAA's Operations Network (OPSNET) data source. As shown, the Airport compares favorably and generally experiences fewer aircraft delays, and delays of shorter duration, than most of the other hub airports shown.

3.1.2 Terminal Facilities

The Airport currently has 147 aircraft gates within its two passenger terminal facilities: the Edward H. McNamara Terminal (also referred to as the McNamara or South Terminal) and the North Terminal (opened on September 17, 2008 and replaced the Smith and Berry Terminals, which were retired as passenger facilities on the same date). The Authority has invested approximately $2.1 billion in terminal development since OY 2000. A further description of the Airport's passenger terminal facilities is contained below:

- **McNamara Terminal.** The McNamara Terminal was opened in February 2002, and in OY 2004-2005 Concourses B and C of the facility were expanded with an additional 25 gates to accommodate increased mainline and regional aircraft activity. Also included as part of the expansion were luggage handling systems modifications and additional moving walkways, escalators, and hydrant fueling pits. The McNamara Terminal has over 2.2 million square feet of gross building space, and includes 121 aircraft gates in three concourses (i.e., Concourses A, B, and C), a centralized passenger terminal with over 100 ticket counter positions, an automated people mover that travels the mile-long Concourse A, over 80 shops and restaurants encompassing over 150,000 square feet of concessions space, four Delta Sky Clubs, an underground tunnel that provides access between the concourses and also serves as a utility and luggage handling system corridor, and an FIS facility consisting of approximately 105,000 square feet, which can process up to 3,200 passengers per hour; however, current government staffing levels limit capacity to lower than this. The passenger terminal is served by a three level roadway system providing access to the "International Arrivals Level", "Domestic Arrivals Level", and "Departures Level" of the terminal building. Also, connected to Concourse A and the ticket lobby of the terminal is a 404-room and 10-suite luxury-class Westin Hotel. Other facilities within the hotel include a workout gym, an indoor pool, and a restaurant and bar. The hotel is accessible from the curb front roadway and also offers a security checkpoint for direct access to Concourse A. The McNamara Terminal currently serves Delta and its regional and SkyTeam (Air France) partners. In August 2003, the terminal was one of four international projects, the only U.S. project and only airport project, featured in the *Architectural Record*, the world's most-read architectural magazine. The article highlighted many of the above described features of the terminal and referenced it as "… the first airport of the aviation industry's second century." Additionally, the McNamara Terminal has been awarded several accolades for its concessions program, as summarized below:





Source: FAA Operations Network (OPSNET), accessed October 29, 2010.
Prepared by: Ricondo & Associates, Inc., October 2010.

Exhibit III-1

Aircraft Delay (CY2009)

- The Westin Hotel was the top-rated airport hotel in the Starwood system and guest satisfaction was rated in the top ten of all hotels in North America for 2009.
- In October 2009, the Physician's Committee for Responsible Medicine awarded the Airport first place for "2009 Healthiest Airports – For Availability of Healthy Menu Items at Airport Restaurants".

- **North Terminal.** The North Terminal was opened on September 17, 2008 and replaced the existing Smith and Berry Terminal facilities for non-hubbing carrier operations at the Airport. The North Terminal includes over 800,000 square feet of new gross building space including a central terminal facility, a 26-aircraft gate attached airside concourse, approximately 52,000 square feet of concessions space, and a FIS facility of approximately 26,000 square feet with facility capacity to process up to 800 passengers per hour. Five of the gates are common use, and four of the five common use gates can serve both international and domestic flights. The facility is designed to be expandable by another five gates as demand warrants. Other key features of the facility include related airside apron, dual taxilanes, hydrant fueling, ticket counters, airline offices, luggage handling facilities, loading bridges with 400 Hz power and preconditioned air, an airline club for Lufthansa German Airlines, and a pedestrian bridge connecting the terminal to the adjacent parking structure. The facility includes a fully-inline explosive detection system (EDS) for improved luggage security screening operations. Upper and lower level roadways provide access to the "arrivals" and "departures" levels of the facility, and the terminal has a ground transportation facility. The North Terminal serves all domestic and foreign flag passenger airlines at the Airport except Delta and its SkyTeam and regional affiliates. Additionally, in February 2009, the North Terminal Project was awarded the "Outstanding Construction Project of the Year" by the Construction Association of Michigan and in January 2010, the Associated General Contractors of Michigan bestowed its highest honor, a "Build Michigan Award", to the North terminal.

The recent expansion of the McNamara Terminal and the completion of the North Terminal has resulted in the Airport having two of the most modern and efficient terminal facilities of any airport in the U.S. In February 2010, J.D. Power and Associates ranked the Airport first in overall customer satisfaction among U.S. airports accommodating 30 million or more passengers per year. Factors used in the survey to determine overall customer satisfaction include airport accessibility, check-in/baggage claim, security check, terminal facilities, food and beverage, retail services, baggage claim, and immigration customs/control. In November 2009, Zagat Airline Survey, a survey of frequent fliers and travel professionals awarded the Airport third place for "Best U.S. Airport in Overall Quality".

3.1.3 Public Parking

Public parking at the Airport currently consists of approximately 19,800 spaces at both structured facilities and surface lots. The parking facilities are located near each of the terminal facilities to allow for convenient pedestrian access. Shuttle bus service is also available for parkers in the longer-term and/or economy areas. Additionally, the new Ground Transportation Center, located east of the new North Terminal at the end of the pedestrian bridge (in between the new North Terminal and the existing Blue Parking Deck), is a two level facility of approximately 12,000 square feet which allows passengers to access the existing Blue Parking Deck and all commercial vehicles (car rental, hotel shuttles, on and off site shuttles parking shuttles, taxis, luxury sedans, etc.) that serve the North Terminal.

The Big Blue Deck parking structure contains approximately 7,400 public parking spaces and is located somewhat adjacent and north of the Smith Terminal (retired as a passenger facility) and is connected by a pedestrian bridge. This Big Blue Deck facility is primarily intended for long-term and economy parkers at the Airport. However, the garage was expanded to house pre-arranged limousines for the Ground Transportation Center, taxis and commercial luxury sedans, and additional premium parking spaces. The deck expansion directly interfaces with the new Ground Transportation Center. Additionally, the deck expansion contains a new moving walkway running in the north-south direction that "connects" the existing moving walkways in the north and south ends of the Blue Deck. In May 2009, the International Parking Institute awarded the "International Parking Award of Excellence" for the Blue-Deck Restoration Project.

Adjacent to the McNamara Terminal, a 10-level parking garage consisting of approximately 10,100 public parking spaces offers hourly, daily, and valet parking services. A fully-enclosed pedestrian bridge located on level six connects the facility with the McNamara Terminal. Vehicle access to the parking garage is provided from the terminal roadway on both the "International Arrivals Level" and the "Departures Level".

Other surface lots located along John Dingell and Rogell Drives also provide additional economy service parking for the Airport. In addition, the Authority reopened the Green Lot on November 8, 2010, as an economy lot offering, at that time, the lowest daily parking rate of any parking facility on or off the Airport.

In addition to the above parking facilities, an additional 16,000 parking spaces are estimated to be available off-airport through third-party operators.

3.1.4 Other Ancillary/Support Facilities

Other ancillary and support facilities are located throughout the Airport property. A general discussion of these facilities is contained below.

- **General Aviation.** General aviation and corporate aviation facilities are generally located on the southern portion of the Airport with one facility on the northern end. The fixed base operators (FBO) at the Airport are ASIG General Aviation Services and Metro Flight Services, which accommodate aircraft parking, fuel, hangars, catering, and other flight support services.
- **Air Cargo/Mail Facilities.** Air cargo facilities at the Airport are located in three general areas of Airport property. The largest air cargo tenants, FedEx and United Parcel Service, are located in different areas of the airfield. FedEx is located in the northwest area of the Airport adjacent to Taxiway Z. United Parcel Service's facility is located on the southern portion of the Airport between the Runway 27R and 27L ends. Several passenger airline and smaller cargo facilities are also located in the northern area of the Airport with access from Merriman Road.
- **Aircraft Maintenance Facilities.** Several aircraft maintenance operation facilities are based at the Airport. These facilities are located in various areas of the Airport; however, several are located north of the North Terminal core area. Some of these include facilities for Delta Air Lines, United Parcel Service, and FedEx. Aircraft serviced at these facilities include large wide-body aircraft (i.e., Boeing 747s) to smaller general aviation type aircraft.

- **Fuel Farm.** The fuel farm at the Airport is located in the northwestern section of the airfield, and consists of four 20,000-barrel fuel storage tanks and two 65,000-barrel fuel storage tanks. The fuel farm has a capacity of over four million gallons, an estimated five days of storage capacity. The fuel facilities at the Airport also include a truck load rack, underground pipelines and underground hydrant systems that serve the McNamara Terminal and North Terminal. Delta is the lessee of the entire fuel system at the Airport, which it operates for its benefit as well as the benefit of the other air carriers at the Airport, under an Operating Agreement with Shell/Servisair.

Other Airport support facilities include, but are not limited to, aircraft rescue and firefighting (ARFF) facilities, flight kitchens, and an airport traffic control tower (ATCT). The primary ARFF station is located just north of the McNamara Terminal and south of Runway 9L/27R. The Airport also has a smaller secondary facility located near Taxiway V adjacent to the FedEx cargo apron. Additionally, the Airport has a landside ARFF station serving the roadways and terminals located along Rogell Drive to the north of the Smith and Berry Terminals (retired as passenger facilities). LSG Sky Chefs prepares meals for flights departing from the Airport and operates out of the one flight kitchen facility at the Airport (Building 505). The ATCT is located north of the McNamara Terminal and it also houses the Terminal Radar Approach Control (TRACON) facility that serves the Airport and other regional airports.

3.2 Airport Capital Improvement Program

The Authority's capital improvement program (CIP) for the period OY 2011 through OY 2015 has an estimated total cost of $525 million. **Table III-1** presents a listing of these projects with associated cost estimates and anticipated funding sources. The Authority anticipates that these projects will be funded from a combination of existing bond proceeds, additional bonds proceeds, federal grants, and discretionary or other funding. However, some of these projects do not currently have Weighted Majority Approval. The Authority is currently undertaking or anticipating that it will undertake these projects within the next five to six year period, or when demand warrants. As a result of the forward-looking nature of the program, some of the anticipated funding sources for the projects may not be approved and are subject to change. As such, these projects will be assessed as future capital projects and are included in the financial analysis presented in the following chapter.

The Authority completed a new 20-year Master Plan for the Airport in 2008 and the FAA accepted the Master Plan on June 18, 2009. The Master Plan's Preferred Development Plan reflects all airfield, terminal, landside/ground access, and support facility projects necessary to meet the anticipated demand for air travel over the planning horizon, identified as 2008-2027 in the Master Plan. Master Plan projects not already in the current CIP will be added to the CIP on a phased development basis as demand materializes and funding sources are identified. However, certain projects included in the Master Plan's Preferred Development Plan could be deferred or not otherwise undertaken by the Authority if they are not required or economically justified. The potential financial impacts of Master Plan projects are not included in the financial analysis presented in this report and the accompanying financial tables.

Table III-1

Airport Capital Improvement Program Summary (Figures in Thousands) 1/

Category	Estimated Total Costs	Existing Bonds	Future Bonds	Grants	Other or Discretionary
Airfield	$341,144	$27,837	$207,075	$105,233	$1,000
Bridges	408	0	0	0	408
Electrical Distribution System	25,625	0	0	0	25,625
Fleet & Equipment	17,362	0	0	0	17,362
HVAC	11,000	0	0	0	11,000
Noise Mitigation	10,741	0	0	8,353	2,388
Parking Decks & Lots	13,105	7,700	0	0	5,405
Roads	20,174	8,844	0	125	11,205
Roofing	5,075	0	0	0	5,075
Security & Communications	2,567	0	0	2,567	0
Storm Water System	20,877	4,200	4,633	10,544	1,500
Support Facilities	42,693	6,375	0	0	36,318
Technology	500	0	0	0	500
Terminals	10,000	0	1,750	5,250	3,000
Water Distribution System	3,750	0	0	0	3,750
Total	$525,021	$54,956	$213,458	$132,071	$124,536

Notes:

1/ Projects are included for the purpose of this analysis only. Thus, projects included in this analysis subject to Weighted Majority Approval may not be approved, funding sources are subject to change and may not be approved, and projects are subject to demand and available funding.

Sources: Wayne County Airport Authority, October 2010.

Prepared by: Ricondo & Associates, Inc., November 2010.

IV. Air Traffic

This chapter describes historical and projected aviation activities at the Airport and discusses key factors affecting these.

4.1 Airlines Serving the Airport

As of November 2010, the Airport had scheduled passenger service provided by 25 U.S. flag scheduled passenger air carriers, including five legacy/mainline carriers[1], four low-cost carriers[2], and 16 regional carriers providing service for various legacy/mailine carriers. In addition, as of November 2010, four foreign flag carriers provided scheduled passenger service and one charter/other carrier provided non-scheduled passenger service at the Airport. Two all-cargo carriers provide scheduled cargo service at the Airport. **Table IV-1** lists the airlines serving the Airport as of November 2010.

Table IV-2 presents the scheduled passenger air carrier base at the Airport since OY 2001. Specific points concerning the scheduled passenger air carrier base at the Airport are provided below:

- Delta and its affiliated regional carriers operate at the Airport as a single carrier. The Airport is a major hub in its system network (see Chapter 1, "Role of the Airport" for further details).
- Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009. Delta and Northwest along with their affiliated regional carriers enplaned an estimated 12.8 million passengers or 80.6 percent of the Airport's enplaned passengers in OY 2010.
- The Airport has had the benefit of a large and relatively stable scheduled passenger air carrier base during the years shown. All of the five primary legacy airlines and several of the low-cost carriers have operated at the Airport throughout this period.
- Spirit, a low-cost carrier, has the second highest market share of Airport enplanements behind Delta and its regional affiliate carriers. In OY 2010, Spirit enplaned approximately 575,000 passengers at the Airport or 3.5 percent of total Airport enplanements. Southwest, another low-cost carrier, enplaned 3.3 percent of the Airport's enplanements. Other low-cost carriers providing scheduled passenger service at the Airport include AirTran and Frontier. Independence Air operated at the Airport from OY 2004 to OY 2006; however, has since ceased operations as an airline.
- Nine scheduled passenger carriers shown in Table IV-2 provided service at the Airport over the entire period OY 2001 through 2010. Since OY 2002, four additional scheduled passenger carriers have initiated service and continue to service the Airport.

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[1] Counts United and Continental as separate carriers; United and Continental closed their merger on October 1, 2010, but are still operating as separate carriers.

[2] Counts Southwest and AirTran as separate carriers; on September 27, 2010 Southwest announced that it entered a definitive agreement to acquire AirTran. The closing is subject to the approval of AirTran stockholders, receipt of certain regulatory clearances, and fulfillment of customary closing conditions.

Table IV-1

Airlines Serving the Airport [1/]

Legacy/Mainline Carriers (5)	Low Cost Carriers (4)	Regional Carriers (16)	Charter/Other Carriers (1)	All-Cargo Carriers (2)
American Airlines	AirTran Airways [3/]	Air Wisconsin (d/b/a US Airways Express)	Allegiant	Federal Express
Continental Airlines [2/]	Frontier Airlines	American Eagle		United Parcel Service
Delta Air Lines	Southwest Airlines	Atlantic Southeast (d/b/a Delta Connection and United Express)		
United Airlines	Spirit Airlines	Chautauqua (d/b/a Delta Connection and US Airways Express)		
US Airways		Comair (d/b/a Delta Connection)		
		Compass (d/b/a Delta Connection)		
		ExpressJet (d/b/a Continental Express and United Express)		
		GoJet (d/b/a United Express)		
Foreign Flag Carriers (4)		Mesa (d/b/a US Airways Express and United Express)		
		Mesaba Aviation (d/b/a Delta Connection)		
Air Canada (Jazz)		Pinnacle Airlines (d/b/a Delta Connection)		
Air France		PSA (d/b/a US Airways Express)		
Lufthansa German Airlines		Republic Airlines (d/b/a US Airways Express)		
Royal Jordanian		Shuttle America (d/b/a Delta Connection)		
		SkyWest (d/b/a United Express)		
		Trans States (d/b/a United Express)		

Notes:
1/ As of November 2010.
2/ Closed merger with United on October 1, 2010.
3/ On September 27, 2010 Southwest Airlines announced that it entered a definitive agreement to acquire AirTran. The closing is subject to the approval of AirTran stockholders, receipt of certain regulatory clearances, and fulfillment of customary closing conditions.

Sources: Wayne County Airport Authority; Official Airline Guide, November 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-2

Historical Scheduled Passenger Air Carrier Base [1/]

Air Carrier [2/]	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
American	●	●	●	●	●	●	●	●	●	●
Continental [3/]	●	●	●	●	●	●	●	●	●	●
Delta	●	●	●	●	●	●	●	●	●	●
Lufthansa	●	●	●	●	●	●	●	●	●	●
Royal Jordanian	●	●	●	●	●	●	●	●	●	●
Southwest	●	●	●	●	●	●	●	●	●	●
Spirit	●	●	●	●	●	●	●	●	●	●
United	●	●	●	●	●	●	●	●	●	●
US Airways	●	●	●	●	●	●	●	●	●	●
Air Canada (Jazz)		●	●	●	●	●	●	●	●	●
Air France					●	●	●	●	●	●
Frontier					●	●	●	●	●	●
AirTran [4/]						●	●	●	●	●
Airlines No Longer Serving the Airport										
Northwest [5/]	●	●	●	●	●	●	●	●	●	
Ryan International	●	●	●	●	●	●	●	●	●	
KLM	●	●	●					●	●	
Aeromexico								●	●	
British Airways [6/]	●	●	●	●	●	●	●			
Independence Air				●	●	●				
Atlantic Coast Airline	●	●	●	●		●				
Trans Meridian	●	●	●	●	●					
American Trans Air	●	●	●	●						
Trans World Airlines [7/]	●	●	●							
America West [8/]	●	●	●	●	●					

Notes:
1/ For the Airport's Operating Year, a twelve-month period ending September 30.
2/ Where applicable, includes affiliated carriers.
3/ Closed merger with United on October 1, 2010.
4/ On September 27, 2010 Southwest Airlines announced that it entered a definitive agreement to acquire AirTran. The closing is subject to the approval of AirTran stockholders, receipt of certain regulatory clearances, and fulfillment of customary closing conditions.
5/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
6/ Ceased operation at the Airport on March 30, 2008.
7/ Merged with American.
8/ Merged with US Airways.

Sources: Wayne County Airport Authority, November 2010
Prepared by: Ricondo & Associates, Inc., November 2010

4.2 Historical Passenger Activity

This section identifies historical trends in enplaned passengers at the Airport and the major factors influencing these trends, as well as historical market shares of enplanements by airline.

4.2.1 Enplaned Passengers

Table IV-3 presents historical data for enplaned passengers at the Airport and for the nation. As shown, passenger activity at the Airport has experienced trends similar to those of the nation. Both the Airport and the nation experienced a decrease in enplaned passengers from OY 2000 to OY 2002, an increase in enplaned passengers from 2002 to 2005, and another decrease in enplaned passengers from 2005 to 2009. For the entire period presented, OY 2000 to OY 2010, enplaned passengers for the Airport have decreased at a compounded annual rate of 1.2 percent, while enplaned passengers for the nation have increased at a compounded annual rate of 0.2 percent.

Further details concerning enplaned passengers at the Airport and comparisons with national trends between OY 2000 and OY 2010 are discussed below:

- **OY 2000 - OY 2002.** Passenger activity at the Airport decreased in OY 2001 and OY 2002, experiencing year-over-year enplanement decreases of 3.7 percent and 8.7 percent, respectively. Similarly, total U.S. enplanements decreased by 2.0 percent in OY 2001 and 8.5 percent in OY 2002. For both the Airport and the nation, these significant decreases in activity were primarily attributable to the terrorist attacks of September 11, 2001 (hereinafter September 11) and the nationwide economic slowdown that began earlier in 2001. Additionally, slowdowns affecting Asian economies and the bird flu epidemic during this period likely impacted international traffic to Asia – including Northwest's international fights to Japan.
- **OY 2003 - OY 2005.** Following decreases in OY 2001 and OY 2002, passenger activity at the Airport rebounded, increasing from approximately 16.0 million enplanements in OY 2002 to approximately 18.3 million enplanements in OY 2005. This growth represents a compounded annual growth rate (CAGR) of 5.5 percent over the period, compared to 5.6 percent nationwide. In concert with national trends, enplanement levels at the Airport had recovered from the impacts of September 11 and the nationwide economic slowdown by OY 2005, and surpassed the prior record annual enplanement level experienced in OY 2000.
- **OY 2006 – OY 2007.** Northwest and Delta both filed for bankruptcy on September 14, 2005, and Mesaba filed on October 13, 2005. In OY 2006 the capacity reductions associated with the bankruptcies impacted the Airport more than the nation, because the Airport served as a major connecting hub for Northwest's system network, now a part of the Delta's system network as a result of the merger. In OY 2006, the Airport experienced a decrease in enplanements of 2.7 percent compared to the nation's slow growth of 0.5 percent. Northwest and Delta emerged from bankruptcy protection in the spring of OY 2007 and enplanements at the Airport and for the nation increased from their OY 2006 levels by 1.7 percent and 4.2 percent, respectively.
- **OY 2008 - OY 2009.** The global economic slowdown, higher fuel prices, and capacity cuts by airlines in 2008 and 2009 resulted in decreases in enplanements for the Airport and the nation. Airport enplanements decreased by approximately 1.5 percent in OY 2008 as compared to OY 2007 (U.S. total enplanements decreased by 0.8 percent over the same period) and decreased by approximately 10.6 percent in OY 2009 as compared to OY 2008

Table IV-3

Historical Enplanements (Operating Years Ending September 30)

Operating Year	Airport Enplanements	Airport Growth	U.S. Total Enplanements	U.S. Growth	Market Share
2000	17,732,367	0.5%	697,600,000	4.8%	2.5%
2001	17,081,596	(3.7%)	683,400,000	(2.0%)	2.5%
2002	15,592,557	(8.7%)	625,900,000	(8.4%)	2.5%
2003	16,278,233	4.4%	642,000,000	2.6%	2.5%
2004	17,316,780	6.4%	689,900,000	7.5%	2.5%
2005	18,286,282	5.6%	736,600,000	6.8%	2.5%
2006	17,799,932	(2.7%)	740,400,000	0.5%	2.4%
2007	18,108,090	1.7%	771,546,000	4.2%	2.3%
2008	17,831,231	(1.5%)	765,188,000	(0.8%)	2.3%
2009	15,941,132	(10.6%)	709,754,000	(7.2%)	2.2%
2010 Preliminary	15,876,381	(0.4%)	N/A	N/A	N/A
Compounded Annual Growth Rate					
2000 - 2002	(6.2%)		(5.3%)		
2002 - 2005	5.5%		5.6%		
2005 - 2007	(0.5%)		2.3%		
2007 - 2009	(6.2%)		(4.1%)		
2009 - 2010	(0.4%)		N/A		
2000- 2009	(1.2%)		0.2%		

Note: Figures may not add due to rounding.

Sources: Wayne County Airport Authority, October 2010; Federal Aviation Administration (U.S. total enplanements), October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

(by comparison, U.S. total enplanements decreased by 7.2 percent over the same period). On a percentage basis, the enplanement decreases experienced by Delta and Northwest between OY 2008 and OY 2009, when combined (a decrease of approximately 9.2 percent), was lower than the enplanement decreases experienced by all other airlines operating at the Airport, when combined (a decrease of approximately 15.7 percent).

- **OY 2010.** Based on preliminary enplanement data for year-end OY 2010, total Airport enplanements decreased by approximately 0.4 percent in OY 2010 as compared to OY 2009. For this same period, Delta enplanements at the Airport increased by approximately 0.6 percent while the other airlines serving Airport, when combined, experienced a 4.5 percent decrease in enplanements. For the first nine months of CY 2010, the total number of Airport enplaned passengers increased by approximately 2.4 percent as compared to the same period in CY 2009 and September 2010 enplanements exceeded September 2009 enplanements by approximately 8.6 percent.

As previously described, the Airport is a major connecting hub in Delta's system network. As such, millions of passengers each year use the Airport as an intermediate transfer stop on their way to their final destination, while local traffic uses the Airport to originate or end their travel. **Table IV-4** presents historical domestic enplanement data identifying originating passenger and connecting passenger components for the Airport. As shown, connecting passenger enplanements outnumbered originating enplanements in each year CY 2000 through CY 2009. The share of connecting enplaned passengers at the Airport has ranged between 50.0 percent and 56.9 percent for the period described and for CY 2009, the most recent available, equaled 53.3 percent.

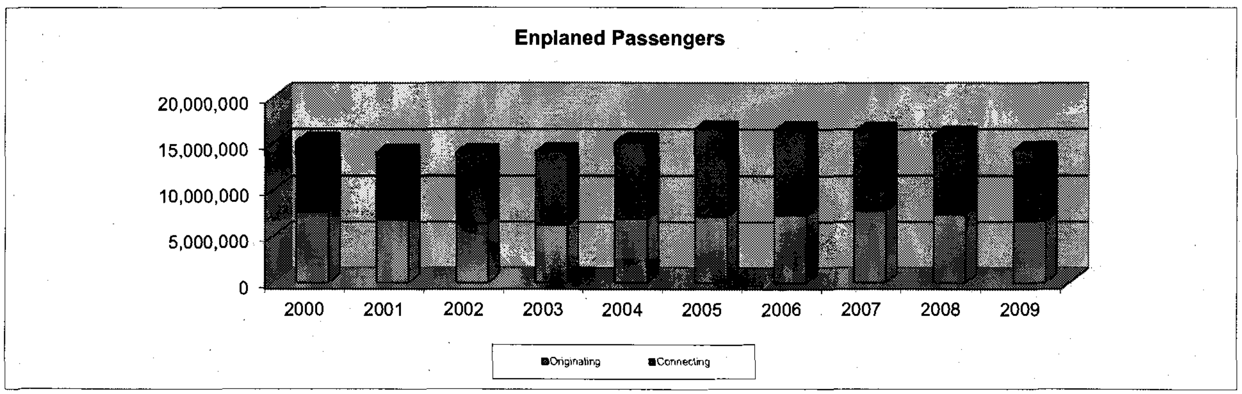
Data presented in Table IV-4 illustrates that originating and connecting passenger trends at the Airport do not necessarily move in tandem and have a low correlation. For example, domestic connecting passenger enplanements at the Airport increased annually by 13.8 percent in CY 2005, as compared to the annual increase of 4.1 percent for domestic originating passengers. Conversely, annual domestic connecting enplaned passengers decreased year-over-year in CY 2006 and CY 2007 by 2.6 percent and 6.4 percent, respectively, while domestic originating enplaned passengers at the Airport increased by 1.8 percent in CY 2006 and 5.8 percent in CY 2007. As such, traffic fluctuations at the Airport are not only locally driven, but are also influenced by the overall trends nationwide and the specific hubbing decisions made by Delta given the significant share of connecting traffic at the Airport. Moreover, this diversity of traffic has dampened the effect of large movements of connecting traffic and originating traffic on total Airport domestic enplanements. Over the entire period presented on Table IV-4, domestic originating enplanements decreased at a compounded annual rate of 1.5 percent compared to a 0.7 percent compounded annual decrease for total Airport domestic enplanements.

Table IV-5 presents historical trends related to the domestic and international passenger activity split at the Airport. Generally, international passenger activity has been more volatile than domestic passenger activity at the Airport. International enplanements changed to a greater extent than domestic enplanements changed for OY 2000 to OY 2002, OY 2002 to OY 2005, and OY 2005 to OY 2010 (preliminary) by negative 13.2 percent, 1.1 percent, and negative 1.2 percent, respectively. Also, the highest international share of total Airport enplanements for the presented period occurred in OY 2000 at 10.6 percent and the lowest share occurred in OY 2010 (preliminary) at an estimated 7.9 percent. For OY 2002 through OY 2009, the international share of total Airport enplanements was relatively stable between 8.1 and 8.7 percent.

Table IV-4

Historical Domestic Originating and Connecting Enplanements (Calendar Years)

Year	Domestic *Originating* Enplanements	Annual Growth	Domestic *Connecting* Enplanements	Annual Growth	Total Domestic *Enplaned* Passengers	Annual Growth	Originating Enplanement Share	Connecting Enplanement Share
2000	7,627,910	5.5%	7,637,910	(2.7%)	15,265,820	1.2%	50.0%	50.0%
2001	6,736,660	(11.7%)	7,323,611	(4.1%)	14,060,271	(7.9%)	47.9%	52.1%
2002	6,327,890	(6.1%)	7,695,118	5.1%	14,023,008	(0.3%)	45.1%	54.9%
2003	6,266,720	(1.0%)	7,907,501	2.8%	14,174,221	1.1%	44.2%	55.8%
2004	6,884,460	9.9%	8,316,272	5.2%	15,200,732	7.2%	45.3%	54.7%
2005	7,165,770	4.1%	9,464,995	13.8%	16,630,765	9.4%	43.1%	56.9%
2006	7,297,730	1.8%	9,216,455	(2.6%)	16,514,185	(0.7%)	44.2%	55.8%
2007	7,721,720	5.8%	8,629,815	(6.4%)	16,351,535	(1.0%)	47.2%	52.8%
2008	7,386,420	(4.3%)	8,591,640	(0.4%)	15,978,060	(2.3%)	46.2%	53.8%
2009	6,671,800	(9.7%)	7,627,030	(11.2%)	14,298,830	(10.5%)	46.7%	53.3%
Compounded Annual Growth Rate								
2000 - 2002	(6.0%)		0.2%		(2.8%)			
2002 - 2005	4.2%		7.1%		5.8%			
2005 - 2009	(1.8%)		(5.3%)		(3.7%)			
2000 - 2009	(1.5%)		(0.0%)		(0.7%)			



Note: Figures may not add due to rounding.

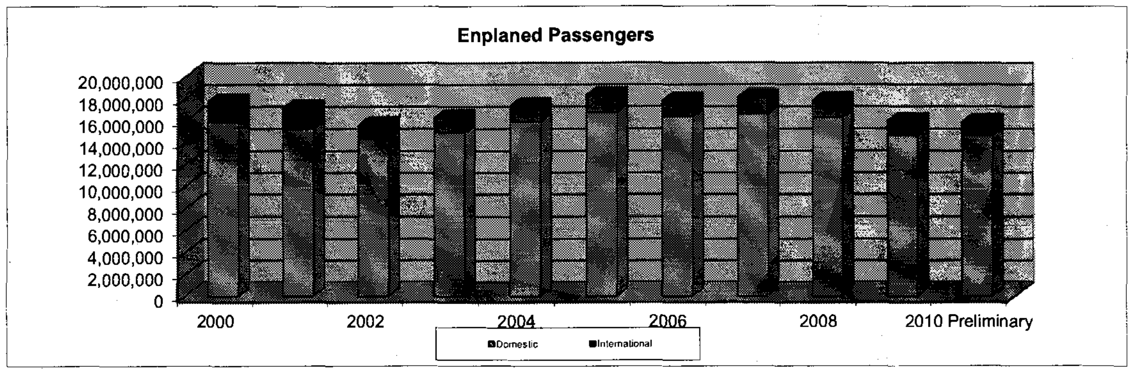
Sources: Wayne County Airport Authority, October 2010; US DOT Origin & Destination Survey of Airline Passenger Traffic, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, Schedule T100, October 2010

Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-5

Historical Domestic and International Enplanements (Operating Years Ending September 30)

Year	Domestic Enplanements [1/]	Annual Growth	International Enplanements	Annual Growth	Total Enplaned Passengers	Annual Growth	International Enplanement Share
2000	15,845,838	0.4%	1,886,529	1.4%	17,732,367	0.5%	10.6%
2001	15,283,829	(3.5%)	1,797,767	(4.7%)	17,081,596	(3.7%)	10.5%
2002	14,327,856	(6.3%)	1,264,701	(29.7%)	15,592,557	(8.7%)	8.1%
2003	14,917,141	4.1%	1,361,092	7.6%	16,278,233	4.4%	8.4%
2004	15,914,882	6.7%	1,401,898	3.0%	17,316,780	6.4%	8.1%
2005	16,758,421	5.3%	1,527,861	9.0%	18,286,282	5.6%	8.4%
2006	16,321,812	(2.6%)	1,478,120	(3.3%)	17,799,932	(2.7%)	8.3%
2007	16,581,322	1.6%	1,526,768	3.3%	18,108,090	1.7%	8.4%
2008	16,271,128	(1.9%)	1,560,103	2.2%	17,831,231	(1.5%)	8.7%
2009	14,622,391	(10.1%)	1,318,741	(15.5%)	15,941,132	(10.6%)	8.3%
2010 Preliminary	14,620,920	(0.0%)	1,255,461	(4.8%)	15,876,381	(0.4%)	7.9%
Compounded Annual Growth Rate							
2000 - 2002	(4.9%)		(18.1%)		(6.2%)		
2002 - 2005	5.4%		6.5%		5.5%		
2005 - 2010	(2.7%)		(3.9%)		(2.8%)		
2000 - 2010	(0.8%)		(4.0%)		(1.1%)		



Notes: Figures may not add due to rounding.

1/ For consistency purposes with airline reporting, the Authority classifies passengers on U.S. flag carriers that arrive from or depart to Canadian destinations with U.S. Customs pre-clearance facilities as domestic passengers.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

4.2.2 Enplaned Passengers by Airline

Table IV-6 presents the historical share of enplanements by airline at the Airport between OY 2006 and OY 2010. In each year, Delta and Northwest combined, maintained a market share of at least 77.6 percent and was the highest for the most recent year presented, OY 2010, at an estimated 80.6 percent. In each of these years, Spirit had the second highest market share, although Spirit's market share has decreased from a peak of 5.3 percent in OY 2007 to a low of 3.6 percent in OY 2010. Other carriers (including their regional affiliates, as applicable) enplaning more than one percent of total Airport enplanements in each year of the period, presented in a descending order based on OY 2010 market share, include Southwest, US Airways, American, United, Continental, and AirTran.

4.3 Historical Air Service

The following discussion of historical air service at the Airport incorporates data related to top domestic and international O&D markets, average airfares, the share of low-cost carrier activity occurring at the Airport, and shifts in the air carrier fleet operating at the Airport. Future activity at the Airport will likely be impacted by these factors and historical trends therein, as well as assumptions regarding future changes impacting air service at the Airport.

4.3.1 O&D Markets

An important airport characteristic is the distribution of its O&D markets, which is a function of air travel demands and available services and facilities. **Table IV-7** presents historical data on the Airport's top 20 domestic O&D markets for CY 2009, as measured by the number of passengers. As shown, the top 20 markets accounted for approximately 40 percent of total domestic O&D passengers at the Airport. As of October 2010, each of the top 20 markets had non-stop service from the Airport. Delta is the primary carrier in 18 of the 20 top markets. The two markets in which Delta is not the primary carrier are Fort Lauderdale and Houston, markets that serve as major hubs for other airlines.

Table IV-8 presents data on the Airport's top 25 international O&D markets. Non-stop, including seasonal, service is provided to 19 of these markets. Cancun is the Airport's most popular international O&D destination, serving approximately 107,000 passengers in OY 2009.

4.3.2 Airfare and Airline Yields

In addition to the availability of service to meet the domestic and international O&D demand of the market area, air service at an airport can also be characterized by the availability of competitive air fares and airline yields. At airports where hubbing carriers maintain a significant market share of activity, such as at the Airport, service provided by low-cost carriers can complement overall air service and also stimulate demand. The **Exhibit IV-1** below provides a comparison of average one-way airfares at the Airport and other airports located within or near its Air Trade Area, as previously defined in Chapter 1. As presented, the Airport compares relatively favorably with these airports, as it is the third lowest average fare, while Bishop International Airport (FNT) has the lowest fare and Cleveland Hopkins International Airport (CLE) has the second lowest fare of the comparison group. Contributing to the relatively competitive airfares at the Airport, as compared to the other airports presented in the chart, is the growth in low-cost carrier activity and airline competition on several of the major O&D routes.

Table IV-6

Historical Total Enplaned Passengers by Airline (Operating Years Ending September 30) 1/

	2006		2007		2008		2009		2010 Preliminary	
	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share
Delta/Northwest 2/										
Northwest Airlines	13,739,187	77.2%	13,696,101	75.6%	13,603,857	76.3%	12,047,782	75.6%	2,695,406	17.0%
Delta Air Lines	360,655	2.0%	352,683	1.9%	398,929	2.2%	664,696	4.2%	10,098,582	63.6%
Subtotal Delta/Northwest	14,099,842	79.2%	14,048,784	77.6%	14,002,786	78.5%	12,712,478	79.7%	12,793,988	80.6%
Other Airlines										
Spirit Airlines	798,323	4.5%	953,175	5.3%	821,888	4.6%	608,078	3.8%	570,870	3.6%
Southwest Airlines	496,693	2.8%	606,113	3.3%	595,944	3.3%	523,304	3.3%	553,612	3.5%
US Airways	269,841	1.5%	304,290	1.7%	547,702	3.1%	524,457	3.3%	526,828	3.3%
American Airlines	514,598	2.9%	535,059	3.0%	527,649	3.0%	472,541	3.0%	446,625	2.8%
United Airlines	369,569	2.1%	357,075	2.0%	322,268	1.8%	262,834	1.6%	248,625	1.6%
Continental Airlines	308,125	1.7%	299,681	1.7%	288,608	1.6%	256,791	1.6%	236,634	1.5%
AirTran	182,972	1.0%	239,410	1.3%	216,149	1.2%	219,356	1.4%	207,513	1.3%
Frontier Airlines	91,097	0.5%	121,456	0.7%	126,580	0.7%	117,396	0.7%	117,173	0.7%
Air France	50,466	0.3%	48,355	0.3%	45,947	0.3%	55,233	0.3%	70,685	0.4%
Lufthansa	67,305	0.4%	98,008	0.5%	102,121	0.6%	72,884	0.5%	65,568	0.4%
Royal Jordanian	16,028	0.1%	14,150	0.1%	16,434	0.1%	14,822	0.1%	15,258	0.1%
USA 3000	112,382	0.6%	67,516	0.4%	79,304	0.4%	19,823	0.1%	11,775	0.1%
Air Canada (Jazz)	14,899	0.1%	13,085	0.1%	13,678	0.1%	5,965	0.0%	6,875	0.0%
KLM	0	0.0%	0	0.0%	41,753	0.2%	40,196	0.3%	0	0.0%
Aeromexico	0	0.0%	0	0.0%	5,942	0.0%	2,053	0.0%	0	0.0%
America West	259,600	1.5%	241,961	1.3%	0	0.0%	0	0.0%	0	0.0%
British Airways	55,403	0.3%	47,472	0.3%	20,491	0.1%	0	0.0%	0	0.0%
Champion Air	46,184	0.3%	34,462	0.2%	0	0.0%	0	0.0%	0	0.0%
Ryan International	26,890	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Independence Air	13,445	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other 3/	6,270	0.0%	78,038	0.4%	55,987	0.3%	32,921	0.2%	4,352	0.0%
Subtotal Other Airlines	3,700,090	20.8%	4,059,306	22.4%	3,828,445	21.5%	3,228,654	20.2%	3,082,393	19.4%
Airport Total	17,799,932	100.0%	18,108,090	100.0%	17,831,231	100.0%	15,941,132	100.0%	15,876,381	100.0%

Notes: Figures may not add due to rounding.
1/ Includes regional affiliated carriers, as applicable.
2/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
3/ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-7

Top 20 Domestic O&D Markets - (Passengers in thousands for Calendar Year 2009)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Miles	Yield Per Coupon Mile	Non-Stop Service
1	New York	975	7.4%	Delta	67.8%	Spirit	13.2%	487	$0.252	•
2	Orlando	917	7.0%	Delta	58.1%	AirTran	18.2%	957	$0.090	•
3	Las Vegas	680	5.2%	Delta	60.2%	Spirit	19.9%	1,750	$0.076	•
4	Chicago	581	4.4%	Delta	45.8%	Southwest	23.2%	229	$0.386	•
5	Los Angeles	510	3.9%	Delta	67.3%	Spirit	12.8%	1,979	$0.086	•
6	Fort Lauderdale	471	3.6%	Spirit	46.9%	Delta	46.6%	1,127	$0.090	•
7	Atlanta	460	3.5%	Delta	70.4%	AirTran	27.0%	594	$0.200	•
8	Phoenix	451	3.4%	Delta	54.8%	US Airways	24.3%	1,671	$0.086	•
9	Tampa	428	3.2%	Delta	63.5%	Southwest	4.8%	983	$0.105	•
10	Washington	420	3.2%	Delta	79.3%	US Airways	9.1%	405	$0.317	•
11	Ft. Myers	405	3.1%	Delta	51.1%	Spirit	39.8%	1,085	$0.101	•
12	Baltimore	359	2.7%	Delta	56.0%	Southwest	42.8%	408	$0.219	•
13	Denver	317	2.4%	Delta	51.6%	Frontier	29.4%	982	$0.159	•
14	San Francisco	285	2.2%	Delta	80.1%	United	5.8%	1,123	$0.122	•
15	Houston	242	1.8%	Continental	46.9%	Delta	35.3%	2,079	$0.089	•
16	Philadelphia	226	1.7%	Delta	58.6%	US Airways	37.3%	1,093	$0.155	•
17	Boston	225	1.7%	Delta	85.2%	US Airways	9.4%	453	$0.349	•
18	St. Louis	205	1.6%	Delta	52.8%	Southwest	44.9%	632	$0.279	•
19	Minneapolis/St. Paul	202	1.5%	Delta	84.3%	United	5.8%	440	$0.223	•
20	Seattle	194	1.5%	Delta	74.6%	Southwest	6.9%	528	$0.362	•
Other O&D Markets		4,636	35.2%							
Domestic O&D Passengers		13,190								
O&D % of Domestic Passengers		40%								

Note: Figures may not add due to rounding.

Sources: US DOT Origin & Destination Survey of Airline Passenger Traffic, Domestic, October 2010

Prepared by: Ricondo & Associates, Inc., November 2010

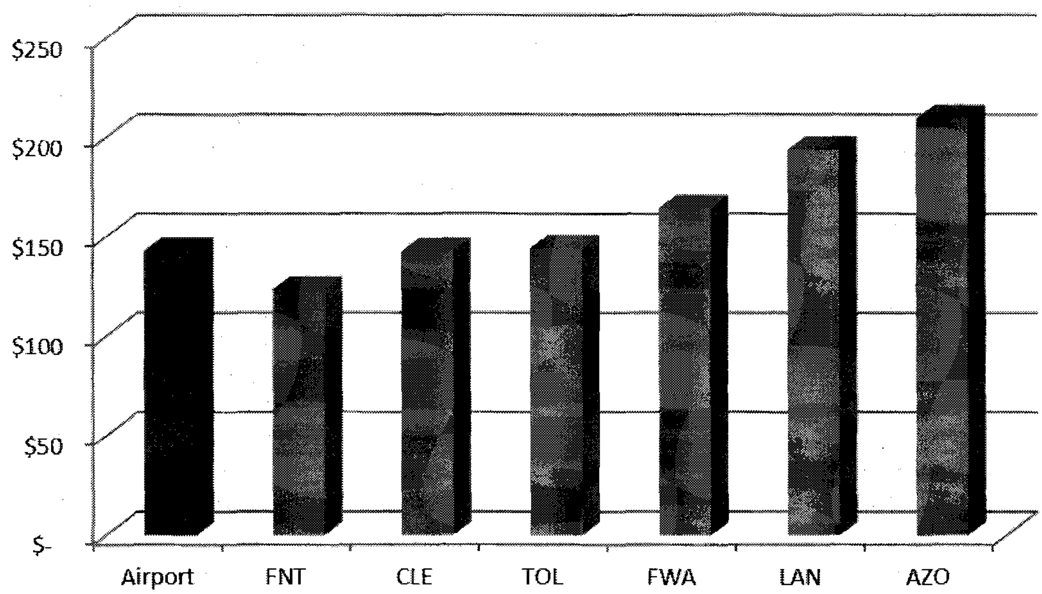
Table IV-8

Top 25 International O&D Markets - (Calendar Year 2009)

Rank	Market	Code	Total International O&D Passengers	Non-Stop Service
1	Cancun	CUN	107,050	●
2	Montego Bay	MBJ	29,738	●
3	Frankfurt	FRA	24,453	●
4	Puerto Vallarta	PVR	23,799	●
5	Amsterdam	AMS	18,884	●
6	Punta Cana	PUJ	18,670	●
7	Mexico City	MEX	18,501	●
8	Tokyo	NRT	17,415	●
9	London (Heathrow)	LHR	16,705	●
10	Los Cabos	SJD	16,514	●
11	Paris	CDG	15,582	●
12	Toronto	YYZ	15,090	●
13	Nassau	NAS	14,514	●
14	Monterrey	MTY	13,707	●
15	Montreal	YUL	12,466	●
16	Beirut	BEY	12,405	
17	London (Gatwick)	LGW	11,521	●
18	Vancouver	YVR	11,076	●
19	Rome	FCO	10,136	●
20	Shanghai	PVG	9,521	●
21	Seoul	ICN	9,127	
22	Aruba	AUA	8,276	
23	Saint Thomas	STT	7,898	
24	Bombay	BOM	7,535	
25	San Jose	SJO	7,123	

Sources: US DOT Origin & Destination Survey of Airline Passenger Traffic, Domestic via Sabre ADI,
Adjusted for Foreign Flag Carriers, November 2010
Wayne County Airport Authority, November 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Exhibit IV-1
Outbound Average Domestic Fare - CY 2009



Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-9 provides a comparison of average fares and yields for U.S. East/West airline hub airports identified as peer airports in Chapter 1. As shown, the Airport has the sixth lowest average outbound airfare behind Cleveland. The Airport also compares favorably in terms of yield per coupon mile which considers trip length. In this comparison, the Airport is the fourth lowest, with three western U.S. hubs of Phoenix, Denver, and Salt Lake City having lower yields.

Based on these comparisons, competitive airfares are offered at the Airport as compared to airports both in the local region and peer connecting hub airports throughout the U.S. Being the largest airport in the region with a high degree of non-stop air service and competitive fares, the Airport appears to be price competitive for both local and connecting passengers.

4.3.3 Low-Cost Carriers

Table IV-10 presents historical data on enplanements by low-cost carriers at the Airport between OY 2005 and OY 2010 (preliminary). As shown, from OY 2005 to OY 2007, low-cost carrier enplanements increased by a CAGR of 18.9 percent, while total Airport enplanements decreased by a CAGR of negative 0.5 percent. As a result of the higher low-cost carrier enplanement growth rates compared to the growth rates of total Airport enplanements experienced from OY 2005 to OY 2007, the share of low-cost carrier enplanements at the Airport increased from 7.4 percent in OY 2005 to an estimated 10.6 percent in OY 2007. Growth in low-cost carrier enplanements at the Airport for this period was primarily attributable to growth in Spirit and Southwest enplanements, and the initiation of service by Frontier and AirTran. From OY 2008 to OY 2010, the low-cost carrier

Table IV-9

Comparison of U.S. East/West Airline Hub Airports (CY 2009)

Airport	Outbound Average Fare 1/	Outbound Yield Per Coupon Mile
Denver	$129.61	$0.1230
Phoenix	$133.39	$0.1100
Salt Lake City	$140.36	$0.1250
Atlanta	$140.85	$0.1590
Cleveland	$142.71	$0.1540
Airport	**$143.03**	**$0.1360**
Chicago - O'Hare	$146.95	$0.1450
Charlotte	$152.49	$0.1630
Minneapolis - St. Paul	$153.85	$0.1400
Dallas - Fort Worth	$164.02	$0.1550
Cincinnati	$164.47	$0.1780
Houston - George Bush	$165.94	$0.1540
Memphis	$180.20	$0.1970

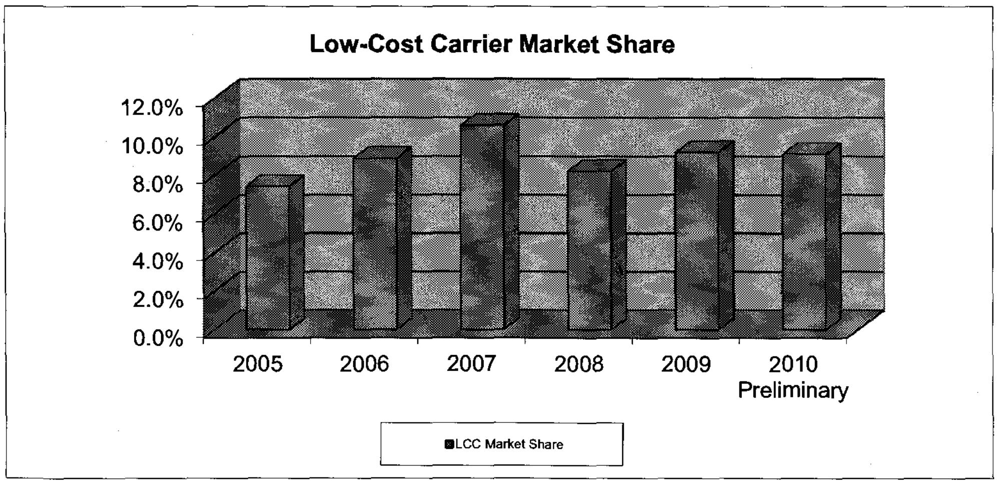
Note:
1/ Includes zero-fares, but excludes non-revenue passengers.

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-10

Historical Low-Cost Carrier Market Share (In Thousands for Operating Years ending September 30) [1/]

Year	Low Cost Carrier Enplanements	Annual Growth	Total Airport Enplanements	Total Airport Growth	LCC Market Share
2005	1,358	2.8%	18,286	5.6%	7.4%
2006	1,583	16.6%	17,800	(2.7%)	8.9%
2007	1,920	21.3%	18,108	1.7%	10.6%
2008	1,468	(23.5%)	17,831	(1.5%)	8.2%
2009	1,468	0.0%	15,941	(10.6%)	9.2%
2010 Preliminary	1,449	(1.3%)	15,876	(0.4%)	9.1%
Compounded Annual Growth Rate					
2005 - 2007	18.9%		(0.5%)		
2007 - 2010	(9.0%)		(4.3%)		
2005 - 2010	1.3%		(2.8%)		



Notes: Figures may not add due to rounding.

1/ Low-Cost Carriers Include AirTran, American Trans Air, Frontier, Independence Air, Southwest, and Spirit Airlines.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

market share retrenched from the peak in OY 2007, but remains well above the 2005 level at 9.1 percent for OY 2010 (preliminary). Overall, from OY 2005 to OY 2010 low-cost carrier enplanements increased at a CAGR of 1.4 percent, while total Airport enplanements decreased at a CAGR of negative 2.8 percent.

The Air Trade Area's relatively large O&D passenger base and its geographic position are two major factors in the Airport's appeal to low-cost carriers. In general, low-cost carriers are more prone to operate on a point-to-point basis (as opposed to a hub-and-spoke network); therefore, local passenger demand is key to determining route decisions, as low-cost carriers generally do not have the added support of connecting traffic. Additionally, the Airport's generally central geographic position within the U.S. contributes to it being able to support several medium-to-short haul routes to other large O&D areas domestically, which is relatively compatible for typical low-cost carrier fleet types.

4.3.4 Mainline and Regional Traffic

In addition to the recent growth in low-cost carrier enplanements at the Airport, historical data illustrates a shift in the makeup of the air carrier fleet operating at the Airport. **Table IV-11** presents air carrier enplanements by mainline aircraft, those aircraft having greater than 90 seats, and regional aircraft for the period of OY 2005 through OY 2010 (preliminary). As shown, regional enplanements increased at a compounded annual rate of 10.6 percent over the period, while mainline enplanements decreased at an annual rate of 6.7 percent. Regional enplanements at the Airport increased in every year of the period, experiencing year-over-year increases ranging from 0.9 percent in OY 2007 as compared to OY 2006 to 29.9 percent in OY 2005 as compared to OY 2004. Higher regional enplanement growth rates over the period resulted in the share of regional enplanements at the Airport increasing from 17.3 percent in OY 2001 to 32.8 percent in OY 2010 (preliminary). Regional enplanement growth at the Airport reflects a similar nationwide trend in which legacy mainline carriers are increasing the amount of service provided by affiliated regional carriers operating regional aircraft, such as 50 to 70-seat regional jet aircraft.

4.4 Historical Aircraft Operations and Landed Weight

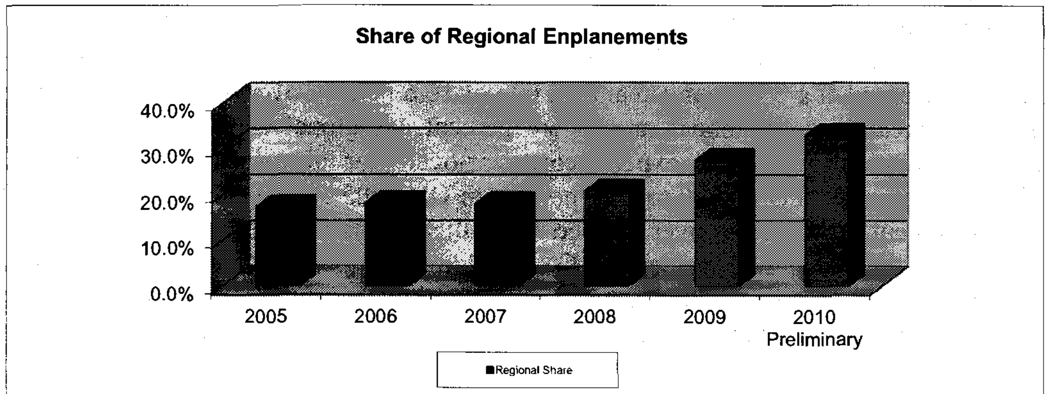
Table IV-12 presents historical aircraft operations at the Airport between OY 2000 and OY 2009. The categories of aircraft operations shown conform to categories compiled by the FAA. Total aircraft operations decreased each year from OY 2000 to OY 2002, increased each year from OY 2003 to OY 2005, and decreased each year from OY 2006 to OY 2009. Overall, aircraft operations have decreased at the Airport by a CAGR of approximately negative 1.2 percent over the period presented. More specifically, air carrier operations peaked at 337,817 operations in OY 2002 and have since decreased each year, equaling 211,998 operations in OY 2009. A recent trend in the airline industry has been to decrease capacity to attempt to better match overall demand and profitability, which has resulted in higher load factors throughout the national aviation system. This capacity reduction has also contributed to recent decreases in the Airport's aircraft operations.

Two all-cargo carriers operate at the Airport: FedEx and United Parcel Service. DHL, an all-cargo carrier previously operated at the Airport, but ceased operations in June, 2009. Additionally, passenger airlines also carry "belly cargo" to the Airport. **Table IV-13** presents the historical airline cargo tonnage at the Airport for the period of OY 2000 through OY 2010 (preliminary). As shown, total airline cargo over this period has decreased at a CAGR of approximately negative 5.1 percent. Contributing to this decrease in cargo tonnage are the restrictions the Federal government has

Table IV-11

Historical Air Carrier Enplanements - Mainline vs. Regional (In Thousands for Operating Years ending September 30)

Year	Mainline Enplanements	Annual Growth	Regional Enplanements	Annual Growth	Total Enplanements	Annual Growth	Regional Share
2005	15,126	1.6%	3,161	29.9%	18,286	5.6%	17.3%
2006	14,570	(3.7%)	3,230	2.2%	17,800	(2.7%)	18.1%
2007	14,848	1.9%	3,260	0.9%	18,108	1.7%	18.0%
2008	14,127	(4.9%)	3,705	13.6%	17,831	(1.5%)	20.8%
2009	11,567	(18.1%)	4,375	18.1%	15,941	(10.6%)	27.4%
2010 Preliminary	10,651	(7.9%)	5,225	19.4%	15,876	(0.4%)	32.9%
Compounded Annual Growth Rate							
2005 - 2007	(0.9%)		1.6%		(0.5%)		
2007 - 2010	(10.5%)		17.0%		(4.3%)		
2005 - 2010	(6.8%)		10.6%		(2.8%)		



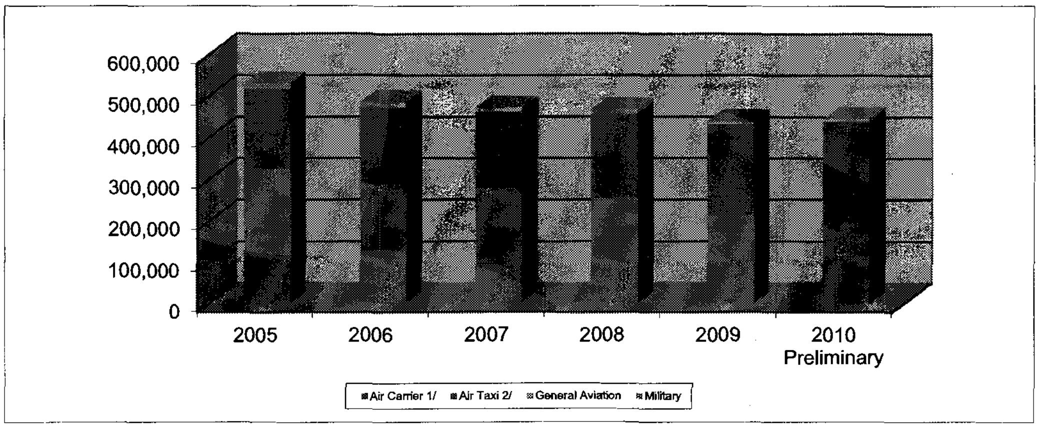
Note: Figures may not add due to rounding.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-12

Historical Aircraft Operations (Operating Years ending September 30)

Year	Air Carrier 1/	Air Taxi 2/	General Aviation	Military	Total	Growth
2000	330,350	159,604	69,306	1,611	560,871	(0.0%)
2001	321,222	167,661	52,211	1,405	542,499	(3.3%)
2002	337,817	126,821	18,915	290	483,843	(10.8%)
2003	330,757	140,783	16,222	207	487,969	0.9%
2004	327,682	171,268	15,526	184	514,660	5.5%
2005	325,415	191,394	13,599	229	530,637	3.1%
2006	287,793	185,109	12,280	91	485,273	(8.5%)
2007	280,062	181,025	11,335	100	472,522	(2.6%)
2008	253,033	203,638	10,565	154	467,390	(1.1%)
2009	212,593	218,815	7,032	140	438,580	(6.2%)
2010 Preliminary	195,916	242,697	6,777	110	445,500	1.6%
Compounded Annual Growth Rate						
2000 - 2002	1.1%	(10.9%)	(47.8%)	(57.6%)	(7.1%)	
2002 - 2005	(1.2%)	14.7%	(10.4%)	(7.6%)	3.1%	
2005 - 2009	(9.7%)	4.9%	(13.0%)	(13.6%)	(3.4%)	
2000 - 2010	(5.1%)	4.3%	(20.7%)	(23.5%)	(2.3%)	



Notes:

1/ Aircraft with seating capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds carrying passengers or cargo for hire or compensation.

2/ Aircraft designed to have a seating capacity of 60 seats or less or a maximum payload capacity of 18,000 pounds or less carrying passengers or cargo for hire or compensation.

Source: Wayne Couny Airport Authority (FAA ATADS), October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-13

Historical Airline Cargo (Tons of Cargo for Operating Years ending September 30)

Year	Freight and Express	Mail	Total	Growth
2000	102,044	40,311	142,355	(6.8%)
2001	84,331	36,993	121,324	(14.8%)
2002	79,367	18,935	98,302	(19.0%)
2003	84,354	14,909	99,263	1.0%
2004	88,994	3,949	92,943	(6.4%)
2005	89,223	3,866	93,089	0.2%
2006	86,515	3,186	89,701	(3.6%)
2007 1/	94,226	2,253	96,479	7.6%
2008	99,578	4,225	103,803	7.6%
2009	68,021	4,264	72,285	(30.4%)
2010 Preliminary	78,728	5,458	84,186	16.5%
Compounded Annual Growth Rate				
2000 - 2002	(11.8%)	(31.5%)	(16.9%)	
2002 - 2005	4.0%	(41.1%)	(1.8%)	
2005 - 2009	(8.6%)	3.3%	(8.1%)	
2000 - 2010	(2.6%)	(18.1%)	(5.1%)	

Note:

1/ Lufthansa Airlines' cargo was reported for the first time in October 2007 covering the period from February 2007 to September 2007. Prior year data is unavailable for comparison.

Sources: Wayne Couny Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

imposed after September 11 to address potential security issues and the recent global economic recession.

Table IV-14 presents the historical share of landed weight by commercial airlines at the Airport between OY 2006 and OY 2010. As shown, total landed weight for the commercial airlines has decreased over this period from 24.1 million-pound units to 20.1 million-pound units. Similar to the enplanement share, Delta and Northwest along with their regional affiliates consistently accounted for over 74 percent of the Airport's total landed weight over the period presented. The all-cargo carriers accounted for approximately 3 percent of the Airport's total landed weight between OY 2006 and OY 2010.

4.5 Factors Affecting Aviation Demand

This section discusses qualitative factors that could influence future aviation activity at the Airport. While data and/or information related to these factors have not directly been incorporated into the projections of Airport activity discussed in Section 3.5.3 (e.g., jet fuel prices), these factors were indirectly considered and analyzed in developing the projections.

4.5.1 National Economy

Air travel demand is directly correlated to consumer income and business profits. As consumer income and business profits increase, so does demand for air travel. As noted in Chapter 1, the nation entered an economic recession in December 2007, which was marked by a combination of declines in construction activity, falling home prices, rising oil prices and a falling stock market. Demand for air travel weakened in 2008, registering a 3.1 percent decline, followed by an additional 5.2 percent decline in 2009. As noted in first quarter 2009 earnings statements of the Airport's largest carrier, Northwest attributed its significant losses of demand for air travel to the severe and rapid downturn in the global economy. During the first quarter of 2009, Northwest's system passenger load factor dropped by 1.8 percentage points compared to the same period in 2008, respectively. At the Airport, passenger load factors fell by 2.7 points for Northwest during the same comparison period.

Recently, trends in U.S. GDP have improved, with the nation recording an increase of 2.2 percent in the third quarter of 2009, followed by additional gains of 5.6 percent and 3.0 percent in the fourth quarter of 2009 and the first quarter of 2010, respectively. The rise in real GDP in recent quarters is reflective of stronger consumer spending in this period. According to US Bureau of Transportation Statistics data, air travel began to rebound in late 2009, and has increased at a 1.3 percent rate since March 2010. According to the latest forecast from the Congressional Budget Office (CBO), U.S. GDP is projected to grow by 1.7 percent in 2010, by 3.5 percent in 2011, and by an average of 4.7 percent in 2012 and 2013,[3] which suggests the upward trend in air travel should continue. However, should the economy stall, or again trend downward (e.g., encounter a "double-dip" recession), aviation demand nationwide will likely be negatively impacted.

4.5.2 State of the Airline Industry

In the aftermath of the events of September 11, the industry saw a downturn in demand for air travel. The result was five years of reported industry operating losses, totaling more than $28 billion dollars

[3] Source: Congressional Budget Office, *The Budget and Economic Outlook: An Update*, available online at http://www.cbo.gov/ftpdocs/105xx/doc10521/08-25-BudgetUpdate.pdf, last accessed in October 2010.

Table IV-14

Historical Landed Weight by Airline (Weight in 1,000-Pound Units for Operating Years ending September 30)[1/]

	2006		2007		2008		2009		2010 Preliminary	
	Landed Weight	Share	Landed Weight	Share	Landed Weight	Share	Landed Weight	Share	Landed Weight	Share
Delta/Northwest[2/]										
Northwest	18,056,088	74.9%	17,674,478	72.6%	17,194,532	73.6%	15,482,220	73.7%	4,721,848	23.4%
Delta	494,596	2.1%	453,284	1.9%	481,637	2.1%	786,203	3.7%	11,176,423	55.4%
Subtotal Delta/Northwest	18,550,684	76.9%	18,127,762	74.4%	17,676,169	75.7%	16,268,423	77.5%	15,898,270	78.8%
Other Airlines										
Southwest Airlines	656,164	2.7%	883,222	3.6%	833,750	3.6%	706,040	3.4%	668,576	3.3%
Spirit Airlines	952,127	3.9%	1,116,697	4.6%	925,981	4.0%	690,048	3.3%	637,083	3.2%
US Airways	334,413	1.4%	394,896	1.6%	629,708	2.7%	606,233	2.9%	616,576	3.1%
American	642,365	2.7%	655,051	2.7%	614,370	2.6%	554,695	2.6%	505,541	2.5%
Federal Express	482,405	2.0%	525,479	2.2%	477,212	2.0%	374,202	1.8%	361,807	1.8%
United	482,146	2.0%	451,440	1.9%	404,983	1.7%	354,923	1.7%	308,387	1.5%
Continental	385,741	1.6%	367,502	1.5%	369,969	1.6%	309,608	1.5%	267,947	1.3%
AirTran	237,816	1.0%	302,472	1.2%	240,128	1.0%	240,496	1.1%	225,504	1.1%
United Parcel Service	211,295	0.9%	204,976	0.8%	195,473	0.8%	171,687	0.8%	171,234	0.8%
Lufthansa	150,863	0.6%	229,272	0.9%	243,753	1.0%	174,062	0.8%	142,243	0.7%
Air France	119,720	0.5%	116,552	0.5%	114,617	0.5%	122,641	0.6%	138,582	0.7%
Frontier Airlines	116,166	0.5%	152,353	0.6%	147,774	0.6%	140,742	0.7%	126,776	0.6%
Royal Jordanian	41,501	0.2%	40,698	0.2%	41,895	0.2%	42,294	0.2%	41,097	0.2%
USA 3000	119,790	0.5%	116,664	0.5%	117,801	0.5%	53,149	0.3%	13,357	0.1%
Air Canada	0	0.0%	28,960	0.1%	28,994	0.1%	21,049	0.1%	14,506	0.1%
Metro Flight Services	5,915	0.0%	0	0.0%	0	0.0%	0	0.0%	8,552	0.0%
Worldwide	0	0.0%	0	0.0%	0	0.0%	0	0.0%	673	0.0%
ABX/DHL	77,754	0.3%	68,865	0.3%	64,605	0.3%	67,939	0.3%	0	0.0%
America West	308,035	1.3%	265,091	1.1%	0	0.0%	0	0.0%	0	0.0%
British Airways	118,431	0.5%	209,479	0.9%	107,202	0.5%	0	0.0%	0	0.0%
Champion Air	45,750	0.2%	45,900	0.2%	900	0.0%	0	0.0%	0	0.0%
Ryan International	31,404	0.1%	21,883	0.1%	7,811	0.0%	480	0.0%	0	0.0%
Independence Air	16,262	0.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Aeromexico	0	0.0%	0	0.0%	9,432	0.0%	4,352	0.0%	0	0.0%
KLM	0	0.0%	0	0.0%	80,214	0.3%	74,970	0.4%	0	0.0%
Other[3/]	22,893	0.1%	31,489	0.1%	26,169	0.1%	26,613	0.1%	20,552	0.1%
Subtotal Other Airlines	5,558,956	23.1%	6,228,941	25.6%	5,682,741	24.3%	4,736,223	22.5%	4,268,995	21.2%
Total Airlines	24,109,640	100.0%	24,356,703	100.0%	23,358,910	100.0%	21,004,646	100.0%	20,167,265	100.0%

Notes:

1/ Includes regional affiliated carriers, as applicable.

2/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

3/ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2006.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

(excluding extraordinary charges and gains). The airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. However, in 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. airlines since the September 11th terrorist attacks. In response, most airlines announced significant capacity reductions, increased fuel surcharges, increased fares and fees, and adopted other measures to address the financial challenges. Whereas the capacity reductions following the events of September 11th were the direct result of terror threats targeting the traveling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were primarily driven by significant increases in fuel costs over a span of two and a half years, a weak dollar exacerbating the impact of increased fuel costs, and the contraction of the U.S. economy. After nearly $10 billion of losses in 2009, the International Air Transport Association (IATA) is predicting a $2.5 billion profit for the global industry in 2010. Globally, passenger traffic is forecasted to rise 7.1 percent in 2010. Even though recovery is uneven across different regions, North American airline profits are projected to be $1.9 billion in 2010. According to Delta's most recent earnings statement, the carrier reported net income of $467 million in second quarter 2010, compared to a net loss of $257 million in the same quarter the previous year. The $724 million improvement was largely attributed to improving business demand, due to improving economic conditions and merger synergies. Generally, as the airline industry strengthens financially, its ability to provide service increases which should produce growth in air travel activity.

4.5.3 Factors Directly Affecting the Airline Industry

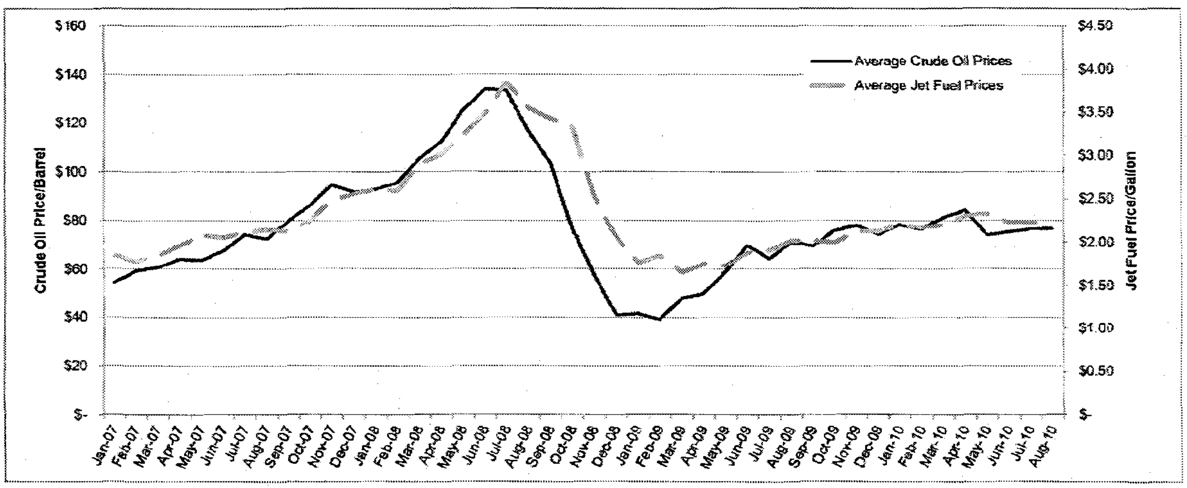
4.5.3.1 Cost of Aviation Fuel

The price of fuel is the most significant force affecting the airline industry today. The average price of jet fuel was $0.82 per gallon in 2000 compared to $3.07 in 2008, an increase of 275 percent. With airline profitability under pressure from escalating fuel costs, airlines increased air fares and imposed fuel surcharges. During the ascent of jet fuel prices in the second quarter of 2008, average air fares for the nation rose to $161 from $150 compared to second quarter 2007, or an increase of 7.2 percent. For the Airport, average air fares rose by 8.4 percent over the same comparison period to $184. Generally speaking, increases on air fares have an inverse relationship with air travel demand. The average price of jet fuel decreased to $1.90 per gallon in 2009; however, this cost still represents an increase of 132 percent from 2000 prices. The average price of jet fuel rose again in 2010, to $2.23 per gallon in August 2010. According to the Air Transport Association, every one-cent increase in the price per gallon of jet fuel increases annual airline operating expenses by approximately $175 to $200 million. Aloha Airlines, American Trans Air, and SkyBus cited high fuel prices as the contributing factor in their respective Chapter 11 bankruptcy filings.

According to the Air Transport Association, U.S. airline fuel expense increased from $16.4 billion in 2000 to $32.3 billion in 2009, a CAGR of 7.8 percent during this period. The most significant annual increase occurred in 2008, when fuel expenses increased 37.9 percent from $41.9 billion in 2007 to $57.8 billion in 2008. On July 11, 2008, oil prices rose to a new record of $147 per barrel following concerns over Iranian missile testing. During the remaining months of 2008 oil prices declined from their July peak and closed out the year at an average of approximately $40 per barrel (December 2008). **Exhibit IV-2** shows the monthly averages of jet fuel and crude oil prices from January 2007 through August 2010.

Exhibit IV-2

Historical Monthly Averages of Jet Fuel and Crude Oil Prices



Source: Air Transport Association, October 2010.
Prepared by: Ricondo & Associates, Inc., November 2010.

In 1999, jet fuel accounted for nearly 10 percent of the commercial airline industry's operating expenses and historically, fuel expense was the second highest operating expense for an airline behind labor. More recently, jet fuel surpassed labor as the airlines' largest operating expense, according to the Air Transport Association. In 2008, fuel comprised approximately 30.6 percent and labor 20.3 percent of an airline's total operating costs. As oil prices fell in the first quarter of 2009, labor once again became the airlines' largest operating expense representing 25.8 percent versus fuel at 21.3 percent. In the third quarter of 2009, these shares of total operating costs were 24.9 percent and 23.8 percent, respectively. Airlines react to rising oil prices by increasing fares, either directly, through the implementation of a surcharge, or by reducing capacity to the point that supply matches demand at a fare level that allows the airlines to cover the increased cost of fuel. Generally, increasing air fares depress demand for air travel.

4.5.3.2 Airline Scheduled Seat Capacity

While jet fuel prices have declined, the airlines continue to restrain growth in capacity due to the weak economy, keeping in place reductions they implemented beginning in 2008. The height of the industry capacity decline occurred in the first quarter of 2009, as domestic seat-capacity declined by 11.0 percent versus the first quarter of 2008. Demand for domestic air travel, as measured by revenue passenger miles (RPMs), slipped at a similar rate of 11.6 percent during this period. During the first half of 2010 domestic airline seat capacity decreased a further 1.8 percent, based on the schedules of the top domestic carriers.[4] Domestic seats for these carriers decreased by 7.6 million seats, from 410.2 million in the first half of 2009 to 402.6 million in 2010. Domestic seat capacity of legacy carriers and their affiliates decreased by 1.9 percent during the first half of 2010 compared to the same period in 2009, while low-cost carriers reduced domestic seat capacity by 1.5 percent.

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4 The following carriers and their affiliates were used in this analysis: AirTran, Alaska, American, Continental, Delta, Frontier, Hawaiian, JetBlue, Midwest, Northwest, Southwest, Spirit, United, US Airways, and Virgin America. These fifteen carriers represented 98.0 percent of total domestic seats in the first half of 2010.

According to *usatoday.com*, scheduled domestic capacity was up 2.3 percent in October 2010 compared to the same month in 2009.[5] Generally, an increased supply of seats should result in lower air fares which could stimulate demand for air travel.

4.5.3.3 Airport Security

The events of September 11 curtailed airline travel in several ways: (1) these events reduced the demand for air travel as a result of the increased concerns about safety; (2) these events reduced air travel by exacerbating the mild recession that began in March 2001; and (3) the cost of travel was effectively increased because of the necessity of arriving earlier for departures, the increased frequency of delays resulting from security breaches, and new security surcharges. The result was substantially less demand for air travel for both work and leisure purposes.

With enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, the Transportation Security Administration (TSA) was created and established different and improved security processes and procedures. The ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. The act also permits the deployment of air marshals on all flights and requires air marshals on all "high-risk" flights. The federal government controls aviation industry security requirements, which can significantly impact the economics of the industry. Security requirements due to unexpected events could increase costs directly and indirectly to the industry and could have an adverse effect on passenger demand.

4.5.3.4 Threat of Terrorism

As has been the case since September 11, the recurrence of terrorism incidents against either domestic or world aviation during the projection period remains a risk to achieving the activity projections contained herein. Tighter security measures have restored the public's confidence in the integrity of U.S. and world aviation security systems. Any terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services.

On Dec. 25, 2009, an individual onboard Northwest Airlines Flight 253 from Amsterdam to the Airport attempted to detonate an explosive device over the Airport and was subdued by passengers and crew. As a result of this incident, the TSA issued new security directives to all U.S. and international air carriers with inbound flights to the U.S., which went into effect on January 4, 2010. TSA is mandating that every individual flying into the U.S. from anywhere in the world traveling from or through nations that are state sponsors of terrorism or other countries of interest will be required to go through enhanced screening. The directive also increases the use of enhanced screening technologies and mandates threat-based and random screening for passengers on U.S. bound international flights.

4.6 Delta Air Lines

Given that the Airport is a major hub in the Delta system network, and that Delta along with its affiliated regional carriers enplane over 80 percent of the Airport's enplaned passengers, Delta's business decisions regarding its system network are likely to impact activity at the Airport. While it is impossible to accurately predict all changes that may occur in the system network, an examination of the recent merger

[5] Source: http://www.usatoday.com/travel/flights/airline-capacity-map.htm. The data reflect what airlines had reported to Official Airline Guide (OAG) regarding their October 2010 schedules as of September 26, 2010.

between Delta and Northwest and Delta's plans for the future are important considerations in this analysis.

4.6.1 Delta and Northwest Merger

On April 14, 2008, Delta Air Lines and Northwest Airlines announced the merger of the two companies, subject to regulatory review and approval. The FAA granted a single operating certificate to Delta on December 31, 2009, at which time Northwest merged into Delta and the Northwest entity disappeared. At the time, the merger created the world's largest airline. Following the initial merger announcement, Delta often indicated that it expected to retain its existing hub airports, stating that the Airport would serve as the premier hub in the Great Lakes region.[6] As a result of the Airport's competitive assets including its central geographic position, substantial airfield and terminal processing capability, the benefits of its local market, limited local airport competition, and its competitive airline cost structure, the Airport has remained and should remain an attractive location for a major airline hub and an important O&D market. An appropriate metric to examine the Airport's role in the Northwest system network pre-merger compared to its role in the Delta system network post-merger is the Airport's share of Delta and Northwest hub airports' scheduled departing seats before and after the merger, which is presented on **Table IV-15**.

Table IV-15 presents Official Airline Guide data comparing scheduled departing seat data for Delta's current hubs for representative pre-merger (second half of CY 2008) and post-merger (second half of CY 2010) periods. As shown, the Airport increased from a 16.2 percent share to a 16.6 percent share of total Delta and Northwest hub domestic scheduled departing seats for the pre-merger and post-merger periods presented, and MSP's share has decreased slightly from a 16.7 percent share pre-merger to a 16.6 percent share post-merger for the same periods. CVG's share of total Delta and Northwest hub scheduled domestic departing seats has decreased by approximately 44 percent from a 7.9 percent share pre-merger to a 4.4 percent post-merger. When comparing the presented pre-merger and post-merger periods, the Airport maintained its position of having the third largest share of total Delta and Northwest hub international scheduled departing seats; however the Airport's share decreased by 1.5 percent. Thus, based on the analysis above, the Airport has maintained its role through the merger as Delta's premier Midwest hub which chiefly flows traffic to the markets in the eastern and western U.S. and an international gateway that primarily serves Asia.

4.6.2 The Airport and Delta's System

To gain a better understanding of Delta's current operations at Airport, its future plans for the Airport, and to substantiate the assumptions underlying the forecast of short and long-term air service provided by Delta at the Airport, R&A conducted a telephone interview with Delta's Managing Director of Network Planning, who has responsibility for the Detroit market, and its Director of State and Local Government Affairs.[7] Specific points from this interview are discussed below:

- The Airport primarily functions as a Midwest connecting hub, and is an excellent connector for Delta's Asian operations. Because of the Airport's large O&D base and ideal geographical location, Delta is able to move passengers from U.S. Midwest to anywhere in the world as well as move passengers travelling from the U.S. East Coast to U.S. West Coast

[6] Delta and Northwest: Creating America's Premier Global Airline, www.newglobalairline.com, accessed September 2008.

[7] Telephone interview conducted on October 27, 2010.

Table IV-15

Delta Air Lines/Northwest Airlines Pre- and Post Merger Daily Departing Seats Comparison

Delta Air Lines/Northwest Airlines Pre- and Post Merger Daily Departing Seats

	Pre-Merger (H2 2008)			Post-Merger (H2 2010)			Post-Merger H (L) Than Pre-Merger, %		
Airport	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
ATL	96,192	14,162	110,353	102,046	13,175	115,221	6.1%	(7.0)%	4.4%
DTW	40,869	5,356	46,225	41,325	4,455	45,781	1.1%	(16.8)%	(1.0)%
MSP	42,167	3,754	45,921	41,363	3,648	45,011	(1.9)%	(2.8)%	(2.0)%
SLC	22,742	856	23,598	25,566	798	26,364	12.4%	(6.8)%	11.7%
JFK	13,899	7,151	21,050	12,828	8,141	20,969	(7.7)%	13.8%	(0.4)%
MEM	16,144	679	16,823	15,377	371	15,747	(4.8)%	(45.4)%	(6.4)%
CVG	19,824	1,247	21,071	10,993	420	11,413	(44.5)%	(66.3)%	(45.8)%
Total	251,837	33,205	285,042	249,498	31,007	280,505	(0.9)%	(6.6)%	(1.6)%

Delta Air Lines/Northwest Airlines Pre- and Post Merger Daily Departing Seat Share

	Pre-Merger (H2 2008)			Post-Merger (H2 2010)			Post-Merger H (L) Than Pre-Merger, Pt. Change		
Airport	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
ATL	38.2%	42.6%	38.7%	40.9%	42.5%	41.1%	2.7	(0.2)	2.4
DTW	16.2%	16.1%	16.2%	16.6%	14.4%	16.3%	0.3	(1.8)	0.1
MSP	16.7%	11.3%	16.1%	16.6%	11.8%	16.0%	(0.2)	0.5	(0.1)
SLC	9.0%	2.6%	8.3%	10.2%	2.6%	9.4%	1.2	(0.0)	1.1
JFK	5.5%	21.5%	7.4%	5.1%	26.3%	7.5%	(0.4)	4.7	0.1
MEM	6.4%	2.0%	5.9%	6.2%	1.2%	5.6%	(0.2)	(0.8)	(0.3)
CVG	7.9%	3.8%	7.4%	4.4%	1.4%	4.1%	(3.5)	(2.4)	(3.3)
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	(0.0)	(0.0)	(0.0)

Source: Official Airline Guide, October 2010.

Prepared by: Ricondo & Associates, Inc., November 2010

or vice versa. Turning the Airport into an Asian gateway is the result of combining Delta's and Northwest's respective route strengths and available fleet mix. For example, Delta with its significant presence from the U.S. East Coast enhanced the Airport as a central connecting point within Delta's system network. Whereas Northwest, pre-merger, did not have the domestic strength to effectively feed its international operations, the combined carrier has additional resources and thus the ability to expand to other regions of the world that Northwest could not do alone. Delta has been expanding operations at the Airport with additional international services, such as Incheon, South Korea, Hong Kong, and Haneda, Japan. Prior to the merger, Northwest had no presence in Latin America, but with Delta's presence in the market as well as successful operations in Sao Paulo and other Brazilian destinations from other U.S. gateways, the addition of Detroit – Sao Paulo was a natural extension because of Delta's strength in Latin America and the volume of business traffic that travels to Brazil from the U.S. Midwest.

- The newly combined airline will be able to expand more effectively at the Airport than Northwest could do on its own prior to the merger. Synergies created from the merger provide for more growth opportunities and mitigate impacts of economic downturns. Because of Delta's long-term terminal and Airport investments, the Airport is a strong connecting hub for Delta with significant amounts of growth potential arising from gate resources.
- Delta currently serves six Asian destinations from the Airport. These Asian routes have been performing successfully for the company and there are no reasons to assume that other potential Asian routes would not perform as successfully from the Airport. In the Trans-Atlantic market, Delta provides nonstop service from the Airport to SkyTeam hubs in Amsterdam, Paris, and Rome. As a result, these markets not only feed traffic from beyond Detroit but also feed traffic from SkyTeam members' flights beyond their respective hubs in Europe. Delta also serves London–Heathrow (the number one European market) and Frankfurt from the Airport. Delta expects the company to continue to grow service at the Airport in the future. Comparing its schedule for summer 2009 to summer 2007 (for Delta and Northwest combined), Delta has grown its service at the Airport by 12 percent in total seat-capacity and slightly over 10 percent in total operations.
- In summer 2010, Delta added fifty frequencies on domestic routes resulting in seat-capacity growing by 8 percent year-over-over, domestically. Specifically, Delta added depth in destinations served (i.e. San Diego, San Francisco, and Orange County) and major connecting flows (i.e. Raleigh-Durham, Toronto, and Florida cities). Growth at the Airport is the result of new aircraft deliveries, reallocation, and increased utilization of existing aircraft resources.
- The Airport is Delta's largest Midwest hub in terms of CY 2010 seats and departures, and is used as an Asian gateway growth vehicle. Delta generally used the Airport to capture east – west traffic flows (i.e. from the U.S. Northeast and U.S. Midwest regions to the U.S. West Coast) and funnels this traffic more efficiently than its Atlanta hub because of the Airport's central-U.S. location. While Cincinnati is also a Midwest hub for Delta, Cincinnati has a smaller O&D market compared to the Airport which is why the company places a greater emphasis on the Detroit market. Delta's Minneapolis hub also handles east – west traffic flows, however, focuses more on serving U.S. Pacific Northwest, Western Canada, and other larger U.S. West Coast destinations than the Airport.

- Regarding post-merger impacts, Delta has seen a significant shift towards connecting passengers system-wide. As a result, Delta has placed a greater emphasis on the Airport as a connecting facility due in large part to its geographic location. Delta's current composition of traffic at the Airport is approximately 35 percent local (O&D) and approximately 65 percent connecting. This is on par with other U.S. major connecting hubs. Delta expects its ratio of O&D to connecting passengers at the Airport in the futures to remain consistent with present levels. Three years prior, the composition of Delta/Northwest traffic at the Airport was approximately 60 percent connecting, as described above, that share has now stabilized at roughly 65 percent.
- In general, Delta has seen demand starting to rebound in its first quarter 2010 results, which was driven in part by increased corporate travel. Delta's performance at the Airport has been consistent with its other hubs in terms of demand improvement. Delta has seen an increase in activity this year from its corporate clients from the auto industry more so than in the prior two years. Despite the downturn of the national and local economies, the Airport has performed very well as a hub. As the auto industry has undergone major restructuring throughout its financial hardship, Delta has benefitted somewhat at the Airport as the auto industry has shifted travel towards the airline in lieu of using corporate jets.
- Regarding its competitive position in the Detroit market, Delta views Southwest and Spirit Airlines as smaller yet relevant competitors. These carriers operate 15 flights per day each from the Airport whereas Delta operates approximately 600 flights per day.

4.7 Projections of Aviation Demand

Projections of aviation demand were analyzed on the basis of local socioeconomic and demographic factors; the Airport's historical shares of U.S. enplanements; the impacts of the factors described previously; and anticipated trends in air carrier usage of the Airport by Delta and other airlines. As such, a market share methodology and socioeconomic regression analyses were used to project Airport enplanements.

The following provides a general overview of the market share and socioeconomic regression methodologies used to project enplanements at the Airport:

- **Market Share Approach.** In this methodology, judgments are made as to how and to what extent the Airport's rate of growth in domestic enplanements will differ from that projected for the nation by the FAA. The FAA's activity projections contained in FAA Aerospace Forecasts, Fiscal Years 2010-2030, were used as a basis for the market share analysis. On a macro scale, the FAA's U.S. projection provides a growth base reflecting how industry traffic in general is anticipated to grow in the future. The FAA's U.S. forecast considers factors such as the nation's economic health, aviation industry trends, and airline fuel and fare pricing trends. In the absence of significant local influences, activity at an airport would be expected to increase at a rate comparable to the national rate. The growth rate used for the Airport can be reflected as an increase or decrease in its future share of the market.
- **Socioeconomic Regression Approach.** A regression analysis compares proven relationships between various socioeconomic variables for the Airport's market area to O&D aviation activity. A mathematical regression analysis model was developed to correlate the past relationship of these variables to the Airport's enplanements and then to project this relationship using the independent forecasts of these economic/demographic variables. Independent variable inputs were tested, and a simple trend line was determined to test the

resulting projections. Of interest in the analyses, among other factors, was how well each socioeconomic variable explained the annual variations in enplaned passengers at the Airport (i.e., the model's correlation coefficient).

The Airport's demand for O&D air service is generally driven by factors directly related to the Air Trade Area's demographic and economic characteristics. As such, three socioeconomic variables were used as the independent variables for the regression analysis:

- **Population.** The number of persons residing in the region, based on data reported by the U.S. Census Bureau. For this analysis, historical and projected population data for the Air Trade Area was obtained from the U.S. Census Bureau.
- **Employment.** Number of persons employed in the region, based on nonagricultural employment data collected by the U.S. Department of Labor, Bureau of Labor Statistics. Historical and projected data for the independent variables listed above associated with the Airport's market area were obtained.
- **Per Capita Income (PCI).** PCI indicates a relationship between the wealth of the citizens of the Air Trade Area with the population level for the region. Residents with higher relative income levels are more likely to travel by air. PCI data is based on regional statistics collected by the U.S. Department of Labor, Bureau of Labor Statistics.

4.7.1 Activity Projection Assumptions

The projections are based on a number of underlying assumptions, including:

- The underlying economic conditions of the Air Trade Area are anticipated to drive future demand for O&D air travel at the Airport. Despite the recent restructuring of the "Big 3" U.S. automakers inside and outside of the bankruptcy process, the Air Trade Area continues to be a global leader in the automotive industry due to the large number of R&D facilities located throughout the region. The rapid globalization of the automobile industry will continue to drive demand for air transportation in the Air Trade Area.
- The Airport will continue its role of serving both O&D passengers and as a major connecting hub for Delta. The Airport will continue to serve as a connecting point for Delta to primarily short- to medium-haul markets in the eastern half of the U.S., and will continue to be one of Delta's major international gateways for both European and Asian traffic. The Airport will also continue to serve all major O&D markets in the U.S.
- Regional competition with other airports in or near the Air Trade Area is currently and is expected to remain relatively limited, given the Airport's major advantage of air service as compared to other regional airports.
- Airline consolidation/mergers (including United/Continental and Southwest/AirTran) that may occur during the projection period are not likely to negatively impact passenger activity levels at the Airport. New airline alliances, should they develop, will be restricted to code sharing and joint frequent flyer programs, and will not reduce airline competition at the Airport.
- The Airport's competitive assets including its central geographic position, substantial airfield and terminal processing capability, the benefits of its local market, limited local airport

competition, and its competitive airline cost structure will maintain the Airport as an attractive location for a major airline hub and an important O&D market.

- For these analyses, and similar to the FAA's nationwide projections, it is assumed that there will not be terrorist incidents against either domestically or internationally during the projection period that negatively impact aviation demand.
- Economic disturbances will occur during the projection period causing year-to-year traffic variations; however, a long-term increase in nationwide traffic is expected to occur.
- It is assumed no major "Acts of God" which may disrupt the national and/or global airspace system, such as the volcanic eruption of Eyjafjallajokull in Iceland, will occur during the projection period that negatively impact aviation demand.

Many of the factors influencing aviation demand cannot necessarily or readily be quantified; and any projection is subject to uncertainties. As a result, the projection process should not be viewed as precise. Actual future traffic levels at the Airport may differ from projections presented herein because events and circumstances do not occur as expected, and these differences may be material.

4.7.2 Enplanement Projections

The enplanement projections for the Airport are presented on **Table IV-16**. As shown, total enplanement growth is expected to increase at a CAGR of 2.0 percent for the period of OY 2009 to OY 2020 to a total of approximately 19.9 million enplanements. Growth trends are expected to be more rapid in the shorter term as Delta increases its international capacity at the Airport, which is also expected to stimulate domestic connecting traffic slightly above longer-term growth rates. Delta has signaled its commitment to building its presence at Detroit, in the wake of its merger with Northwest, with several service enhancements, including expanded service to Shanghai, new nonstop services to Hong Kong and Seoul, South Korea. Delta has also returned its seasonal service to Rome with daily flights. Most recently, Delta also commenced daily service to Sao Paulo, beginning October 21, 2010. Beginning February 2011, Delta is expected to launch Detroit – Tokyo-Haneda nonstop to complement its existing Tokyo-Narita nonstop service. Also, on November 16, 2010, Delta applied to the U.S. Department of Transportation for an allocation of U.S.-China frequencies for five times weekly non-stop Detroit-Beijing service beginning July 1, 2011.

Based on announced aircraft fleet changes by Delta and in concert with national trends, mainline legacy carriers are projected to continue to shift traffic to regional affiliate carriers. As presented, projected enplanement growth rates for mainline legacy carriers are lower than those projected for the regional/commuter airlines. Longer-term, projected growth rates are expected to stabilize. For the period of OY 2010 through 2020, total Airport enplanements are projected to increase at a CAGR of 2.3 percent.

The FAA prepares a Terminal Area Forecast (TAF) as its official forecast of aviation activity for FAA facilities. These forecasts are prepared for FAA towered airports, federally contracted towered airports, nonfederal towered airports, and non-towered airports. In general, the purpose of the TAF is for budgetary and planning needs for the FAA and to provide information for state and local authorities, the aviation industry, and the public. For comparison purposes, the current TAF for the Airport projects overall enplanements to increase at a CAGR of 2.7 percent for the period of 2010 through 2020, which is higher than the projections included in this report.

Table IV-16

Enplanement Projections (In Thousands for Operating Years ending September 30)

	Domestic					
Operating Year	Mainline Legacy Carriers	Low Cost Carriers	Regionals/ Commuters	Charter	International	Airport Total
Historical						
2001	12,340	1,156	1,655	132	1,798	17,082
2002	11,292	1,155	1,780	101	1,265	15,593
2003	11,491	1,327	2,062	37	1,361	16,278
2004	12,099	1,312	2,410	94	1,402	17,317
2005	12,240	1,283	3,124	111	1,528	18,286
2006	11,467	1,553	3,198	105	1,478	17,800
2007	11,594	1,900	2,981	107	1,527	18,108
2008	10,780	1,741	3,667	84	1,560	17,831
2009	8,843	1,451	4,303	26	1,319	15,941
Projected						
2010[1/]	8,104	1,431	5,074	6	1,262	15,877
2011	7,923	1,376	5,572	6	1,212	16,090
2012	8,154	1,460	5,749	7	1,280	16,650
2013	8,392	1,503	5,922	7	1,344	17,168
2014	8,596	1,539	6,077	7	1,408	17,627
2015	8,802	1,576	6,228	7	1,470	18,083
2016	8,961	1,605	6,374	7	1,514	18,461
2017	9,130	1,603	6,503	8	1,557	18,801
2018	9,279	1,630	6,646	8	1,603	19,165
2019	9,430	1,656	6,800	8	1,651	19,545
2020	9,583	1,683	6,949	9	1,700	19,924
Compounded Annual Growth Rate						
2001 - 2009	(4.1%)	2.9%	12.7%	(18.5%)	(3.8%)	(0.9%)
2009 - 2010	(8.4%)	(1.4%)	17.9%	(76.5%)	(4.3%)	(0.4%)
2009 - 2020	0.7%	1.4%	4.5%	(9.5%)	2.3%	2.0%
2010 - 2020	1.7%	1.6%	3.2%	3.5%	3.0%	2.3%

Notes: Figures may not add due to rounding.
1/ Authority's preliminary budget based on information received from airlines and future outlook.

Sources: Wayne County Airport Authority (Historical), October 2010; Ricondo & Associates, Inc. (Projected), October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

4.7.3 Aircraft Operations and Landed Weight Projections

Projections of annual aircraft operation activity at the Airport are presented on **Table IV-17** for the years 2010 through 2020. Aircraft operations projections are essentially based on assumptions regarding future decisions on how airlines will accommodate demand. For these projections, the overall industry shift from mainline aircraft equipment to regional affiliates was assessed. Additionally, the projections assume further increases in regional aircraft fleet mix as mainline legacy carriers retire older less-fuel efficient aircraft with regional jet aircraft. Compounded annual growth in total aircraft operations is projected at approximately 1.6 percent for this period with regional aircraft operations increasing at a slightly higher rate than mainline.

Table IV-18 presents landed weight projections for the Airport. Total landed weight is projected to increase at a CAGR of 1.7 percent for the period of OY 2010 through 2020 to a total of 23.8 million-pound units. Similar to aircraft operations, landed weight projections are primarily based on assumptions regarding airline decisions for accommodating passengers. Landed weight growth is projected to be lower than enplanement increases as airlines are expected to continue to generally limit overall capacity growth and increase load factors throughout the projection period.

Table IV-17

Aircraft Operations Projections (Operating Years ending September 30)

Operating Year	Mainline	Regionals/ Commuters	Passenger Airline Total	All-Cargo	General Aviation	Military	Total
Projected							
2010	178,500	254,100	432,600	3,000	6,700	130	442,430
2011	170,000	282,700	452,700	3,100	6,700	130	462,630
2012	174,300	295,500	469,800	3,200	6,700	130	479,830
2013	178,500	302,400	480,900	3,300	6,700	130	491,030
2014	182,100	304,400	486,500	3,400	6,700	130	496,730
2015	185,600	306,000	491,600	3,500	6,700	130	501,930
2016	187,900	307,400	495,300	3,600	6,700	130	505,730
2017	189,900	307,900	497,800	3,700	6,700	130	508,330
2018	192,000	309,100	501,100	3,800	6,700	130	511,730
2019	194,200	310,700	504,900	3,900	6,700	130	515,630
2020	196,300	312,000	508,300	4,000	6,700	130	519,130
Compounded Annual Growth Rate							
2010 - 2020	1.0%	2.1%	1.6%	2.9%	0.0%	0.0%	1.6%

Source: Ricondo & Associates, Inc. (Projected), October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Table IV-18

Landed Weight Projections (In Thousand-Pound Units for Operating Years ending September 30)

Operating Year	U.S. Flag Carriers	Foreign Flag Carriers	Cargo/Other[1/]	Total Airport
Historical				
2001	25,676,579	271,200	558,468	26,506,247
2002	23,896,495	231,354	655,048	24,782,897
2003	23,639,606	400,959	664,199	24,704,764
2004	24,281,653	339,632	686,425	25,307,710
2005	24,836,408	375,861	674,986	25,887,255
2006	22,818,529	490,989	800,122	24,109,640
2007	22,763,779	624,960	967,964	24,356,703
2008	21,848,056	626,107	884,747	23,358,910
2009	19,928,278	439,368	637,000	21,004,646
Projected				
2010[2/]	19,282,448	336,429	548,389	20,167,265
2011	20,107,267	371,733	521,000	21,000,000
2012	20,852,799	491,878	561,377	21,906,055
2013	21,345,490	503,500	578,920	22,427,910
2014	21,594,055	509,363	596,463	22,699,881
2015	21,820,426	514,703	614,007	22,949,135
2016	21,984,656	518,577	631,550	23,134,782
2017	22,095,623	521,194	649,093	23,265,909
2018	22,242,098	524,649	666,636	23,433,383
2019	22,410,767	528,628	684,179	23,623,574
2020	22,561,681	532,188	701,722	23,795,591
Compounded Annual Growth Rate				
2001 - 2009	(3.1%)	6.2%	1.7%	(2.9%)
2009 - 2010	(3.2%)	(23.4%)	(13.9%)	(4.0%)
2009 - 2020	1.1%	1.8%	0.9%	1.1%
2010 - 2020	1.6%	4.7%	2.5%	1.7%

V. Financial Analysis

This chapter examines the financial structure of the Airport, financial implications of proposed Series 2010 Bonds, operating expense and revenue projections, reserve requirements established under the Master Airport Revenue Bond Ordinance (the Master Bond Ordinance) dated September 26, 2003, the Series 2010 Ordinance (Series Ordinance) dated September 23, 2010, and the rate covenant requirement following the issuance of the Series 2010 Bonds.

5.1 Governing Body

The Authority operates the Airport and Willow Run Airport, a general aviation reliever and cargo airport (the Airports). The Authority was created on March 26, 2002, pursuant to an amendment to the Michigan Aeronautics Code. On August 9, 2002, the Authority assumed operational jurisdiction of the Airports from the Charter County of Wayne, Michigan, when the Authority received operating certificates for the Airports from the Federal Aviation Administration (FAA).

The Authority is governed by a seven-member Board (the Board). Four members of the Board are appointed by the Wayne County Executive; two members are appointed by the Governor of Michigan; and one member is appointed by the Wayne County Commission. Board members serve for six-year terms, but may not serve for more than two terms. The Board appoints a Chief Executive Officer (CEO), an audit subcommittee, and an independent public accountant to prepare an annual audit and review the financial condition, operation, and performance of the Authority. The CEO appoints the Chief Financial Officer (CFO) and other members of senior management of the Authority.

The Authority funds operations and capital improvements of the Airport and Willow Run with revenues generated from rentals, fees and charges; PFC Revenues; and federal grants-in-aid. The Authority maintains its financial records in accordance with generally accepted accounting principles as they apply to government entities.

5.2 Financial Structure

This section discusses the requirements of the Master Bond Ordinance and the Series Ordinance, the cost centers that the Authority uses for the purpose of accounting for operating expenses, amortization, and debt service, and the signatory airline agreements (Airline Agreement).

5.2.1 Master Bond Ordinance and Series Ordinance

The financial operation of the Authority is governed primarily by the Master Bond Ordinance and Series Ordinances, collectively referred to herein as the Ordinance, and by the Airline Agreement. The Ordinance provides conditions for the issuance of the Series 2010 Bonds and the application of Revenues, as defined therein, to the payment of operating expenses and debt service.

The Ordinance defines "Revenues" to mean the general revenues derived from the operation of the Airport, which includes all amounts deposited in the Revenue Fund, from whatever source, and all income derived from, but not necessarily limited to, the following:

- Charges, fees, rentals, and rates charged for services, facilities, and commodities furnished by the Airport, whether such income is derived from its function as an Airport or not;

- Concessions, rentals, auto parking fees, service charges derived from the operations of the terminal complex buildings and facilities;
- Airplane landing fees;
- Miscellaneous charges and rentals from other facilities and services; and
- Investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit to the Revenue Fund.

Specific items identified for exclusion from the calculation of Revenues include (1) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (2) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefore or other capital contributions from any source, or (3) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport.

The term "Net Revenues" is defined to mean, for any OY of the Authority or other period of time, Revenues for such year or period, less the amount needed for the payment of Operation and Maintenance (O&M) Expenses for such year or period, with O&M Expenses defined as the reasonable expenses of administration, operation, and maintenance of the Airport. Under the provisions of the Ordinance, the Series 2010 Bonds are to be payable from and secured by a lien on Net Revenues.

5.2.1.1 Rate Covenant

The Authority covenants in Section 604 of the Master Bond Ordinance to fix, charge, and collect rates, fees, rentals, and charges for the use and operation of the Airport as may be necessary or appropriate to produce Revenues in each OY which will be at least sufficient to provide for the following:

- The payment of O&M Expenses for the OY;
- Together with PFC proceeds, including interest thereon, deposited with the Trustee with respect to such OY, the amounts needed to make the deposits required pursuant to Section 501 of the Master Bond Ordinance for the OY to the Bond Fund; and,
- Together with Other Available Moneys deposited with the Trustee with respect to such OY (to the extent not needed to make the deposits required pursuant to Section 501 of the Master Bond Ordinance for such OY to the Bond Fund) and any unencumbered cash balance held in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made and not then required to be deposited in any Fund or Account, including (1) Junior Lien Bond Fund, Operation and Maintenance Reserve Fund, Renewal and Replacement Fund, Airport Discretionary Fund, the Airport Development Fund, and (2) an amount not less than 25 percent of the Debt Service due and payable on Senior Lien Bonds during such OY.

Under the Master Bond Ordinance, rates, fees, rentals, and charges can be revised from time to time as may be necessary to produce the necessary amounts, provided that those fixed pursuant to a lease or contract are not revised except as provided for in the lease or contract.

5.2.1.2 Additional Senior Lien Bonds and Additional Junior Lien Bonds

Section 208 of the Master Bond Ordinance permits the Authority to issue a Series of Senior Lien Bonds on a parity with Outstanding Senior Lien Bonds (Additional Senior Lien Bonds) as long as no Default or Event of Default under the Master Bond Ordinance is known to the Authority at the time they are authorized to be issued by adoption of a Series Ordinance. Prior to issuing any Additional Senior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance will not impair the tax-exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds. For Additional Senior Lien Bonds, either of the following is required; (1) the Authority has provided a report of an Airport Consultant projecting (i) Revenues and Revenue Fund balances plus (ii) Other Available Moneys and any amounts estimated to be available to pay capitalized interest sufficient for the first three full OYs commencing after completion of construction of capital projects to be funded from the proceeds of the Additional Senior Lien Bonds satisfying the Rate Covenant and any other applicable covenants contained in any Series Ordinance; or (2) the Authority has provided to the Trustee a certificate of the CFO, accompanied by an Accountant's report, certifying that, taking all Outstanding Senior Lien Bonds (other than any Senior Lien Bonds to be refunded by the Series of Senior Lien Bonds proposed to be issued) and the Series of Senior Lien Bonds to be issued into account as if it had been issued at the beginning of the most recent OY for which audited financial statements for the Authority are available, the Net Revenues together with Other Available Moneys actually deposited in the Bond Fund for such OY were not less than 125 percent of the Debt Service with respect to Outstanding Senior Lien Bonds and proposed Series of Senior Lien Bonds for such period. Any unencumbered fund balance in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made may be added to Net Revenues for this calculation as provided in Section 604 of the Master Bond Ordinance.

Additional Senior Lien Bonds issued to refund Outstanding Senior Lien Bonds or issued to finance the cost of completing a CIP element with respect to which a Series of Senior Lien Bonds has previously been issued, as long as the principal amount does not exceed ten percent of the face amount of the Series of Senior Lien Bonds originally issued, are not subject to the Additional Senior Lien Bonds Test.

Section 208A of the Master Bond Ordinance authorizes the Authority to issue one or more Series of Junior Lien Bonds as long as; (1) the Authority is not aware of the existence of any Default or Event of Default under the Master Bond Ordinance at the time such Junior Lien Bonds are authorized to be issued by adoption of a Series Ordinance, and (2) the issuance of the Junior Lien Bonds will not, in the opinion of the Bond Counsel, impair the tax exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds. In addition, prior to issuing a Series of Junior Lien Bonds other than those proposed to refund Senior Lien Bonds or Junior Lien Bonds, the CFO must certify to the Trustee that the sum of (a) the Net Revenues for the most recently completed OY, (b) the amount of Other Available Moneys actually deposited in the Bond Fund for the most recently completed OY, and (c) the average of (i) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed OY, and (ii) each annual amount of Other Available Moneys which the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund over the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110 percent of the Debt Service with respect to such Outstanding Senior Lien Bonds and Outstanding Junior Lien Bonds and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds, in each case for the OY in which the Series of Junior Lien Bonds is proposed to be issued and the four next succeeding OYs. As provided in Section 604 of the Master

Bond Ordinance, any unencumbered fund balances in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made may be added to Net Revenues.

In making the required calculations, the Authority shall also take into account (a) all Outstanding Senior Lien Bonds and Outstanding Junior Lien Bonds (other than Senior Lien Bonds or Junior Lien Bonds proposed to be refunded by the Series of Junior Lien Bonds proposed to be issued) and (b) the Series of Junior Lien Bonds proposed to be issued as if it had been issued at the beginning of the most recent OY for which audited financial statement for the Airport are available. The certificate of the CFO is to be accompanied by an Accountant's report verifying compliance with these requirements.

The Series 2010 Bonds shall be issued as Senior Lien Bonds of the Authority under Section 202A of the Master Bond Ordinance and pursuant to the requirements of Section 208A of the Master Bond Ordinance.

5.2.1.3 Flow of Funds

Section 501 of the Master Bond Ordinance creates certain funds and accounts and establishes the principal functions and uses of each fund and account. The requirements of the Master Bond Ordinance and the rate-making methodology adhered to by the Authority were utilized to develop the estimated flow of funds included in these financial analyses. **Exhibit V-1** presents the flow of funds as specified in the Master Bond Ordinance. The Master Bond Ordinance requires that all Revenues be deposited in the Revenue Fund and applied in the following order of priority in monthly deposits:

- **Operation and Maintenance Fund.** Held by the Trustee and to be used only for monthly O&M Expenses.
- **Bond Interest and Redemption Fund.** Except as otherwise provided in the Ordinance, moneys on deposit in the Bond Interest and Redemption Fund (Bond Fund) are used for the purpose of paying the principal, redemption price, or interest on bonds, or paying obligations under a swap agreement entered into by the County prior to January 1, 1998. Separate accounts created in the Bond Fund include the Airport Bond Reserve Account and the Airport Capitalized Interest Account. Out of Revenues and other moneys remaining the Revenue Fund, after transfers to the Operation and Maintenance Fund, if required, monthly transfers are made to the Bond Fund to provide for the next payment of principal and interest on bonds. Monthly transfers are less; (1) any amounts in the Bond Fund representing accrued interest on the bonds, (2) amounts in the Capitalized Interest Account for bonds of a particular series to pay capitalized interest on those bonds for the current OY, (3) the sum of any funds, including Other Available Moneys, actually on deposit in the Bond Fund, and (4) payments received by a swap provider.
- **Junior Lien Bond Interest and Redemption Fund.** The Junior Lien Bond Interest and Redemption Fund (Junior Lien Bond Fund) is used, except as otherwise provided in the Ordinance, to pay the principal, redemption price, or interest on Junior Lien Bonds. The Airport Junior Lien Bond Reserve Account, Airport Junior Lien Capitalized Interest Account. And Airport Swap Payment Accounts are subaccounts in the Junior Lien Bond Fund. Out of Revenues and other moneys remaining the Revenue Fund, after transfers to the Operation and Maintenance Fund, if required, monthly transfers are made to the Junior Lien Bond Fund to provide for the next payment of principal and interest on Junior Lien bonds. Monthly transfers are less; (1) any amounts in the Junior Lien Bond Fund representing accrued interest

FLOW OF FUNDS

DEPOSIT ALL REVENUES OF THE AIRPORT

Priority Under the Ordinance

Revenue Fund — 1

Maintain Fund Balance of Revenues as Credit Against Coverage Requirement - 25% of Debt Service on Outstanding Bonds

Rebate Fund

Pay Funds Pursuant to Section 103(c)(6) of The Internal Revenue Code of 1954

Operation and Maintenance Fund — 2

Pay Operation and Maintenance Expenses

Bond and Interest Redemption Fund — 3

Pay Principal, Redemption Price, and Interest on the Bonds and 1996 Swaps

Bond Reserve Account	*Capitalized Interest Account*
Replenish Reserve as Required	Pay Capitalized Interest

Other Available Moneys

Monthly Transfer of Passenger Facility Charge (PFC) proceeds to pay eligible portions of Debt Service, including interest thereon, and federal LOI funds to the Bond Fund

Junior Lien Bond and Interest Redemption Fund — 4

Pay Principal, Redemption Price, and Interest on the Junior Lien Bonds; Pay Any Amounts Due to any Post-1996 Swap Provider and Due in Connection with Any Post-1996 Swap Agreement

Junior Lien Bond Reserve Account	*Junior Lien Capitalized Interest Account*	*Swap Payment Account*
Replenish Reserve as Required	Pay Capitalized Interest	Pay Obligations Under Any Post-1996 Swap Agreement

Operation and Maintenance Reserve Fund — 5

Maintain One-Month O&M Reserve to Pay for O&M, or Replenish Bond Reserve Fund

Renewal and Replacement Fund — 6

Pay for Completing or Replacing Capital Improvements, Repairs, Replacements, or Renovations at the Airport, Replenish Bond Reserve Account or Operation Maintenance Reserve Fun

Airport Discretionary Fund — 7

Pay for Any Cost or Expense of the Authority Incurred for Any Lawful Purpose at the Airports.

Airport Development Fund — 8

Pay for Capital Costs or Expense of the Authority Incurred for Any Lawful Airport System Related Purposes

Earnings and Profits in the:

Bond Reserve Account - in the following priority: (1) retained in the account until the Reserve Requirement is on deposit; (2) prior to the Completion Date, credit to the Construction Fund based on the proportion of the projects completed to date, and then credit the balance (or the amount related to projects that have not been completed) to the general account of the Bond Fundl and, (3) on and after the Completion Date credited to the general account of the Bond Fund.

Capitalized Interest Account - are applied in the following priority: (1) retained in the account until the account is fully funded and, (2) after the account is fully funded, credit to the Construction Fund.

Earnings and Profits in the:

Operation and Maintenance Reserve Fund - are applied in the following priority: (1) retained in the account until the Operating Reserve Requirement is on deposit; and, (2) after the account is fully funded, credited to the Revenue Fund.

Earnings and Profits in the:

Renewal and Replacement Fund - are applied in the following priority: (1) retained in the account until the Replacement Requirement is on deposit; and (2) after the account is fully funded, credited to the Revenue Fund.

Source: Wayne County Airport Authority Master Airport Revenue Bond Ordinance, September 26, 2003.
Prepared by: Ricondo & Associates, Inc.

Exhibit V-1

Flow of Funds Pursuant to the Master Bond Ordinance

on Junior Lien bonds, (2) amounts in the Capitalized Interest Account for Junior Lien bonds of a particular series to pay capitalized interest on those Junior Lien Bonds for the current OY, (3) the sum of any funds, including Other Available Moneys, actually on deposit in the Junior Lien Bond Fund, and (4) payments received by a swap provider.

- **Operation and Maintenance Reserve Fund.** Funded to an amount equal to one-twelfth of estimated O&M Expenses in the most recent Authority budget for the Airport. Via transfers from the Revenue Fund, the fund is adjusted to reflect changes in Operation and Maintenance Expenses as they are estimated by the Authority in its budgets for the Airport. Transfers from the Operation and Maintenance Reserve Fund for the payment of Operation and Maintenance Expenses, or for the restoration of the Senior Lien Bond Reserve Account or Junior Lien Bond Reserve Account as provided for in the Ordinance, to be replaced from Revenues first received thereafter in the Revenue Fund which are not required for Operation and Maintenance Expenses, current debt service requirements, or to restore the Senior Lien Bond Reserve Account of the Junior Lien Bond Reserve Account. In addition, when required by a swap agreement, a reserve requirement as established by that agreement is held in the Operation and Maintenance Reserve Fund.
- **Renewal and Replacement Fund.** Funded to an amount of $2.5 million through quarterly installments of $125,000, the Renewal and Replacement Fund is intended for paying (1) costs of completing or replacing capital improvements at the Airport, and (2) making repairs, replacements, or renovations at the Airport. Moneys in the Renewal and Replacement Fund can also be used to restore the Senior Lien Bond Reserve Account or Junior Lien Bond Reserve Account to the extent that moneys in the Revenue Fund and Operation and Maintenance Reserve Fund are insufficient to do so. Transfers from the Renewal and Replacement Fund are replaced in quarterly installments of $125,000 from any moneys in the Revenue Fund not required by the Ordinance to be used for the Operation and Maintenance Fund, the Bond Fund, the Senior Lien Bond Reserve Account, the Junior Lien Bond Fund, the Junior Lien Bond Reserve Account, or the Operation and Maintenance Reserve Fund.
- **Airport Discretionary Fund.** After satisfying other requirements of the Ordinance, a quarterly transfer of $87,500 is made from the Revenue Fund to the Airport Discretionary Fund. In the event of a deficiency in any quarterly transfer, the amount of such deficiency is added to the deposit required to be made by the Authority in the next quarterly transfer. At the discretion of the CEO, and subject to applicable agreements, balances in the Airport Discretionary Fund can be applied to the payment of any cost or expense of the Authority incurred for any lawful purpose at the Airports (the Airport or Willow Run)
- **Airport Development Fund.** On the last day of each quarter of each OY, in addition to and after satisfying other requirements of the Ordinance, one quarter of an amount calculated in accordance with applicable agreements and included in budgeted rates and charges (originally established at $5 million per year in OY 2001 and adjusted based on percentage increases in the Producer Price Index thereafter) is transferred from the Revenue Fund to the Airport Development Fund. The total Airport Development Fund transfer for OY 2011 was budgeted at $6.8 million. At the written discretion of the CEO, balances in the Airport Development Fund can be applied to the payment of any capital cost or expense of the Authority incurred for any lawful airport system related purposes. Deficiencies in any quarterly transfer are added to the deposit required to be made in the next quarterly transfer.

5.2.1.4 The Series 2010 Bonds and Plan of Refunding

The various Series of the Series 2010 Bonds will be issued under two different interest rate structures. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds and Series 2010D Bonds will be issued as fixed rate bonds. The Series 2010E Bonds and the Series 2010F Bonds will be issued as variable rate demand obligations secured by bank letters of credit.

The Authority will use the net proceeds of the Series 2010 Bonds to (1) refund all or portions of the outstanding principal amount of the Outstanding Prior Bonds; (2) fund deposits to the Bond Reserve Account to satisfy the Reserve Requirement, and (3) pay certain costs of issuing the Series 2010 Bonds. The "Outstanding Prior Bonds" means, collectively, the following:

- the Authority's Series 1998A Bonds, approximately $689.0 million of which are currently outstanding,
- the Authority's Series 1998B Bonds, approximately $9.6 million of which are currently outstanding,
- the Authority's Series 2008B Bonds, approximately $191.5 million of which are currently outstanding,
- the Authority's Series 2008C Bonds, approximately $76.3 million of which are currently outstanding,
- the Authority's Series 2008D Bonds, approximately $29.4 million of which are currently outstanding,
- the Authority's Series 2008E Bonds, approximately $29.4 million of which are currently outstanding, and
- the Authority's Series 2008F Bonds, approximately $29.4 million of which are currently outstanding.

5.2.2 Authority Accounting

The Authority accounts for its revenue and costs on an Airport-wide residual basis as described below. Per the Airline Agreements of the Signatory Airlines, beginning in OY 2009, the Authority created two terminal cost centers for the purpose of accounting for and allocating the cost of operating, maintaining, and developing the terminals at the Airport in order to establish airline rates and charges for the use of the terminals. For each Operating Year, terminal related O&M Expenses, Bond Debt Service, Other Available Moneys and certain other revenue items for each OY are allocated between the South Terminal Cost Center (the McNamara Terminal) and the North Terminal Cost Center (the North Terminal), as described below. Activity Fees will continue to be established on an Airport-wide residual basis (as described later in this Chapter). For example, after the allocation of expenses and revenues to the South Terminal Cost Center and North Terminal Cost Center are completed for purposes of calculating the associated terminal rental rates and shared use charges, all expenses and revenues of the Airport, including those allocated to South Terminal and North Terminal Cost Centers, and the terminal rentals are used in the calculation of the Net Revenue Requirement to derive the Airport-wide residual Activity Fee.

5.2.2.1 South Terminal Cost Center

The South Terminal Cost Center includes land identified as the South Terminal (the McNamara Terminal) on Exhibit J of the Airline Agreements and all current or future facilities, equipment, and improvements located thereon. Included in the South Terminal Cost Center, as defined in the Airline Agreements, are all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas, and federal inspection service facilities associated with the McNamara Terminal and any additions and improvements thereto.

5.2.2.2 North Terminal Cost Center

The North Terminal Cost Center includes land identified as the North Terminal on Exhibit J of the Airline Agreements and all current or future facilities, equipment, and improvements located thereon. Included in the North Terminal Cost Center, as defined in the Airline Agreements, are all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas, and federal inspection service facilities associated with the North Terminal and any additional and improvements thereto.

5.2.3 Airline Agreements

Funding for Airport operations is predicated on the stipulations in the Airport Use and Lease Agreements (the Airline Agreements) between the Authority and certain airlines operating at the Airport. The Airline Agreements establish ratemaking procedures for the term of the agreements. The following airlines are parties to Airline Agreements: Air France, AirTran, American, Continental, Delta, Federal Express, KLM (does not currently operate at the Airport), Mesaba, Pinnacle, Southwest, Spirit, United, United Parcel Service, and US Airways (collectively, the Signatory Airlines).

The Airline Agreements with each of the Signatory Airlines at the Airport have terms ending September 30, 2032. The Airline Agreements contain terms addressing the calculation of airline rates and charges, including terminal rentals and shared use fees for the North Terminal and South Terminal (the terminal rate calculations for the North Terminal and South Terminal are substantially the same), as well as the calculation of landing fee rates. Pursuant to the terms of the Airline Agreements, the Authority calculates airline landing fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service requirements. If the Authority incurs a deficit in any particular OY, it has the ability to increase landing fee rates to the Signatory Airlines up to the amount of the deficit. Conversely, if the Authority realizes a surplus, the Authority must refund the surplus to the Signatory Airlines.

Calculation of Signatory Airlines rates and charges and other key provisions of the Airline Agreements are described below.

5.2.3.1 Terminal Rentals

Commencing October 1, 2008, South Terminal Rental Rates and North Terminal Rental Rates are calculated separately, using a similar methodology set forth in the Airline Agreements.

The South Terminal Rental Rate for each OY is determined by dividing the Cost of the South Terminal for such OY by the sum of (i) the total number of square feet of Preferential South Terminal Space leased to all signatory airlines operating in the South Terminal, and (ii) the total number of square feet of Shared Use South Terminal Space. The Cost of the South Terminal for each OY is an amount equal to the sum of the following:

- O&M Expenses allocated to the South Terminal Cost Center

- Bond Debt Service allocated to the South Terminal Cost Center

Minus, for each OY:

- Other Available Moneys allocated to the South Terminal Cost Center used by the Authority in such OY to pay Bond Debt Service allocated to the South Terminal Cost Center
- The total amount of South Terminal International Facilities Use Fees (IFUF) collected by the Authority (the IFUF is charged to each carrier operating at the Airport per each carrier's deplaned international passenger using of FIS Facilities at the Airport based on a schedule included in the Airline Agreements), and
- The total amount of South Terminal Authority-Controlled Airline Space Revenue and South Terminal Rental Revenue for such OY

The North Terminal Rental Rate for each OY is calculated using the same methodology used for establishing the South Terminal Rental Rate, in that the North Terminal Rental Rate for each OY is determined by dividing the Cost of the North Terminal for such OY by the total number of square feet of Preferential North Terminal Space leased to the Signatory Airlines in that terminal and the total number of square feet of Shared Use North Terminal Space. The Cost of the North Terminal for each OY also is calculated using a methodology substantially the same as the methodology for calculating the Cost of the South Terminal, using North Terminal O&M Expenses and Bond Debt Service, net of Other Available Moneys allocated to the North Terminal Cost Center to pay Bond Debt Service, North Terminal IFUF collections, North Terminal Authority-controlled Airline Space Revenue, and North Terminal Rental Revenues.

The airlines operating in the South Terminal pay fees for the use of the Shared Use South Terminal Space on a per deplaned passenger basis. The airlines operating in the North Terminal pay fees for the use of the Shared Use North Terminal Space on a per enplaned passenger basis.

5.2.3.2 Activity Fees

In accordance with the provisions of the Airline Agreements, the Activity Fee Rate in each OY is the quotient arrived at by dividing the Net Revenue Requirement, defined below, by the aggregate amount of Approved Maximum Landing Weight of aircraft, in units of one thousand pounds, of all Signatory Airlines for such OY. The Net Revenue Requirement for each OY is equal to the sum of the following:

- O&M Expenses for such OY
- Plus, 125 percent of the amount of principal and interest due (net of capitalized interest) for such OY on all then outstanding bonds, less (i) any unencumbered amounts on deposit in the Revenue Fund on the last day of the OY preceding such OY that are usable to satisfy the rate covenant requirements of any Bond Ordinance under which Senior Lien Bonds have been issued, and less (ii) Other Available Moneys used in such OY to pay Bond Debt Service
- Plus, deposits into the Senior Lien Bond Reserve Account, the Junior Lien Bond Reserve Account, the Operation and Maintenance Reserve Fund, and the Renewal and Replacement Fund required for each OY pursuant to the provisions of all applicable Bond Ordinances
- Plus, an amount equal to the budgeted Airport Development Fund transfer for that OY (initially established at $5 million in OY 2001 and escalated to reflect percentage increases in the Producer Price Index thereafter)

- Plus, an amount equal to $350,000, the annual Airport Discretionary Fund transfer
- Minus an amount equal to the sum of:
  - All Terminal Charges (including rentals and shared use fees) collected by the Authority for such OY, including end-of-year payments by the Signatory Airlines or end-of-year refunds by the Authority;
  - All IFUF fees collected by the Authority for the OY;
  - All Authority-Controlled Airline Space Revenue, North Terminal Rental Revenue, and South Terminal Rental Revenue;
  - All concession and parking revenue;
  - And, all other Revenue received during such OY except (i) up to but not exceeding $2.5 million of Revenue attributable to an automated vehicle identification (AVI) program for the entire Airport, and (ii) all proceeds received by the Authority from the sale of certain parcels of Airport property located on the west side of the airfield.

5.2.3.3 Weighted Majority Approval

The Airline Agreements contain Authority covenants with regard to capital expenditures. One such covenant allows the Authority to issue bonds to finance the cost of capital projects (including all reasonable costs incidental to the issuance and sale of the bonds) and include bond debt service and coverage requirements in Signatory Airline fees, only after first receiving a Weight Majority Approval for such capital projects. The Airline Agreements define Weighted Majority as either (1) Signatory Airlines which, in the aggregate, landed 85 percent or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or (2) all but one of the Signatory Airlines regardless of landed weight. The Authority has received Weighted Majority approval for some, but not all, of the projects in the current CIP.

5.3 Operations and Maintenance Expenses

Table V-1 below illustrates O&M Expenses from OY 2007 through budget OY 2011 (budgeted) and also presents this information on a per enplaned passenger basis.

Table V-1

Historical O&M Expenses (Amounts in Millions, except Per Passenger Amounts)

Operating Year Ended	Actual 2007	Actual 2008	Actual 2009	Estimated 2010	Budget 2011	Compounded Annual Growth Rate
Total O&M Expenses 1/	$171.6	$189.9	$183.6	$181.8	$189.9	2.6%
Annual Change	--	10.7	(3.3)%	(0.01)%	4.5%	
Enplaned Passengers	18.1	17.3	15.9	15.8	16.1	(2.9)%
O&M Expenses per Passenger	$9.48	$10.65	$11.52	$11.77	$11.79	5.6%

Note:

1/ Does not include interest expense and paying agent fees or O&M capital amounts which were previously not treated as O&M Expenses.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Historical O&M Expenses from OY 2007 to Budget OY 2011 increased at a compounded annual growth rate (CAGR) of approximately 2.6 percent. As a result of growth in O&M Expenses and a decrease in passenger enplanement levels during the period presented in Table V-1, O&M Expenses have increased on a per enplanement basis. The most significant annual increase in O&M Expenses occurred in OY 2008, corresponding with the opening of the North Terminal, when O&M Expenses increased from approximately $171.6 million to approximately $189.9 million, an increase of approximately 10.7 percent.

In each of the next two years, OY 2009 and OY 2010 (based on year-end estimates), O&M Expenses decreased as a result of aggressive cost control on the part of the Authority. In these years, the Authority sought to identify increases experienced or expected to be experienced in certain O&M Expense items and offset those increases by reductions identified for other categories the O&M Expense. Budgeted OY 2011 O&M Expenses are approximately 4.5 percent greater than estimated 2010 OY O&M Expenses. The budgeted increase in OY 2011 reflects the Authority's intention to complete certain maintenance and renewal-type projects that had been deferred in the preceding years

Table V-2 presents O&M Expenses for the Airport by expense category and cost center for Budget OY 2011 and projected OY 2012 through OY 2020. As shown, O&M expenses are budgeted to be $197.6 million in OY 2011 and projected to increase to $260.0 million in OY 2020. The increase in O&M Expenses projected between OY 2009 and OY 2020 represents a CAGR of approximately 3.1 percent.

Specific points concerning the projections of O&M Expenses by Cost Centers are discussed below.

5.3.1 Non-Terminal

This category of O&M Expenses includes all expenses not included in the South Terminal Cost Center, the North Terminal Cost, or directly funded by the airlines (e.g. North Terminal Airline Consortium Services). Non-terminal O&M Expenses are projected to increase from approximately $126.3 in OY 2009 to approximately $179.1 million in OY 2020, representing a CAGR or approximately 3.2 percent over the period. The primary component of this expense category is the

Table V-2
Operation and Maintenance (O&M) Expenses
(Dollars in Thousands for Operating Years Ending September 30)

	Actual	Estimated	Budget	Projected								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non-Terminal:												
Salaries, Wages, and Fringe Benefits	$72,696	$68,400	$68,452	$70,627	$72,982	$75,414	$77,928	$80,526	$83,210	$85,984	$88,850	$91,811
Materials & Supplies	4,863	3,638	5,529	5,805	6,095	6,400	6,720	7,056	7,409	7,779	8,168	8,576
Parking Management	7,082	6,700	6,800	7,004	7,214	7,431	7,653	7,883	8,120	8,363	8,614	8,872
Shuttle Bus	8,483	8,400	8,500	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Janitorial	724	753	732	754	777	800	824	849	874	900	927	955
Security	2,657	2,300	2,660	2,740	2,822	2,907	2,994	3,084	3,176	3,271	3,370	3,471
Professional and Contractual Services	7,949	7,849	10,566	10,675	10,995	11,325	11,664	12,014	12,375	12,746	13,128	13,522
Buildings & Grounds	4,547	6,980	9,271	9,549	9,835	10,130	10,434	8,429	8,682	8,942	9,210	9,487
Equipment Repair	3,457	3,508	4,096	4,219	4,346	4,476	4,610	4,749	4,891	5,038	5,189	5,345
Other Operating Expenses	3,074	2,403	4,104	4,213	4,340	4,470	4,604	4,742	4,885	5,031	5,182	5,337
Utilities	8,244	10,907	9,895	10,389	10,909	11,454	12,027	12,628	13,260	13,923	14,619	15,350
Insurance	1,435	1,362	1,560	1,607	1,655	1,705	1,756	1,808	1,863	1,919	1,976	2,035
O&M Capital	1,097	1,838	4,983	5,132	5,286	5,445	5,608	3,458	3,562	3,669	3,779	3,892
Subtotal Non-Terminal	$126,307	$125,014	$137,147	$140,955	$145,743	$150,698	$155,828	$156,500	$161,857	$167,404	$173,146	$179,093
North Terminal: 1/												
Materials & Supplies	$45	$53	$50	$52	$55	$58	$61	$64	$67	$70	$74	$77
Janitorial	2,921	2,890	2,940	3,029	3,119	3,213	3,309	3,409	3,511	3,616	3,725	3,836
Contractual Services	3,443	3,576	3,368	3,469	3,573	3,681	3,791	3,905	4,022	4,142	4,267	4,395
Insurance	465	409	443	456	470	484	499	514	529	545	561	578
Utilities	3,548	2,844	3,161	3,319	3,485	3,659	3,842	4,034	4,236	4,447	4,670	4,903
Buildings & Grounds	474	560	754	777	800	824	849	874	901	928	956	984
Equipment Repair	2,319	2,369	2,558	2,635	2,714	2,795	2,879	2,966	3,055	3,146	3,241	3,338
Other Operating Expenses	125	(208)	49	50	52	53	55	57	58	60	62	64
O&M Capital	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal North Terminal	$13,342	$12,492	$13,323	$13,787	$14,268	$14,767	$15,284	$15,821	$16,377	$16,955	$17,554	$18,175
South Terminal:												
Materials & Supplies	$1,061	$1,409	$1,039	$1,090	$1,145	$1,202	$1,262	$1,325	$1,392	$1,461	$1,534	$1,611
Janitorial	6,932	7,357	8,149	8,393	8,645	8,905	9,172	9,447	9,730	10,022	10,323	10,633
Contractual Services	3,252	3,575	4,068	4,190	4,315	4,445	4,578	4,715	4,857	5,003	5,153	5,307
Insurance	810	729	810	834	859	885	912	939	967	996	1,026	1,057
Utilities	15,141	14,649	14,631	15,363	16,131	16,938	17,785	18,674	19,607	20,588	21,617	22,698
Buildings & Grounds	7,683	8,180	5,096	5,249	5,406	5,569	5,736	5,908	6,085	6,267	6,455	6,649
Equipment Repair	9,964	10,126	10,383	10,694	11,015	11,346	11,686	12,037	12,398	12,770	13,153	13,547
Other Operating Expenses	175	209	220	226	233	240	247	255	262	270	278	287
O&M Capital	403	890	2,723	2,805	2,889	2,975	3,065	838	863	889	916	943
Subtotal South Terminal	$45,422	$47,125	$47,118	$48,845	$50,640	$52,504	$54,442	$54,138	$56,162	$58,267	$60,456	$62,733
TOTAL O&M EXPENSES	$185,070	$184,632	$197,589	$203,587	$210,650	$217,970	$225,554	$226,459	$234,397	$242,825	$251,156	$260,001
Summary By Cost Center:												
TOTAL SOUTH TERMINAL O&M EXPENSES	$45,422	$47,125	$47,118	$48,845	$50,640	$52,504	$54,442	$54,138	$56,162	$58,267	$60,456	$62,733
TOTAL NORTH TERMINAL O&M EXPENSES	13,342	12,492	13,323	13,787	14,268	14,767	15,284	15,821	16,377	16,955	17,554	18,175
TOTAL REMAINING O&M EXPENSES	126,307	125,014	137,147	140,955	145,743	150,698	155,828	156,500	161,857	167,404	173,146	179,093
TOTAL O&M EXPENSES	$185,070	$184,632	$197,589	$203,567	$210,650	$217,970	$225,554	$226,459	$234,397	$242,625	$251,156	$260,001

[1] Includes approximately $4.8 million of expenses for certain services provided by DANTeC, a consortium of the North Terminal airlines, which prior to the opening of the North Terminal had been incurred directly by the airlines and were not part of Authority Operating Expenses.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

salaries, wages, and benefits associated with employment of all Authority personnel. It is the largest single Airport expense category, budgeted to account for approximately 34.6 percent of total O&M Expenses in OY 2011. Over the Projection Period, salaries and wages are projected to increase at a compounded annual rate of 3.0 percent and fringe benefits are projected to increase at a compounded annual rate of 4.0 percent. The CAGR for these expenses, when aggregated, for the period FY 2009 to FY 2020 is approximately 2.1 percent.

5.3.2 South Terminal Cost Center

O&M Expenses in the South Terminal Cost Center are expected to increase from approximately $45.4 million in OY 2009 to approximately $62.7 million in OY 2020. This increase represents a CAGR of 3.0 percent during this period.

5.3.3 North Terminal Cost Center

O&M Expenses in the North Terminal Cost Center, excluding expenses for services provided by the North Terminal Airline Consortium that are directly reimbursed by the airlines, were approximately $13.3 million in OY 2009, the first full year after DBO. North Terminal O&M expenses are projected to increase from approximately $13.3 million budgeted for OY 2011 to approximately $18.2 million in OY 2020, representing a CAGR of approximately 2.9 percent between OY 2009 and OY 2016.

5.4 Nonairline Revenues

Table V-3 below illustrates nonairline operating revenues from OY 2007 through Budget OY 2011, including amounts presented on a per enplanement basis.

Table V-3

Historical Nonairline Operating Revenues (Amounts in Millions, except Per Passenger Amounts)

Operating Year Ended	Actual 2007	Actual 2008	Actual 2009	Estimated 2010	Budget 2011	Compounded Annual Growth Rate
Total Nonairline Operating Revenues[1/]	$133.0	$136.0	$122.2	$115.6	$118.2	(2.9)%
Annual Change	--	2.3%	(10.1)%	(5.4)%	2.5%	
Enplaned Passengers	18.1	17.3	15.9	15.8	16.1	(2.9)%
Nonairline Operating Revenues per Passenger	$7.34	$7.63	$7.66	$7.36	$7.34	0.0%

Note:
1/ Does not include interest income and airline non-terminal rentals.

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Nonairline operating revenue experienced a compounded annual decrease of 2.9 percent over the period presented on Table V-3. Decreases in nonairline operating revenue have primarily been attributable to decreases in enplanement levels; over the period OY 2007 through budget OY 2011, both passenger enplanements and nonairline operating revenues experienced the same compounded annual decrease (2.9 percent). Over the period, nonairline operating revenues per enplaning passenger has fluctuated between a low of $7.34, in OY 2007 and budgeted for OY 2011, and a high of $7.66 in OY 2009.

Table V-4 presents nonairline revenues for the Airport by type of revenue for Actual OY 2009, Estimated OY 2010, Budget OY 2011, and projected OY 2012 through OY 2020. As shown, nonairline revenues are budgeted to be approximately $122.7 million in OY 2011 and projected to be approximately $161.5 million in FY 2020. This increase represents a CAGR of 3.1 percent over the period. In general, projections of future nonairline revenues were based on a review of historical trends, the anticipated impacts of inflation, expected rate/revenue increases, and projected growth in activity. Specific points concerning these projections are discussed below:

5.4.1 Parking Revenue

Parking revenue at the Airport is projected to increase from approximately $49.9 million in OY 2009 to approximately $64.7 million in OY 2020, representing a compounded annual growth rate of approximately 2.3 percent over the period. This growth in revenue assumes continued demand for parking facilities and that the Authority will continue to monitor and adjusted parking rates as deemed necessary for both demand control purposes and to keep pace with inflation.

5.4.2 Concessions Revenue

The Authority has multiple concessionaires operating in each of the Airport's terminal facilities for food and beverage services, news and gift services, duty free services in the McNamara Terminal, advertising, pay phones, and other miscellaneous services. In general, the Authority receives revenue from these concessionaires in the form of commission fees that generally include a minimum annual guarantee (MAG) along with other certain commissions depending on performance. As described previously, the Authority and several of its concession operators at the McNamara Terminal and the North Terminal have received industry awards and accolades in recent years for the overall scope and diversity of the concessions program.

Concessions revenue at the Airport is projected to increase from approximately $30.6 million in OY 2009 to approximately $41.0 million in OY 2020, representing a compounded annual growth rate of approximately 2.7 percent. Concession revenue projections are developed based on projected passenger growth and anticipated inflationary impacts.

5.4.3 Car Rental Revenue

Currently, seven rental car agencies operate at the Airport. Six of these agencies are located on-airport in the northern section of Airport property along Lucas Drive. These include Alamo/National, Avis, Budget, Dollar, Enterprise, and Hertz. Thrifty has an off-airport operation in Romulus. The Authority also receives revenues from the rental car companies through commissions consisting of a MAG and certain other performance measurements.

Total rental car revenues are projected to increase from approximately $17.5 million in OY 2009 to approximately $22.3 million in OY 2020, representing a compounded annual growth rate of approximately 2.2 percent. Factors contributing to growth in car rental revenues include projected O&D passenger growth at the Airport as well as keeping pace with inflationary impacts.

5.4.4 Ground Transportation Revenue

Ground transportation providers are located at each of the three terminals adjacent to the curb. At the McNamara Terminal, ground transportation functions operate within the Ground Transportation Center located within the parking garage. Ground transportation options available today include taxi service, luxury sedans, on-airport parking shuttles, courtesy vehicles, scheduled van service, and pre-

Table V-4 (Page 1 of 2)
Nonairline Revenues
(Dollars in Thousands for Operating Years Ending September 30)

Revenues by Category	Actual 2009	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Parking												
PARKING TOTAL	$49,911	$48,200	$52,530	$54,386	$55,582	$56,805	$58,055	$59,332	$60,637	$61,971	$63,335	$64,728
Concessions												
South Terminal												
Food & Beverage	$9,503	$9,315	$9,700	$10,069	$10,451	$10,848	$11,261	$11,688	$12,133	$12,594	$13,072	$13,569
News & Gift Shops	7,968	7,712	7,711	8,004	8,309	8,624	8,952	9,292	9,645	10,012	10,392	10,787
Duty Free	1,644	1,249	1,289	1,327	1,367	1,408	1,450	1,494	1,539	1,585	1,632	1,681
Other	1,256	1,350	1,600	1,661	1,724	1,789	1,857	1,928	2,001	2,077	2,156	2,238
Adverstising	1,307	1,405	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827
Pay Phones	0	0	0	0	0	0	0	0	0	0	0	0
SOUTH TERMINAL TOTAL	$21,678	$21,031	$21,700	$22,503	$23,336	$24,200	$25,096	$26,026	$26,990	$27,989	$29,027	$30,102
North Terminal												
Food & Beverage	$3,369	$3,284	$3,400	$3,529	$3,663	$3,803	$3,947	$4,097	$4,253	$4,414	$4,582	$4,756
News & Gift Shops	2,953	1,820	1,900	1,972	2,047	2,125	2,206	2,289	2,376	2,467	2,561	2,658
Pay Phone	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	183	31	100	103	106	109	113	116	119	123	127	130
Other	1,183	1,318	1,400	1,453	1,508	1,566	1,625	1,687	1,751	1,818	1,887	1,958
Duty Free	0	0	0	0	0	0	0	0	0	0	0	0
Hotel Concessions	0	0	0	0	0	0	0	0	0	0	0	0
NORTH TERMINAL TOTAL	$7,689	$6,453	$6,800	$7,058	$7,325	$7,602	$7,890	$8,189	$8,500	$8,822	$9,156	$9,503
Airside Services												
In-Flight Catering	$1,196	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Flight Services	0	1,474	1,200	1,223	1,247	1,272	1,296	1,322	1,347	1,374	1,400	1,428
Other	0	0	0	0	0	0	0	0	0	0	0	0
AIRSIDE SERVICES TOTAL	$1,196	$1,474	$1,200	$1,223	$1,247	$1,272	$1,296	$1,322	$1,347	$1,374	$1,400	$1,428
CONCESSIONS TOTAL	$30,563	$28,958	$29,700	$30,784	$31,908	$33,074	$34,283	$35,537	$36,837	$38,185	$39,583	$41,033

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

Table V-4 (Page 2 of 2)
Nonairline Revenues
(Dollars in Thousands for Operating Years Ending September 30)

	Actual	Estimated	Budget	Projected								
Revenues by Cost Center	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Car Rental												
Concession Fees	$17,540	$17,000	$16,100	$16,696	$17,313	$17,954	$18,618	$19,307	$20,022	$20,762	$21,531	$22,327
CAR RENTAL TOTAL	$17,540	$17,000	$16,100	$16,696	$17,313	$17,954	$18,618	$19,307	$20,022	$20,762	$21,531	$22,327
Ground Transportation												
Land Lease	$0	$209	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ground Transportation	4,409	2,309	2,495	2,550	2,606	2,663	2,722	2,782	2,843	2,906	2,969	3,035
Public Vehicle	0	15	25	26	26	27	27	28	28	29	30	30
AVI	2,101	2,136	1,880	1,921	1,964	2,007	2,051	2,096	2,142	2,189	2,238	2,287
GROUND TRANSPORTATION TOTAL	$6,510	$4,669	$4,400	$4,497	$4,596	$4,697	$4,800	$4,906	$5,014	$5,124	$5,237	$5,352
Nonairline Rent												
South Terminal	$0	$20	$20	$21	$21	$22	$23	$23	$24	$25	$25	$26
North Terminal	309	311	320	330	339	350	360	371	382	394	405	418
Non-Airline Non-Terminal Rentals	3,458	3,069	2,960	3,049	3,140	3,234	3,332	3,431	3,534	3,640	3,750	3,862
Airline Non-Terminal Rents	3,910	3,944	4,200	4,326	4,456	4,589	4,727	4,869	5,015	5,165	5,320	5,480
RENT TOTAL	$7,677	$7,344	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695	$8,955	$9,224	$9,501	$9,786
Shuttle Bus	$5,655	$5,400	$5,300	$5,459	$5,623	$5,791	$5,965	$6,144	$6,328	$6,518	$6,714	$6,915
Utility Service Fee Rent - North Terminal	490	467	463	486	510	536	563	591	620	651	684	718
Utility Service Fee Rent - South Terminal	1,059	1,195	1,124	1,180	1,239	1,301	1,366	1,435	1,506	1,582	1,661	1,744
Utility Service Fee Rent - Other	2,771	2,538	2,459	2,582	2,711	2,847	2,989	3,138	3,295	3,460	3,633	3,815
Charges for Services	2,223	1,900	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Other Revenue	671	1,000	800	824	849	874	900	927	955	984	1,013	1,044
Interest Income	730	250	350	449	452	457	927	939	946	954	1,451	1,472
TOTAL NONAIRLINE REVENUES	$125,801	$118,922	$122,726	$127,128	$130,862	$134,718	$139,159	$143,269	$147,505	$151,875	$156,875	$161,543
North Terminal Rental Revenue												
Nonairline Rent - North Terminal	$309	$311	$320	$330	$339	$350	$360	$371	$382	$394	$405	$418
Utility Service Fee Rent - North Terminal	490	467	463	486	510	536	563	591	620	651	684	718
TOTAL NORTH TERMINAL RENTAL REVENUE	$799	$778	$783	$816	$850	$886	$923	$962	$1,003	$1,045	$1,089	$1,136
South Terminal Rental Revenue												
Nonairline Rent - South Terminal	$0	$20	$20	$21	$21	$22	$23	$23	$24	$25	$25	$26
Utility Service Fee Rent - South Terminal	1,059	1,195	1,124	1,180	1,239	1,301	1,366	1,435	1,506	1,582	1,661	1,744
TOTAL SOUTH TERMINAL RENTAL REVENUE	$1,059	$1,215	$1,144	$1,201	$1,260	$1,323	$1,389	$1,458	$1,530	$1,606	$1,686	$1,770

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

arranged limo or charter bus services. The Authority constructed a ground transportation center at the North Terminal.

Revenues for ground transportation services include ground transportation fees charged to taxi services and other surface transportation providers, revenues from AVI, and land lease revenues associated with vehicle storage. Total ground transportation revenues decreased from approximately $6.5 million in OY 2009 to approximately $4.7 million in OY 2010. Ground transportation revenues are budgeted at approximately $4.4 million in OY 2011. Based on projected O&D passenger growth and inflationary impacts, ground transportation revenues are projected to increase from approximately $4.4 million budgeted in OY 2011 to approximately $5.4 million in OY 2020, representing a compounded annual growth rate of 2.2 percent over the period OY 2011 through OY 2020.

5.4.5 Rental Revenue

Nonairline rental revenues are projected to increase from approximately $7.7 million in OY 2009 to approximately $9.8 million in OY 2020, representing a compounded annual growth rate of approximately 3.0 percent. Revenue items in this category include TSA space rental revenue in the North Terminal and non-terminal airline rentals, projected based on inflationary impacts. These non-terminal airline rentals include, but are not limited to, hangar, cargo and/or maintenance and other facility rentals.

5.4.6 Other

Other revenues, comprised of shuttle bus revenues, utility service fees, charges for services, other revenue, and interest income, are projected to increase from approximately $13.6 million in OY 2009 to approximately $18.3 million in OY 2020, representing a compounded annual growth rate of approximately 3.0 percent. All items with exception of interest income are projected based on anticipated inflationary impacts. Interest income is projected based on projected fund balances and an estimated investment earnings rates applicable fund balances.

5.5 PFC Revenues

In accordance with the terms and conditions of 14 CFR § 158, the Authority currently charges a PFC at a $4.50 charge level on all PFC-eligible enplaned passengers at the Airport. Including its initial PFC application filed in 1992, the Authority has previously filed and received FAA approval for six PFC applications that, in total, authorize the Authority to collect PFCs and associated interest earnings of $3.2 billion to fund certain capital projects at the Airport. **Table V-5** summarizes the Authority's current PFC collection authority.

Table V-5

PFC Collection Authority (Amounts in Millions)

PFC Application	Total Collection Authority
Application 1 (as amended)	$148
Application 2 (as amended)	6
Application 3 (as amended)	2,099
Application 4 (as amended)	213
Application 5	441
Application 6	257
Total PFC Collection Authority	$3,164

Source: Wayne County Airport Authority, October 2010
Prepared by: Ricondo & Associates, Inc., November 2010

Based on estimates of future enplanements at the time PFC Application 5 was approved, the FAA estimated that current collection authority will be reached in 2032 and has estimated the charge expiration date to be October 1, 2032.

Since the inception of the PFC program the Authority has submitted seven PFC applications. The sixth application was withdrawn by the Authority prior to the FAA issuing a decision on the application so that the Authority could update project cost estimates for consideration. The application was resubmitted as the seventh application. In the future, the Authority will amend applications one through five to adjust the initial budgeted project costs and estimated debt service requirements to reflect final completed project costs and updated debt service. The Authority and the FAA view this effort as an administrative process and do not anticipate any material changes to the Authority's total PFC collection authority.

Table V-6 presents projections of PFC and collections for the projection period based on the activity projections prepared in Chapter 3 of this report. For the purposes of this analysis and based on historical ratios, it is assumed that PFC revenue is collected from approximately 84 percent of enplaned passengers at the Airport. No changes to the current PFC rate or administrative expense are assumed. As shown in Table V-6, total annual PFC collections at the Airport are projected to increase from approximately $59.3 million budgeted in OY 2011 to approximately $73.5 million in OY 2020. Exhibit H of the Airline Agreements identifies agreed upon uses of PFCs and the priority with which available PFCs are applied to PFC-eligible debt service.

The amount of PFC revenue collected for the Airport varies 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 and a shortfall in projected PFC collections could have direct or indirect adverse impacts. For example, PFC shortfalls could result in significant increases in Activity Fees at the Airport thereby negatively impacting the airlines' desire to operate at the Airport. As a result of decreases in passenger enplanements at the Airport since 2007, and the resultant decrease in anticipated PFC revenues, beginning in OY 2011 Activity Fees at the Airport have been adversely impacted and it is projected that beginning in OY 2012, terminal rentals and shared use fees will also be adversely impacted. While it is projected that this shortfall in PFC revenues will negatively impact the rental rates for both the South Terminal and the North Terminal, due to provisions in the Airline Agreements with respect to the priority use of PFCs for Debt Service, it is projected that there will be a significantly greater negative impact on the rental rates for the North Terminal. To some

Table V-6
Calculation of PFCs Available for Debt Service
(Dollars in Thousands for Operating Years Ending September 30)

	Actual 2009	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Enplaned Passengers (000's)	15,941	15,877	16,090	16,650	17,168	17,627	18,083	18,461	18,801	19,165	19,545	19,924
PFC Eligibility %	85.3%	84.6%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%
PFC Eligible Enplanements (000's)	13,602	13,440	13,516	13,986	14,421	14,807	15,190	15,507	15,793	16,099	16,418	16,736
PFC Collection Level	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Admin. Expense	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Net PFC Collection	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
TOTAL PFC REVENUE	$59,711	$59,000	$59,333	$61,399	$63,309	$65,001	$66,683	$68,077	$69,331	$70,673	$72,074	$73,472

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

extent, the Debt Service savings resulting from the issuance of the Series 2010 Refunding Bonds, as well as other potential debt restructurings and/or the strategic use of unexpended bond proceeds or other Authority funds, will mitigate the projected disproportionately negative impact on the North Terminal rental rates.

5.6 Airline Rates

Airline rental and activity fee rates for the period OY 2010 through OY 2020, calculated per the requirements of the Airline Agreement, are presented in the following sections. Terminal rental rates are calculated based on each terminal's respective net requirement divided by its total rented airline premises. The Airport Activity Fee is calculated using an Airport system residual methodology based on projections of total airline landed weight.

5.6.1 South Terminal Rental Rate

Table V-7 presents South Terminal Rental Rates, calculated per the terms of the Northwest Airline Agreement, for the period OY 2010 through OY 2020. The South Terminal Rental Rate is calculated based on the total allocable O&M Expense and Bond Debt Service allocable to the terminal in each year, reduced by Other Available Moneys projected to be allocable to the South Terminal and IFUF revenues projected to be collected in the South Terminal. The resulting Net Requirement is then divided by total South Terminal Airline Premises, approximately 906,000 square feet, to determine the annual South Terminal Rental Rate.

Between OY 2011 (budgeted) and OY 2020, the South Terminal Rental Rate is projected to increase from approximately $59.49 in OY 2011 to approximately $77.29 in OY 2020. Over the same period, total South Terminal Rental Revenue is projected to increase from approximately $53.9 million to approximately $70.0 million, representing a CAGR of approximately 3.0 percent.

5.6.2 North Terminal Rental Rate

Table V-8 presents projected North Terminal Rental Rates for the period OY 2010 through OY 2020 based on the rate making methodology identified in the Airline Agreement. The North Terminal Rental Rate is calculated based on the total allocable O&M expense and Bond Debt Service allocable to the terminal in each year, reduced by Other Available Moneys projected to be allocable to the North Terminal and IFUF revenues, non-airline terminal rental revenue, and Authority-controlled space revenue projected to be collected in the North Terminal. The resulting Net Requirement is then divided by total North Terminal Airline Premises, approximately 209,000 square feet, to determine the annual North Terminal Rental Rate.

Total North Terminal Rental Revenue is estimated at approximately $14.3 million in OY 2010. Between OY 2011 (budgeted) and OY 2020, the North Terminal Rental Rate is projected to increase from approximately $70.55 in OY 2011 to approximately $145.74 in OY 2020.

During interim years of this period, the North Terminal Rental Rate and Total North Terminal Rental Revenues are projected to fluctuate, reaching approximately $167.00 and $32.7 million, respectively, in OY 2012. These rate and total revenue fluctuations are primarily attributable to the amount of Other Available Moneys projected to be applied to North Terminal Bond Debt Service based on PFC-eligible debt service funding priorities and declining PFC fund balances. The Authority has contractually agreed with the Signatory Airlines to use additional PFC collections that may result

Table V-7
South Terminal Signatory Airline Rentals
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Total South Terminal O&M Expenses	$47,125	$47,118	$48,845	$50,640	$52,504	$54,442	$54,138	$56,162	$58,267	$60,456	$62,733
Bond Debt Service	64,573	61,595	60,579	61,577	60,080	59,621	59,586	59,561	59,482	61,159	61,561
TOTAL REQUIREMENT	$111,698	$108,713	$109,424	$112,217	$112,585	$114,063	$113,724	$115,723	$117,749	$121,615	$124,293
Less: Other Available Moneys [1/]	$53,840	$48,103	$41,510	$42,577	$42,092	$42,318	$42,674	$42,990	$43,314	$44,674	$45,235
Less: International Facilities Use Fees	5,389	5,575	5,742	5,915	6,092	6,275	6,463	6,657	6,857	7,062	7,274
Less: South Terminal Rental Revenue	1,215	1,144	1,201	1,260	1,323	1,389	1,458	1,530	1,606	1,686	1,770
Less: Authority-Controlled Space Revenue	0	0	0	0	0	0	0	0	0	0	0
NET REQUIREMENT	$51,254	$53,890	$60,971	$62,465	$63,078	$64,082	$63,129	$64,546	$65,973	$68,193	$70,014
SOUTH TERMINAL AIRLINE PREMISES [2/]	905,837	905,837	905,837	905,837	905,837	905,837	905,837	905,837	905,837	905,837	905,837
SOUTH TERMINAL RENTAL RATE (per square foot)	$56.58	$59.49	$67.31	$68.96	$69.63	$70.74	$69.69	$71.26	$72.83	$75.28	$77.29
TOTAL SOUTH TERMINAL RENTAL AND TERMINAL USE CHARGES [3/]	$51,254	$53,890	$60,971	$62,465	$63,078	$64,082	$63,129	$64,546	$65,973	$68,193	$70,014

[1] PFC moneys transferred to the Bond Fund or Junior Lien Bond Fund for the payment of PFC-eligible debt service.
[2] Preferential South Terminal Space leased to Signatory Airlines and Shared Use South Terminal Space.
[3] Includes per-deplaned passenger Shared Use Fees.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

Table V-8
North Terminal Signatory Airline Rentals
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Total North Terminal O&M Expenses	$12,492	$13,323	$13,787	$14,268	$14,767	$15,284	$15,821	$16,377	$16,955	$17,554	$18,175
Bond Debt Service	36,565	36,288	36,061	36,259	36,360	36,245	36,252	36,295	36,274	36,420	36,613
TOTAL REQUIREMENT	$49,058	$49,611	$49,848	$50,527	$51,127	$51,529	$52,073	$52,672	$53,229	$53,974	$54,788
Less: Other Available Moneys [1/]	$33,446	$31,821	$15,825	$16,577	$18,900	$20,384	$21,417	$22,352	$23,368	$23,248	$24,050
Less: International Facilities Use Fees	499	453	467	481	495	510	525	541	557	574	591
Less: North Terminal Rental Revenue	778	1,379	816	850	886	923	962	1,003	1,045	1,089	1,136
Less: Authority-Controlled Airline Space Revenue [2/]	1,822	2,096	2,664	2,660	2,596	2,556	2,536	2,522	2,504	2,533	2,531
Less: North Terminal Shared Use Fees [3/]	8,501	9,190	19,009	18,939	17,901	17,238	16,919	16,690	16,387	16,857	16,827
NET REQUIREMENT	$4,012	$4,673	$11,068	$11,022	$10,349	$9,919	$9,713	$9,565	$9,368	$9,673	$9,653
PREFERENTIAL NORTH TERMINAL SPACE LEASED TO SIGNATORY AIRLINES	55,252	66,237	66,237	66,237	66,237	66,237	66,237	66,237	66,237	66,237	66,237
NORTH TERMINAL RENTAL RATE (per square foot)	$72.61	$70.55	$167.09	$166.40	$156.24	$149.76	$146.64	$144.40	$141.43	$146.03	$145.74
NORTH TERMINAL RENTALS	$4,012	$4,673	$11,068	$11,022	$10,349	$9,919	$9,713	$9,565	$9,368	$9,673	$9,653

1 PFC moneys transferred to the Bond Fund or Junior Lien Bond Fund for the payment of PFC-eligible debt service.
2 Comprised of revenues received for the use of North Terminal Authority-Controlled Airline Space. Amounts include Common Use Gate Fees, Overnight Common Use Gate Rental, non-signatory airline space rentals, and rental for member-only airline clubs.
3 Collected on a per-enplaned passenger basis from all airlines for the use of approximately 125,000 square feet of shared use space including baggage claim, baggage make-up, and outbound baggage areas.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

from potential increases to per passenger PFC collection levels to fund PFC-eligible debt service which may mitigate the projected rate and total revenue fluctuations.

5.6.3 Airport Activity Fee

Airport Activity Fee rates for the period OY 2010 (estimated), OY 2011 (budgeted) and projected for the period OY 2012 through OY 2020 are presented in **Table V-9**. Using the Airport system residual approach defined in the Airline Agreement and projected total airline landed weights from Chapter 4 of this report, the Signatory Airline Activity Fee Rate is projected to increase from approximately $3.01 per 1,000 pounds of aircraft landed weight in OY 2010 to approximately $4.59 in OY 2015, and subsequently decrease to approximately $3.58 in OY 2020. In each year, the Non-Signatory Activity Fee Rate is 125 percent of the Signatory Airline Airport Activity Fee Rate.

As shown, total Airport Activity Fee Revenue is projected to increase from approximately $60.9 million in OY 2010 to approximately $85.4 million in OY 2020.

5.7 Cost per Enplanement

A general test of reasonableness for Airport user fees is the average airline cost per enplaned passenger (CPE). **Table V-10** presents projections of the Airport's estimated average CPE over the period OY 2010 (estimated) through OY 2020. The projected Airport average CPE is calculated based on estimated airline Terminal Rental and Use Fees, Activity Fee Revenue, IFUF collections, and debt service recapture associated with a terminal project that is funded by a single carrier, each of which has been projected based on applicable Airline Agreements. Total passenger enplanement projections as presented in Chapter 4 of this report are used as the divisor in this calculation.

As shown, the Airport's estimated Airline average CPE is projected to increase from approximately $8.81 in OY 2010 (estimated) to approximately $11.71 in OY 2014, before decreasing in each year thereafter and reaching $9.72 in OY 2020. Although there is a relative spike in the projected CPE in OY 2014, over the long-term, the projected Airport average CPE throughout the projection period appears reasonable and affordable for the air carriers.

Exhibit V-2 presents the Airport's CPE relative to other large hub airports in the U.S. As presented, the Airport is one of the lower cost large hub airports in the nation, even when including the impacts of the PFC shortfall (see Section 5.5) and the other future projects included in this analysis. It is also important to note that the Authority has completed a significant capital program that has modernized its facilities. As such, the Authority has been able to keep its costs to the airlines low while investing significant capital into the facility. The comparatively low CPE combined with the modern facilities strategically positions the Airport well into the foreseeable future.

Table V-9
Airport Activity Fee
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Total O&M Expenses	$184,632	$197,589	$203,587	$210,650	$217,970	$225,554	$226,459	$234,397	$242,625	$251,156	$260,001
Bond Debt Service	70,496	81,201	113,223	112,446	120,961	119,440	106,597	102,827	101,261	97,014	92,674
Interest Expense	2,487	2,209	215	215	215	215	215	215	215	215	215
TOTAL REVENUE REQUIREMENT	$257,614	$280,999	$317,025	$323,312	$339,146	$345,209	$333,271	$337,439	$344,102	$348,385	$352,890
LESS: Nonairline Revenues	$118,922	$122,726	$127,128	$130,862	$134,718	$139,159	$143,269	$147,505	$151,875	$156,875	$161,543
ADD: AVI Transfer [1]	2,136	1,880	1,921	1,964	2,007	2,051	2,096	2,142	2,189	2,238	2,287
LESS: International Facility Use Fees	5,888	6,028	6,209	6,395	6,587	6,785	6,988	7,198	7,414	7,636	7,865
LESS: Non-Signatory Activity Fee Revenue	794	1,063	1,175	1,188	1,358	1,379	1,193	1,177	1,193	1,142	1,114
LESS: Total Airline Terminal Space Revenue [2]	71,328	69,849	93,712	95,085	93,924	93,795	92,297	93,323	94,231	97,255	99,025
LESS: Supplemental Capital Cost Payments [3]	1,828	1,828	1,828	1,828	1,828	1,828	1,328	1,328	1,328	1,328	1,328
LESS: Other Grants and Transfers	900	940	0	0	0	0	0	0	0	0	0
NET REVENUE REQUIREMENT	$60,091	$80,445	$88,895	$89,917	$102,739	$104,315	$90,291	$89,051	$90,250	$86,386	$84,301
Total Signatory Airline Landed Weight (million pound units)	19,956	20,780	21,677	22,193	22,462	22,709	22,893	23,022	23,188	23,376	23,547
Airport Activity Fee Rate	$3.01	$3.87	$4.10	$4.05	$4.57	$4.59	$3.94	$3.87	$3.89	$3.70	$3.58
AIRPORT ACTIVITY FEE RATE CHARGED											
Signatory Airlines	$3.01	$3.87	$4.10	$4.05	$4.57	$4.59	$3.94	$3.87	$3.89	$3.70	$3.58
Non-Signatory Airlines (25% Premium)	$3.76	$4.84	$5.13	$5.06	$5.72	$5.74	$4.93	$4.84	$4.87	$4.62	$4.48
Airport Activty Fee Revenue											
Total Signatory Airline Landed Weight	19,956	20,780	21,677	22,193	22,462	22,709	22,893	23,022	23,188	23,376	23,547
Total Non-Signatory Airline Landed Weight	211	220	229	235	238	240	242	243	245	247	249
TOTAL AIRLINE LANDED WEIGHT	20,167	21,000	21,906	22,428	22,700	22,949	23,135	23,266	23,433	23,624	23,796
Signatory Airline Activity Fee Revenue	$60,091	$80,445	$88,895	$89,917	$102,739	$104,315	$90,291	$89,051	$90,250	$86,386	$84,301
Non-Signatory Airline Activity Fee Revenue	794	1,063	1,175	1,188	1,358	1,379	1,193	1,177	1,193	1,142	1,114
AIRPORT ACTIVITY FEE REVENUE	$60,885	$81,508	$90,070	$91,105	$104,097	$105,694	$91,484	$90,228	$91,443	$87,528	$85,416

[1] Up to but not exceeding $2.5 million of Revenue attributable to the automated vehicle identification program and any proceeds from the sale of certain West side airfield properties.
[2] Includes all Signatory Airline terminal rentals, terminal use charges, shared use fees, Authority-controlled airline space revenues, and other terminal rental revenue.
[3] Annual Bond Debt Service Charges in respect of certain projects that were constructed for the sole benefit of Northwest Airlines in its terminal facility prior to February 26, 2002.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

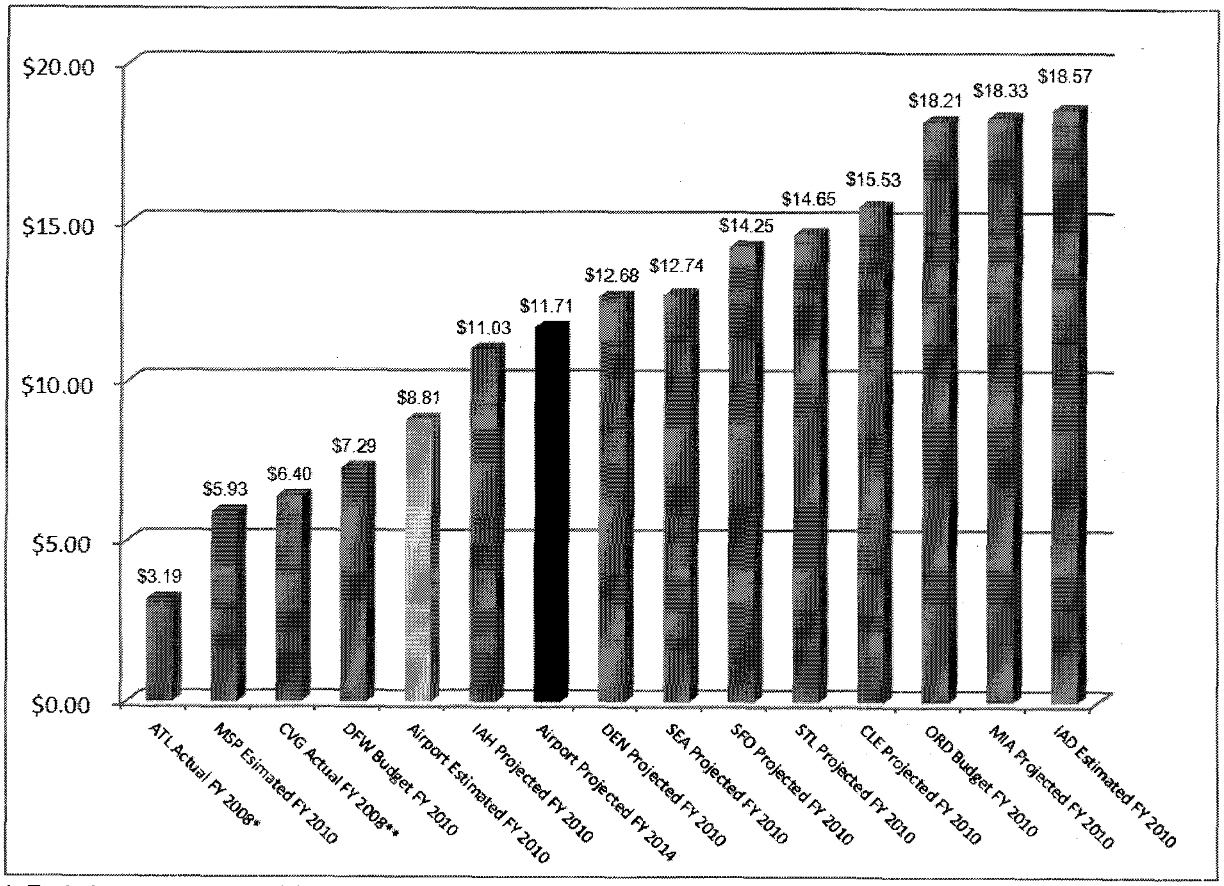
Table V-10
Airline Cost Per Enplaned Passenger
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated	Budget	Projected								
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airline Revenues											
Airline Rental[1/] and Shared Use Fees:											
Smith Terminal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Berry Terminal	0	0	0	0	0	0	0	0	0	0	0
South Terminal	51,254	53,890	60,971	62,465	63,078	64,082	63,129	64,546	65,973	68,193	70,014
North Terminal [2/]	20,073	15,959	32,741	32,620	30,846	29,713	29,168	28,777	28,259	29,062	29,011
Activity Fee Revenue	60,885	81,508	90,070	91,105	104,097	105,694	91,484	90,228	91,443	87,528	85,416
International Facility Use Fees	5,888	6,028	6,209	6,395	6,587	6,785	6,988	7,198	7,414	7,636	7,865
Supplemental Capital Cost Payments [3/]	1,828	1,828	1,828	1,828	1,828	1,828	1,328	1,328	1,328	1,328	1,328
TOTAL AIRLINE REVENUES	$139,928	$159,213	$191,818	$194,413	$206,435	$208,101	$192,098	$192,077	$194,416	$193,747	$193,634
Enplaned Passengers	15,877	16,090	16,650	17,168	17,627	18,083	18,461	18,801	19,165	19,545	19,924
Airline Cost Per Enplaned Passenger	$8.81	$9.90	$11.52	$11.32	$11.71	$11.51	$10.41	$10.22	$10.14	$9.91	$9.72
Airline Cost Per Enplaned Passenger - 2010 Dollars	$8.81	$9.61	$10.86	$10.36	$10.41	$9.93	$8.71	$8.31	$8.01	$7.60	$7.23

[1] Excluding rent for non-terminal facilities.
[2] Includes North Terminal Rentals, North Terminal Authority-Controlled Airline Space Revenue, and North Terminal Shared Use Fees.
[3] Annual Bond Debt Service Charges in respect of certain projects that were constructed for the sole benefit of Northwest Airlines in its terminal facility prior to February 26, 2002.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

Exhibit V-2
Airline Cost per Enplanement for Selected Large and Medium Hub Airports



* Excludes most terminal O&M expenses, which are paid separately through the AATC.
** Excludes payments made by Delta on special purpose bonds.

Sources: Official Statements, Rating Agency Press Releases, and individual airport websites.
Prepared by: Ricondo & Associates, Inc., December 2010.

5.8 Application of Revenues

Table V-11 presents the application of revenues for OY 2010 (estimated), budgeted OY 2011, and projected for OY 2012 through OY 2020 and reflects the disposition of cash flow into the appropriate funds as described in the Ordinances.

5.9 Financing Plan

As discussed earlier, net proceeds of the Series 2010 Bonds will be used to refund all or a portion of outstanding Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds, and the Series 2008F Bonds. The Authority's Underwriter for the Series 2010 Bonds provided the required bond issue size and debt service estimates used in this analysis.

Table V-11
Application of Revenues
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated 2010	Budget 2011	Projected 2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues											
Airline Revenues	$139,928	$159,213	$191,818	$194,413	$206,435	$208,101	$192,098	$192,077	$194,416	$193,747	$193,634
Nonairline Revenues	118,922	122,726	127,128	130,862	134,718	139,159	143,269	147,505	151,875	156,875	161,543
Other Available Moneys	101,053	88,954	61,399	63,309	65,001	66,683	68,077	69,331	70,673	72,074	73,472
Bond Fund and Bond Reserve Fund Income	2,192	3,576	3,713	7,881	4,794	3,990	13,156	5,566	3,688	8,888	7,211
Other Grants and Transfers [1]	900	940	0	0	0	0	0	0	0	0	0
Total Revenues and Other Available Moneys	$362,995	$375,409	$384,058	$396,465	$410,948	$417,933	$416,600	$414,478	$420,652	$431,584	$435,860
Application of Revenues											
Operation and Maintenance Fund	$187,119	$199,798	$203,802	$210,865	$218,185	$225,769	$226,674	$234,612	$242,840	$251,371	$260,216
Bond Fund	158,179	156,659	159,828	164,867	171,764	170,884	168,905	157,981	155,623	157,709	152,816
Junior Lien Bond Fund	8,957	11,051	12,271	12,238	12,231	12,231	12,270	12,276	12,274	12,275	12,276
Operation and Maintenance Reserve Fund	0	0	500	589	610	632	75	661	686	711	737
Renewal and Replacement Fund	500	500	500	500	500	500	500	500	500	500	500
Airport Discretionary Fund	350	350	350	350	350	350	350	350	350	350	350
Airport Development Fund [2]	5,755	5,171	4,886	5,093	5,301	5,515	5,730	5,956	6,190	6,430	6,678
Other Transfer to the Airport Development Fund	2,136	1,880	1,921	1,964	2,007	2,051	2,096	2,142	2,189	2,238	2,287
Total Application of Revenues	$362,995	$375,409	$384,058	$396,465	$410,948	$417,933	$416,600	$414,478	$420,652	$431,584	$435,860

[1] For OY 2009, includes LOI reimbursement and other contributions.
[2] Net of Series 2007 debt service payable from the Airport Development Fund.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

Key assumptions with respect to the Series 2010 Bonds include:

- **Series 2010A.** Fixed rate AMT bonds with a par amount of approximately $222.5 million will be issued to refund fixed rate Series 1998A Bonds (AMT) maturing between OY 2012 and OY 2019. The first principal payment is assumed to occur in OY 2012 and the final principal payment is assumed to occur in OY 2019. For feasibility analysis purposes, an all-in-TIC of approximately 4.1 percent is assumed.
- **Series 2010B.** Fixed rate non-AMT bonds with a par amount of approximately $8.8 million will be issued to refund fixed rate Series 1998B Bonds (non-AMT) maturing in OY 2012 and OY 2014. The first principal payment is assumed to occur in OY 2012 and the final principal payment is assumed to occur in OY 2014. For feasibility analysis purposes, an all-in-TIC of approximately 2.3 percent is assumed.
- **Series 2010C.** Fixed rate non-AMT bonds with a par amount of approximately $188.4 million will be issued to refund variable rate Series 2008B, Series 2008C, Series 2008E, and Series 2008F Bonds (AMT) maturing between OY 2012 and OY 2023. The first principal payment is assumed to occur in OY 2012 and the final principal payment is assumed to occur in OY 2023. For feasibility analysis purposes, an all-in-TIC of approximately 4.0 percent is assumed.
- **Series 2010D.** Fixed rate non-AMT bonds with a par amount of approximately $28.0 million will be issued to refund variable rate Series 2008D Bonds (non-AMT) maturing between OY 2012 and OY 2022. The first principal payment is assumed to occur in OY 2012 and the final principal payment is assumed to occur in OY 2022. For feasibility analysis purposes, an all-in-TIC of approximately 4.1 percent is assumed.
- **Series 2010E.** Variable rate AMT bonds with a par amount of approximately $150.4 million will be issued to refund fixed rate Series 1998A Bonds (AMT) maturing between OY 2024 and OY 2029. The first principal payment is assumed to occur in OY 2013 and the final principal payment is assumed to occur in OY 2029. For feasibility analysis purposes, an all-in-TIC of approximately 3.4 percent is assumed. It is expected that a portion the Series 2010E Bonds, with a par amount of approximately $116.0 million, will be placed privately as a separate series. The projections of debt service reflected in this report assume that the private placement occurs.
- **Series 2010F.** Variable rate non-AMT bonds with a par amount of approximately $124.6 million will be issued to refund variable rate Series 2008B and Series 2008C Bonds (AMT) maturing between OY 2024 and OY 2034. The first principal payment is assumed to occur in OY 2015 and the final principal payment is assumed to occur in OY 2034. For feasibility analysis purposes, an all-in-TIC of approximately 3.3 percent is assumed.

In addition to the Series 2010 Bonds, this analysis also considers certain other future projects included within the Authority's CIP. Preliminary bond sizing and debt service estimates were assumed for these projects, as the timing and expenditure estimates are preliminary at this time.

Table V-12 presents the annual estimated debt service requirements resulting from the issuance of the Series 2010 Bonds as well as the existing Airport debt service on each series of outstanding bonds. As presented in Table V-12, Airport aggregate annual debt service is estimated to increase from approximately $167.7 million in OY 2011 to approximately $184.0 million in OY 2014. Thereafter, even after assuming the issuance of additional bonds for future projects, aggregate annual

Table V-12
Annual Debt Service [1]
(Dollars in Thousands for Operating Years Ending September 30)

	Actual	Estimated	Budget	Projected								
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Senior Lien by Series:												
1994A	$525	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1996A	478	0	0	0	0	0	0	0	0	0	0	0
1996B	478	0	0	0	0	0	0	0	0	0	0	0
1998A	58,828	58,855	20,636	9,423	9,423	9,423	9,423	9,423	9,423	9,423	39,623	45,703
1998B	5,013	5,025	1,188	0	0	0	0	0	0	0	0	0
2002C	1,492	1,492	3,054	3,362	3,365	3,367	3,367	3,365	3,361	3,363	3,360	3,361
2002D	7,259	7,261	7,261	9,340	9,650	9,524	9,265	7,167	6,756	6,747	6,742	1,124
2005	33,710	35,331	35,340	35,350	35,381	35,395	35,406	35,424	35,452	35,442	35,450	35,501
2007	5,743	5,743	5,743	9,747	6,343	9,923	10,816	10,827	10,832	10,841	10,838	10,849
2008A	12,306	12,301	12,117	11,945	11,749	11,549	11,353	11,160	10,958	10,739	10,527	10,310
2008B	10,982	12,080	3,199	0	0	0	0	0	0	0	0	0
2008C	8,934	7,973	1,717	0	0	0	0	0	0	0	0	0
2008D	5,744	5,210	1,005	0	0	0	0	0	0	0	0	0
2008 E	5,448	5,235	1,213	0	0	0	0	0	0	0	0	0
2008 F	5,450	5,242	1,220	0	0	0	0	0	0	0	0	0
2010A	0	0	26,744	34,822	35,859	33,997	33,650	33,702	33,747	33,774	5,630	0
2010B	0	0	3,648	930	4,240	840	0	0	0	0	0	0
2010C	0	0	19,875	25,404	26,411	27,130	27,208	27,502	17,108	14,959	15,173	15,325
2010D	0	0	2,623	3,262	3,343	3,421	3,397	3,381	3,393	3,382	3,410	3,445
2010E [2]	0	0	6,802	8,836	8,967	8,970	8,966	8,968	8,967	8,969	8,972	8,969
2010F [2]	0	0	3,268	4,081	4,107	4,340	4,146	4,102	4,098	4,098	4,098	4,344
Future Debt Service	0	0	5	3,327	6,029	13,886	13,886	13,886	13,886	13,886	13,886	13,886
TOTAL SENIOR LIEN	$162,387	$161,746	$156,659	$159,828	$164,867	$171,764	$170,884	$168,905	$157,981	$155,623	$157,709	$152,816
Junior Lien by Series:												
2007A	5,222	6,625	11,051	12,271	12,238	12,231	12,231	12,270	12,276	12,274	12,275	12,276
TOTAL JUNIOR LIEN	$5,222	$6,625	$11,051	$12,271	$12,238	$12,231	$12,231	$12,270	$12,276	$12,274	$12,275	$12,276
TOTAL ANNUAL DEBT SERVICE	$167,609	$168,372	$167,710	$172,099	$177,105	$183,995	$183,115	$181,174	$170,257	$167,897	$169,985	$165,092
Non-Terminal	$66,802	$64,331	$67,751	$73,303	$77,109	$85,391	$85,081	$83,163	$72,222	$69,957	$70,218	$64,725
South Terminal	64,523	66,425	62,928	61,963	62,963	61,468	61,011	60,978	60,956	60,879	62,558	62,962
North Terminal	36,284	37,616	37,031	36,833	37,033	37,136	37,024	37,033	37,079	37,061	37,210	37,406
TOTAL	$167,609	$168,372	$167,710	$172,099	$177,105	$183,995	$183,115	$181,174	$170,257	$167,897	$169,985	$165,092

[1] Net of capitalized interest.
[2] Preliminary

Sources: Wayne County Airport Authority (all series except Series 2010 Bonds), J.P. Morgan Securities LLC (Series 2010 Bonds).
Prepared by: Ricondo & Associates, Inc., December 2010.

debt service is estimated to decrease through the projection period reaching approximately $165.1 million in OY 2020.

5.10 Debt Service Coverage

Table V-13 presents Airport debt service coverage ratios and the results of other applicable coverage tests calculated for OY 2010 (estimated), budgeted OY 2011, and projected for the period OY 2012 through OY 2020. As shown, reflective of the Airport's residual rate-making approach, debt service coverage is projected to meet applicable requirements over the entire projection period.

5.11 Sensitivity Analysis

As a result of requests made by credit rating agencies during their credit review process, and solely for those purposes, a sensitivity scenario was conducted to quantify the potential impacts that a lower activity scenario would have on the baseline financial projections. Based on the specific requests from the credit rating agencies, baseline passenger enplanement projections were adjusted to reflect the following:

- No enplanement growth from OY 2011 through OY 2013
- 50 percent reduction in Delta connecting traffic in OY 2014
- 6 percent reduction in O&D traffic in OY 2014
- 1 percent growth in enplanements (connecting and O&D) in each year thereafter

As described in Section 4.6 of this report, the Airport is Delta's second largest hub. It is viewed by Delta as a key hub in its system and, since the merger with Northwest, Delta has been expanding its operations at the Airport including adding service to new international destinations. Therefore, Ricondo & Associates does not consider such a 50 percent reduction in connecting traffic incorporated in the sensitivity analysis as a likely event at any time in the projection period.

In addition to incorporating the requested changes to passenger enplanement projections, projections of certain O&M Expenses and nonairline were revised to incorporate the anticipated impacts of reduced passenger levels. Similarly, as a result of the reduced passenger enplanement levels in the sensitivity scenario, projected IFUF collections and PFC collections, and consequently Other Available Moneys used to offset PFC-eligible debt service, were also reduced as compared to the baseline projections.

Table V-14 presents a summary comparison of projections of key financial metrics in the baseline scenario and in the sensitivity scenario. Given the residual nature of the Airline Agreement, Senior Lien coverage remains substantially the same as in the baseline scenario; and therefore, it exceeds minimum coverage requirements throughout the projection period and does not fall below 1.43x. As would be expected given the residual nature of the Airline Agreement, airline revenues, and the resultant CPE, are comparatively higher in the sensitivity scenario due to the lower passenger enplanement levels and the higher airline net requirement that results from reduced nonairline revenues and Other Available Moneys being available to pay PFC-eligible debt service. It is also important to note that if such an operating scenario did occur, the Authority would study its impacts in a much more comprehensive manner and may even consider closing one of its passenger terminals to further reduce operating costs.

Table V-13
Net Revenues, Debt Service Coverage and Rate Covenant
(Dollars in Thousands for Operating Years Ending September 30)

	Estimated	Budget	Projected								
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Service Coverage:											
Revenues and Other Available Moneys	$362,995	$375,409	$384,058	$396,465	$410,948	$417,933	$416,600	$414,478	$420,652	$431,584	$435,860
ADD: Unencumbered Revenue Fund Balance	48,931	51,414	52,206	53,466	55,190	54,970	54,476	51,745	51,565	52,621	51,652
LESS: Operation and Maintenance Fund [1]	187,119	199,798	203,802	210,865	218,185	225,769	226,674	234,612	242,840	251,371	260,216
Net Revenues Available for Senior Lien Debt Service	$224,807	$227,025	$232,462	$239,066	$247,954	$247,134	$244,401	$231,611	$229,376	$232,834	$227,296
Senior Lien Bond Debt Service	$161,746	$156,659	$159,828	$164,867	$171,764	$170,884	$168,905	$157,981	$155,623	$157,709	$152,816
Senior Lien Bond Debt Service Coverage	1.39	1.45	1.45	1.45	1.44	1.45	1.45	1.47	1.47	1.48	1.49
Rate Covenant:											
Net Revenues Available for Senior Lien Debt Service	$224,807	$227,025	$232,462	$239,066	$247,954	$247,134	$244,401	$231,611	$229,376	$232,834	$227,296
LESS: Senior Lien Bond Debt Service	161,746	156,659	159,828	164,867	171,764	170,884	168,905	157,981	155,623	157,709	152,816
Net Revenues Available for Junior Lien Debt Service	$63,061	$70,366	$72,635	$74,199	$76,190	$76,250	$75,497	$73,630	$73,753	$75,125	$74,480
Less: Junior Lien Bond Debt Service	$6,625	$11,051	$12,271	$12,238	$12,231	$12,231	$12,270	$12,276	$12,274	$12,275	$12,276
Less: Operation and Maintenance Reserve Fund	0	0	500	589	610	632	75	661	686	711	737
Less: Renewal and Replacement Fund	500	500	500	500	500	500	500	500	500	500	500
Less: Airport Development Fund	5,755	5,171	4,886	5,093	5,301	5,515	5,730	5,956	6,190	6,430	6,678
Less: Authority Discretionary Fund	350	350	350	350	350	350	350	350	350	350	350
Less: 25% Senior Lien Bond Debt Service	40,437	39,165	39,957	41,217	42,941	42,721	42,226	39,495	38,906	39,427	38,204
Subtotal	$53,667	$56,237	$58,464	$59,986	$61,934	$61,950	$61,151	$59,239	$58,905	$59,694	$58,745
Net Revenues Remaining in Revenue Fund	$9,394	$14,129	$14,171	$14,213	$14,256	$14,300	$14,345	$14,392	$14,848	$15,431	$15,735

[1] Includes Capital Acquisition and Interest Expense.

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

Table V-14
Summary of Sensitivity Scenario
(Dollars in Thousands for Operating Years Ending September 30)

	Projected									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sensitivity Scenario										
Total Enplaned Passengers	15,877	15,877	15,877	11,265	11,378	11,492	11,607	11,723	11,840	11,958
Total PFC Revenue	$58,548	$58,548	$58,548	$41,542	$41,957	$42,377	$42,801	$43,229	$43,661	$44,098
Total O&M Expenses	$197,589	$203,587	$210,650	$203,132	$210,241	$211,234	$218,682	$226,404	$234,411	$242,714
Total Nonairline Revenues	$122,726	$124,871	$126,253	$114,575	$117,267	$119,566	$121,929	$124,353	$127,308	$129,869
Airport Activity Fee (Signatory Airlines)	$3.87	$4.38	$4.54	$7.94	$8.10	$7.17	$7.10	$7.19	$7.06	$6.97
Airline Cost Per Enplaned Passenger	$10.04	$12.40	$12.83	$20.75	$21.01	$19.67	$19.65	$19.86	$19.81	$19.81
Senior Lien Bond Debt Service	$156,659	$159,828	$164,867	$171,764	$170,884	$168,905	$157,981	$155,623	$157,709	$152,816
Senior Lien Bond Debt Service Coverage	1.44	1.45	1.45	1.43	1.44	1.44	1.46	1.47	1.47	1.48

Sources: Wayne County Airport Authority, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc., December 2010.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AIRPORT

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Wayne County Airport Authority

A discretely presented component unit of
The Charter County of Wayne, Michigan

Comprehensive Annual FINANCIAL REPORT

For year ended September 30, 2010

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

WAYNE COUNTY AIRPORT AUTHORITY

(A Discretely Presented Component Unit of
the Charter County of Wayne, Michigan)

Comprehensive Annual Financial Report

Year Ended September 30, 2010

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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WAYNE COUNTY AIRPORT AUTHORITY

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January 20, 2010
January 20, 2011

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2010 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 and 2.

The CAFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss, and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

State laws require an annual audit of the financial records and transactions of the Authority by a firm of independent licensed certified public accountants. The Board appoints an audit committee of three Board members to comply with this requirement. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer), and the Authority's independent public auditors to review the financial condition, operations, performance, and management of the Authority. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

The Authority's financial statements have received an "unqualified opinion" from Plante & Moran, PLLC, the Authority's certified public accountants. An unqualified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

An independent audit was also performed in accordance with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). The auditor's reports related specifically to the single audit are immediately following the CAFR in the Compliance Section.

A third audit was performed as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor's reports related to the schedule of Passenger Facility Charges are immediately following the CAFR in the Compliance Section.

This CAFR was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the CAFR and the Wayne County Airport Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning, and certain other pertinent information. It is complementary to financial and analytical data offered in management's discussion and analysis and the statistical section of the CAFR discussed below.

Financial Section – The independent auditor's report, management's discussion and analysis (see pages 3-12), financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management & Budget Circular A-133 as well as Federal Aviation Administration requirements applicable to The Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (the Airport) and Willow Run Airport (together, the Airports). Until August 9, 2002, the County operated the Airports. Pursuant to an amendment to the Aeronautics Code of the State of Michigan, known as the Public Airport Authority Act (the Authority Act), Public Act 90, Michigan Public Acts of 2002, effective March 26, 2002, the Authority has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control, and use the Airports and the Airport Hotel.

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airports, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations associated with the Airport Hotel Revenue Bonds issued by the County.

The Authority is directed and governed by a Board consisting of seven members. The governor of the state appoints two members of the Board, one member is appointed by the legislative body of the County, and four members of the Board are appointed by the Chief Executive Officer of the County. The Board appoints the Chief Executive Officer of the Authority.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement Program (CIP) is funded by bonds issued by the Authority, federal and state grants, and passenger facility charges (PFCs).

Airport Use and Lease Agreement (the Agreement)

Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, AirTran Airways, American Airlines, Continental Airlines, Delta Air Lines, Federal Express, Mesaba Airlines, Pinnacle Airlines, Southwest Airlines, Spirit Airlines, United Airlines, United Parcel Service, and US Airways (collectively, the Signatory Airlines).

The Agreements with the Signatory Airlines permit the Authority to issue airport revenue bonds to finance the costs of capital projects and include the annual debt service requirements of, and other deposit requirements and coverage requirements for, such bonds in the calculation of rates and charges payable by the Signatory Airlines, only after first receiving approval of a Weighted Majority of the Signatory Airlines for such capital projects. An affirmative Weighted Majority vote requires, in the aggregate, Signatory Airlines which landed 85% or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or all Signatory Airlines in number but one regardless of landed weight.

The Airline Industry

In the aftermath of the events of September 2001, the industry saw a downturn in demand for air travel. The result was five years of reported industry operating losses, totaling more than $28 billion (excluding extraordinary events). The airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. However, in 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. airlines since the September 11th terrorist attacks. In response, most airlines announced significant capacity reductions, increased fuel surcharges, increased fares and fees, and adopted other measures to address the financial challenges. Whereas the capacity reductions following the events of September 11th were the direct result of terrorist threats targeting the traveling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were primarily driven by significant increases in fuel costs over a span of two and a half years, a weak dollar exacerbating the impact of stressed fuel costs, and the contraction of the U.S. economy. After nearly $10 billion of losses in 2009, the International Air Transport Association (IATA) is predicting a $2.5 billion profit for the global industry in 2010. According to Delta's most recent earnings statement, the carrier reported net income of $467 million in second quarter 2010, compared to a net loss of $257 million in the same quarter of the previous year. The $724 million improvement was largely attributed to improving business demand, due to improving economic conditions and merger synergies. Generally, as the airline industry strengthens financially, its ability to provide service increases which should produce growth in air travel activity.

Airport Activity

The Airport ended fiscal year 2010 with a 0.4 percent decrease in enplaned passengers, a 1.9 percent increase in operations, a 14.6 percent increase in cargo handled, and a 4.0 percent decrease in landed weights when compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2010 and 2009 were as follows:

	2010	**2009**	**% Change**
Enplanements	15,876,381	15,941,132	-0.4%
Aircraft Operations	445,500	437,316	1.9%
Cargo (in metric tons)	184,934	161,368	14.6%
Landed Weights (in thousands, lbs.)	20,166,877	21,004,646	-4.0%

The recovering demand for air travel is expected to continue and result in a moderate increase in Airport activity throughout the next fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year (currently October 1 to September 30), the Authority is required by the Master Bond Ordinance and Public Act 90 to prepare and adopt a budget. The budget contains an itemized statement of the estimated current operational expenses and the expenses for capital, including funds for the operation and development of the Airports under the jurisdiction of the Authority, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of the revenues of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. The Detroit Metropolitan Airport and Willow Run O&M budgets, and the Westin's budget are the Authority's annual financial plan for operating and maintaining the Airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the Airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the Airports with a five-year horizon.

The Authority's basis of budgeting is on an accrual basis: revenues are recorded when earned, and expenses are recorded as incurred. The Authority's basis for budgeting is identical to the basis of accounting.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms contained in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Financial Planning & Analysis (FP&A) reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board on the monthly management report.

AUTHORITY'S ECONOMIC CONDITION

Population

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne as the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA). Further, the larger OMB designated Detroit-Warren-Flint Combined Statistical Area (CSA) incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with an estimated population of 5.4 million in 2009 (*United States Census Bureau).*

Detroit Metropolitan Wayne County Airport serves the above area along with the Toledo, Ohio, area, which is located approximately 47 miles south of the airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit. Nearby to the Airport is the smaller non-commercial airport Willow Run, which serves freight, corporate, and general aviation clients.

The Airport is the primary air carrier airport serving the Detroit Metropolitan area (the 11th most populous city in the United States in 2009). In calendar year 2009, Detroit Metropolitan Airport (the Airport) ranked sixteenth nationwide in total passengers, enplaning and deplaning approximately 31 million passengers. The Airport ranked eleventh nationwide in terms of total aircraft operations, with approximately 463 thousand takeoffs and landings.

Economy

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air

Trade Area). Despite the recent restructuring of the "Big 3" United States automakers, the Air Trade Area continues to be a global leader in the automotive industry, including advanced battery research for alternative fuel vehicles, due to the large number of R&D facilities throughout the region. The Air Trade Area has a percentage of households in higher income categories (>$60,000) that is significantly greater than in Michigan and the United States, and the Air Trade Area is home to 13 Fortune 500 companies. Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Consistently appearing near the top of the Fortune 500 rankings, Ford Motor is ranked eighth and General Motors is ranked fifteenth with approximately $118.3 billion and $104.6 billion in revenues, respectively, in 2009.

Michigan's unemployment rate in September 2010 is 13.4 percent, which is an improvement from the annual unemployment rate of 13.6 percent for 2009. Although Michigan's unemployment rate has been higher than the national average over the past several years, the business climate in the region is improving. The Air Trade Area has been gaining recognition as one of the best places in the nation for new and expanded business according to the Detroit Regional Chamber. This optimistic assessment was echoed by an October 2010 article in Inc. magazine, entitled "Five Reasons to Start a Business in Detroit." In particular, the article noted the Air Trade Area's strong support network for new businesses and access to space and capital.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airport to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2009 was in excess of the requirements at 141% of senior lien debt service and 134% of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) for the Airport system to expand, modernize, and maintain the Airports. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Airports.

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2011-2015 includes planned funding of approximately $525 million and $123 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined. A detailed review of the CIP is published annually in December as part of Financial Planning & Analysis' Approved Budget Document.

Airport Improvement Program

Since 1986, the Authority has participated in the Airport Improvement Program (AIP), the federal government's airport grant program. The AIP provides funding for airport development, airport planning, and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Authority also receives grants from the State of Michigan.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

Since 1992, the FAA has approved six PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $3.2 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2010, the Airport had received approximately $926 million of PFC revenue and interest earnings of approximately $73 million. The Airport had expended approximately $949 million on approved projects. The current PFC expiration date is estimated at August 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2009. This was the seventh consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting this 2010 CAFR to the GFOA for consideration.

The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2010. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The fiscal year 2011 Approved Budget document was issued to the GFOA for consideration and to Board Members in December 2010.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staffs of the Controllers' Office and Financial Planning & Analysis. We would like to express our appreciation to all members of these divisions.

This report also could not have been possible without the leadership and support of the governing body of the Authority's Board.

Respectfully submitted,

Genelle M. Allen	Thomas J. Naughton
Interim Chief Executive Officer	*Executive Vice President - Chief Financial Officer*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority
Michigan

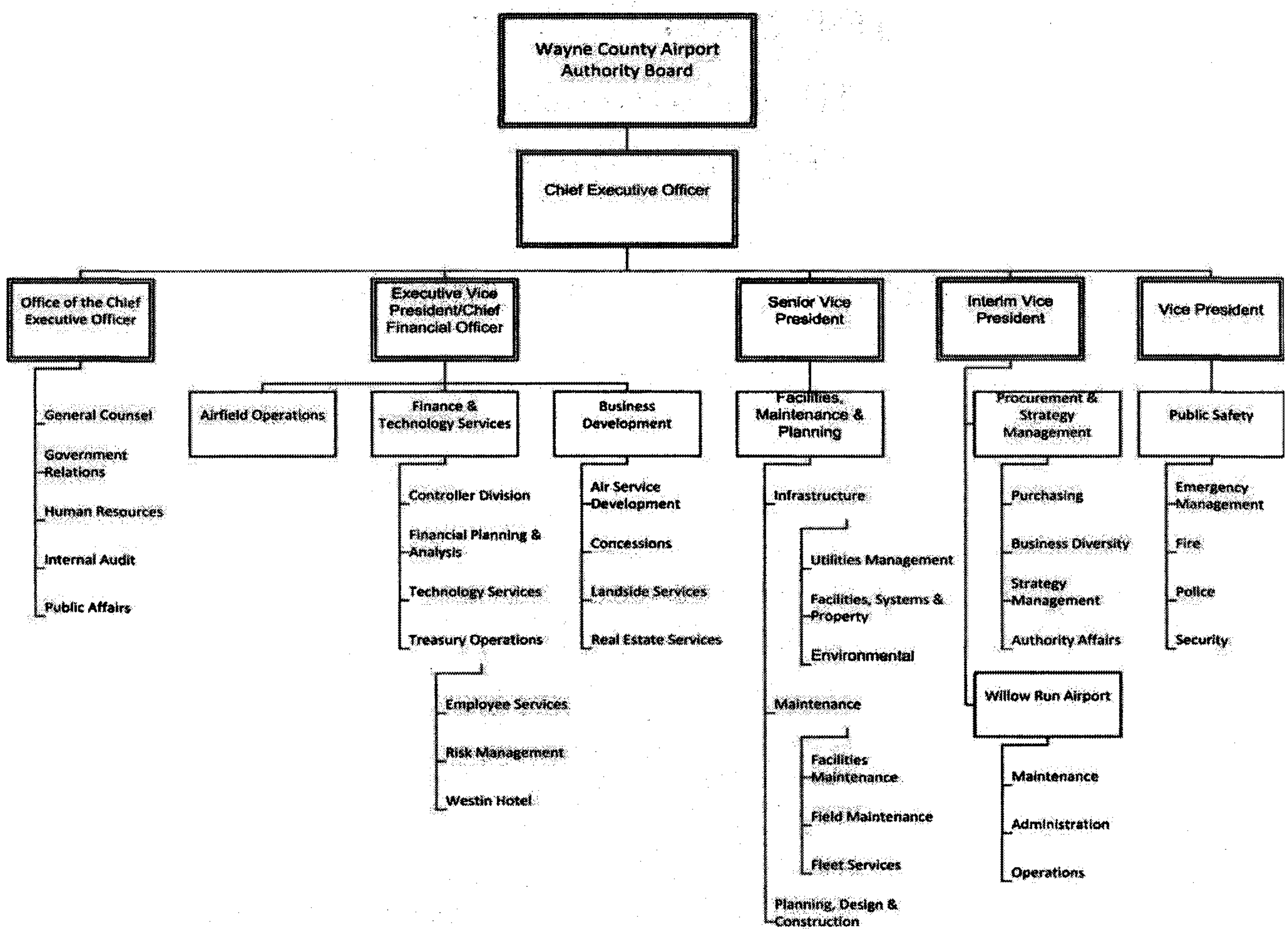
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

WAYNE COUNTY AIRPORT AUTHORITY ORGANIZATIONAL CHART



LIST OF PRINCIPAL OFFICIALS

Authority Board	Position	Term Expires
Charlie J. Williams	Chairperson	October 2012
Renee C. Pipis Axt	Vice Chairperson	October 2014
James B. Nicholson	Board Member	October 2010
Samuel A. Nouhan	Board Member	October 2014
James O. Settles, Jr.	Board Member	October 2010
Bernard F. Parker, Jr.	Board Member	October 2010
Mary L. Zuckerman	Board Member	October 2014

Airport Management	Position
Genelle M. Allen	Interim Chief Executive Officer
Thomas J. Naughton	Executive Vice President – Chief Financial Officer
Jon Hypnar	Sr. Vice President – Facilities, Maintenance and Planning
Emily K. Neuberger	Sr. Vice President and General Counsel
Terrence P. Teifer	Interim Sr. Vice President – Treasury/Business Development
Mark L. DeBeau	Vice President – Public Safety
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Myrna Mendez	Vice President – Concessions and Quality Services
Mary Lou K. Posa	Vice President and Associate General Counsel
Istakur Rahman	Vice President – Internal Audit
Peter Gargiulo	Interim Vice President – Procurement/Strategy Management
Stephen Albright	Director of Technology Services
Shelia Anderson	Director of Procurement
Margaret Basrai	Controller
Janet Baxter	Director of Security
Sean Brosnan	Director of Emergency Management
Joseph Cambron	Director of Aviation Services and Air Service Development
Craig Carnell	Fire Chief
Michael Conway	Director of Public Affairs
Heather Day	Director of Employee Services
Ali Dib	Director of Facilities & Infrastructure
David DiMaria	Director of Willow Run Airport
Angela Frakes	Director of Maintenance
Edward Glomb	Police Chief
Matt McGowan	Director of Landside Services
Lynda Racey	Director of Labor and Employee Compliance
Dina Reed	Director of Financial Planning & Analysis
Wayne Sieloff	Director of Planning, Design, and Construction
Leigh Stepaniak	Director of Risk Management
Dianne Walker	Director of Airfield Operations
Rosalind Wallace	Director of Human Resources

plante moran

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Fax: 248.352.0018
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Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Wayne County Airport Authority (the Authority), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the Authority as of September 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The introductory section, statistical section, and continuing disclosure section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

To the Board of Directors
Wayne County Airport Authority

As described in Note 2, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, during the year. As a result, beginning net assets were restated by $50,958,860.

Plante & Moran, PLLC

January 20, 2011

plante moran

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2010

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the "Authority") for the year ended September 30, 2010, with selected comparative information for the year ended September 30, 2009. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Assets, which presents the assets, liabilities, and net assets of the Authority as of the end of the fiscal year, (b) Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses recognized during the fiscal year, and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year. Beginning in 2008, the Authority included a Postemployment Health Benefits Trust Fund (Fiduciary Fund) to account for the postemployment healthcare payments to qualified employees.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) as promulgated by Governmental Accounting Standards Board (GASB) principles.

The financial statements include the operations of Detroit Metropolitan Wayne County Airport (the "Airport"), Willow Run Airport, and the Airport Hotel. The Authority is considered a discretely presented component unit of the Charter County of Wayne, Michigan as defined by the GASB.

THE AIRPORT FUNDING METHODOLOGY

Funding for the Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements between the Authority and the Airlines. The Airport Use and Lease Agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the Use and Lease Agreements include rental rates, activity fee methodology, utilities, etc. Once an airline signs a Use and Lease Agreement, it is designated a "Signatory Airline." The Use and Lease Agreements also determine the budget and financing (activity fee) methodology that the Authority and Airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology that combines both features.

The Airport operates under a residual methodology. The methodology places additional risk to the Signatory Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to the Signatory Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to the Signatory Airlines.

The residual methodology agreed upon by the Signatory Airlines and the Authority creates a funding mechanism that is not congruent with financial statement reporting standards. Although the Signatory Airlines are required to fund any deficit of the Airport, this deficit is not equivalent to "Operating Loss" or any other designation on the financial statements. Since the Airport utilizes the residual methodology, all annual operating costs and debt service requirements of the Airport have been funded.

FINANCIAL HIGHLIGHTS

Operating revenues at the Airport increased by 4.8 percent ($12.2 million) compared to 2009. Although Airport non-airline revenues decreased 1.2 percent ($1.5 million) compared to 2009, non-airline revenues outperformed 2010 projections by 4.5 percent ($5.0 million). The decreases in non-airline revenues were largely related to parking and ground transportation, but both parking and ground transportation revenues exceeded 2010 projections (by 0.6 percent and 18.5 percent, respectively). Enplaned passengers, a major driver in non-airline revenues, decreased by 0.4 percent compared to 2009, but outperformed 2010 projections by 1.0 percent. The previous year's rate increase for parking at the Big Blue Deck was reversed, offering a premium option for parking in a covered structure for $10 per day, as part of a new parking plan which began implementation in summer 2010. The plan's focus is on increasing market share and length of stay at on-airport parking locations. The second action as part of the new parking plan is the re-opening of the Green Lot, a surface lot offering an economy-targeted parking option, at the rate of $8 per day. The Green Lot was opened in fall 2010, in advance of the fall and winter holidays. Public response for the decreased parking rates has been positive and is exceeding initial program expectations.

Although 2010 expenses increased compared to 2009, the Airport completed the year with a 0.3 percent change compared to the 2010 total expense budget. The Airport's total operating expenses in 2010 increased by 0.2 percent ($600 thousand) compared to 2009. The primary factor affecting 2010 is increased buildings maintenance expenses related to Americans with Disabilities Act (ADA) compliance. In April 2008, a group of individuals with disabilities brought legal action against Northwest Airlines and the Authority alleging ADA compliance violations. To address certain issues raised in the litigation and promote accessible Airport facilities, customer service and safety, the Authority is undertaking certain building improvements with total costs currently estimated at $5.4 million. The expense is incurred in

2010. There will be additional costs in future years related to additional compliance; however, projects and costs are uncertain and will be addressed in future years. Operating expense decreases offsetting the impact of this include reductions in salaries, wages and benefits, materials and supplies, professional and contractual services, and utilities.

Statement of Net Assets

The statement of net assets includes all assets and liabilities and net assets resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's net assets as of September 30, 2010 and 2009 is:

	2010 (000's)	2009 (000's)
ASSETS:		
Current unrestricted assets	$ 132,286	$ 129,889
Current restricted assets	116,322	111,949
Noncurrent restricted assets	343,952	420,863
Capital assets (net)*	2,273,934	2,349,390
Other assets	27,530	29,598
Total assets	2,894,024	3,041,689
LIABILITIES:		
Current liabilities	95,971	101,650
Current liabilities payable from restricted assets	105,599	103,743
Long-term liabilities	2,167,422	2,238,676
Total liabilities	2,368,992	2,444,069
NET ASSETS:		
Investment in capital assets, net of related debt*	120,302	151,759
Restricted	358,386	405,008
Unrestricted	46,344	40,853
TOTAL NET ASSETS*	$ 525,032	$ 597,620

* Balances restated in 2009. See Note 2.

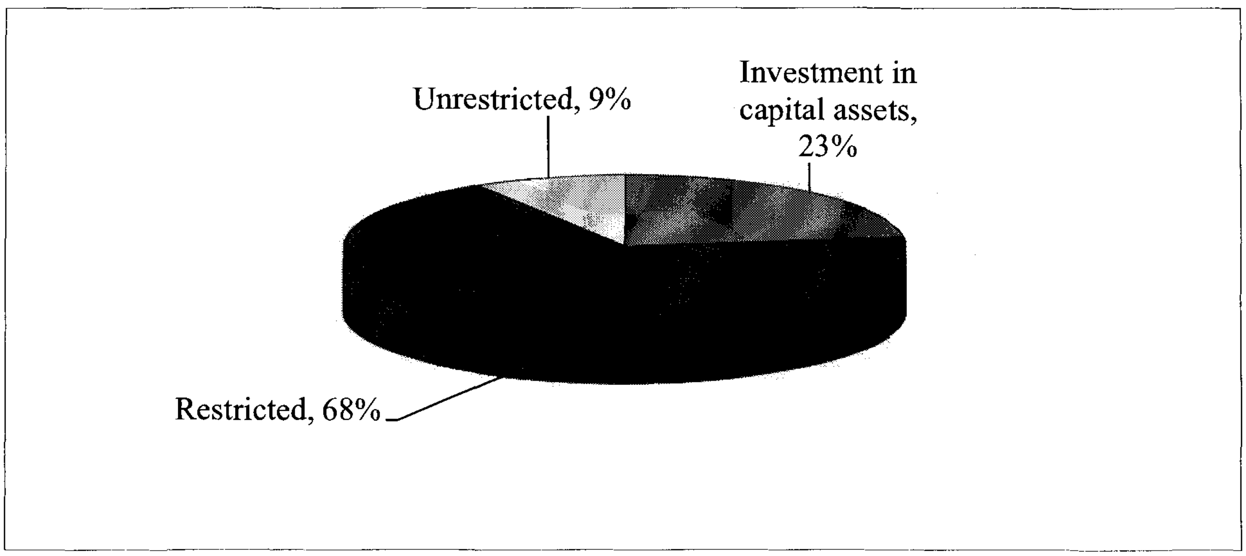
Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Noncurrent restricted assets consist of cash and investments. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of bond issuance cost, net of related amortization.

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been reserved related to certain restricted assets. Assets have been restricted for operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, and drug enforcement.

Current liabilities consist mainly of accounts payable, payroll-related liabilities, accrued vacation and sick time, retainage, security, and performance deposits.

Net assets decreased by $72.6 million in the fiscal year ended September 30, 2010. The Authority increased the beginning net asset balance by $51 million by implementing GASB 51 which offset the change in net assets from the current year activity. Increases in operating revenue helped offset the decreases in interest income and federal grant income.

The chart below illustrates a breakdown of total net assets as of September 30, 2010:



Approximately 68 percent of the Airport's 2010 net assets are restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Amounts invested in capital assets, net of related debt, account for approximately 23 percent of total net assets and represent land, intangible assets, buildings, improvements, and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remaining net assets include unrestricted net assets of $46.3 million, which may be used to meet any of the Authority's ongoing operations. Unrestricted net assets increased 13 percent as of fiscal year end 2010.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only after receiving approval of a Weighted Majority for such capital projects. As of September 30, 2010, the Authority had approximately $2.2 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately $181 million in 2010 and long-term debt amounting to $77 million was paid off during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental, and hotel revenues. Non-operating revenues consist primarily of passenger facility charges, federal and state grants, and interest income. Interest expense is the most significant nonoperating expense.

A summarized comparison of the Authority's revenues, expenses, and changes in net assets for the years ended September 30, 2010 and 2009 follows:

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2010

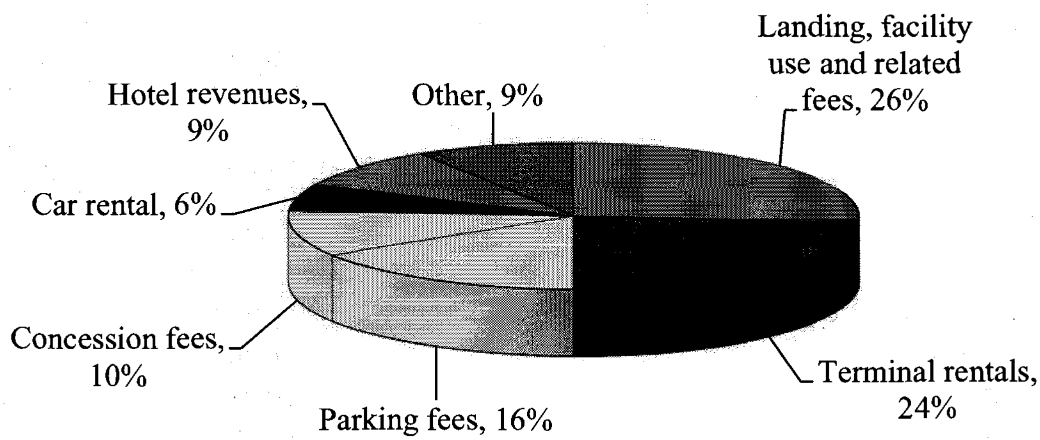
	2010 (000's)	2009 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 70,172	$ 60,060
Terminal building rentals and fees	71,853	67,703
Facility use fees	6,302	6,469
Non-airline revenues:		
Parking fees	48,309	49,911
Concession fees	30,702	30,885
Car rental	17,273	17,540
Hotel	26,829	23,247
Other	25,657	24,944
Total operating revenues	297,097	280,759
Operating expenses:		
Salaries, wages, and fringe benefits	70,061	75,099
Parking management	6,505	7,082
Hotel management	20,033	18,694
Depreciation	146,151	146,152
Professional and contractual services	15,222	16,189
Utilities	26,692	27,700
Building, ground, and equipment maintenance	37,704	30,704
Other	34,971	35,920
Total operating expenses	357,339	357,540
Operating loss	(60,242)	(76,781)
Nonoperating revenues (expense):		
Passenger facility charges	60,306	59,711
Other nonoperating revenues	6,207	8,400
Interest expense	(105,914)	(116,393)
Other nonoperating expenses	(2,082)	(3,047)
Net nonoperating expenses	(41,483)	(51,329)
Net loss before capital contribution	(101,725)	(128,110)
Capital Contribution	29,137	36,319
Change in net assets	(72,588)	(91,791)
Net assets, beginning of the year, restated (note 2)	597,620	689,411
Net assets, end of the year	$ 525,032	$ 597,620

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2010

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2010:



Operating revenues for the Authority increased 6 percent to $297 million in 2010 from $281 million in 2009.

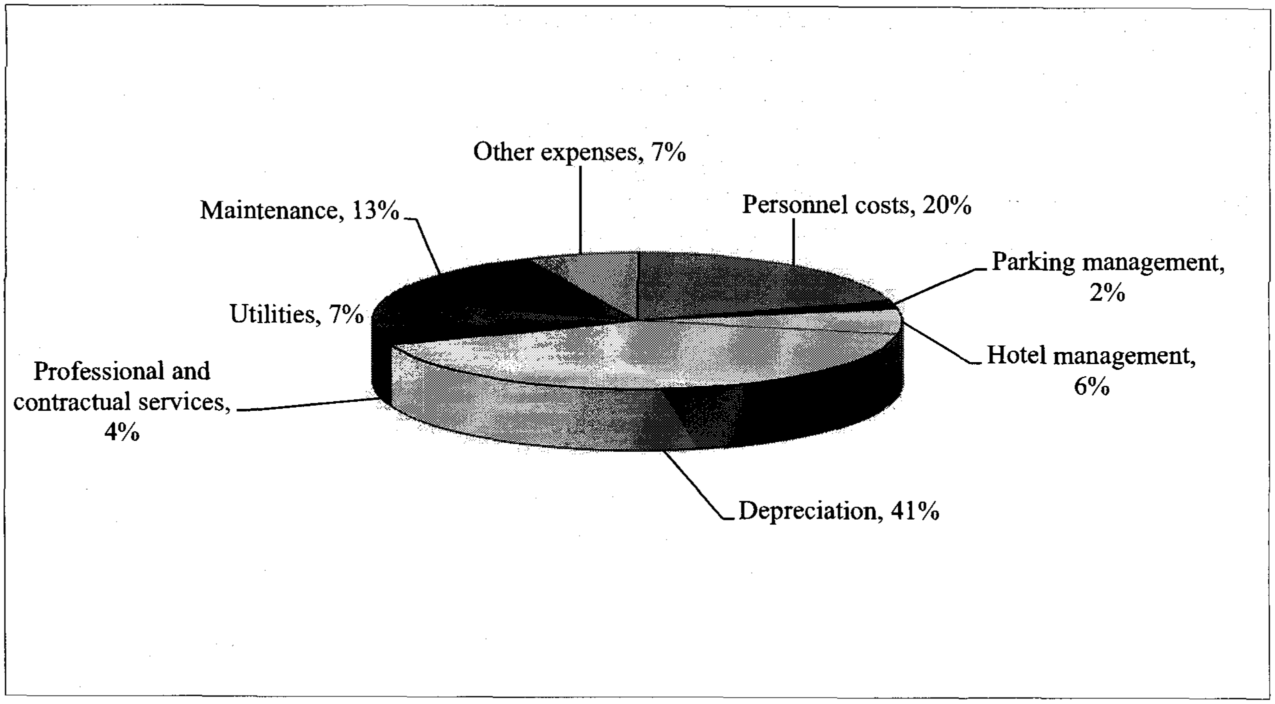
Airline Revenues, one of three major categories of Operating Revenues, includes revenues collected from the airlines. The chart above references terminal rentals, landing, facility use and related fees, which are all part of Airline Revenues. Airline Revenues increased 11 percent to $148 million in 2010 from $134 million in 2009. Terminal rental fees increased 6 percent to $72 million in 2010 from $68 million in 2009. The terminal rental revenues remain 24 percent of total operating revenue in 2010. Landing fee revenues increased 17 percent in 2010 to $70 million from $60 million in 2009. The change in landing rate is a 22 percent increase over the prior year, with a final Signatory rate of $3.44 per 1,000 pounds landed weight. Another aspect of Airline Revenues is facility use fee revenues, which are driven by international deplaned passengers. International deplanements decreased 7 percent in 2010, driving international facility use fee revenue down by 3 percent. The overall increase in Airline Revenues is driven by decreases in non-airline revenue and increases in operating and non-operating expense.

Non-Airline Revenues, another major category of Operating Revenues, includes revenue received that is not collected from airlines. The chart above references parking fees, concession fees, car rentals and other, which are all part of Non-Airline Revenues. Over the past two years, the Airport has experienced significant declines in non-airline revenues driven by reduced passenger traffic. The latter half of 2010 has shown dramatic improvement in terms of passenger traffic. Beginning in May, the Airport experienced increased monthly year-over-year passenger growth through the end of the fiscal year. As a result, 2010 enplaned passengers decreased by only 0.4 percent compared to 2009. That also resulted in moderate decreases in terms of passenger-driven non-airline revenue at the Airport of 3 percent compared to 2009. Total non-airline operating revenues increased by 2 percent to $149 million compared to $147 million in 2009, due to an increase in hotel revenue of $3.6 million and a $2.9 million benefit from an elimination of a building rent credit (represented in the other non-airline revenue category).

Hotel Revenues, the other major category of Operating Revenues, which is excluded from the residual agreement described above, increased from $23 million to $27 million, or 15 percent, due to increased occupancy. As a result, hotel revenues for 2010 are 9 percent of total operating revenues versus 8 percent the prior year. Annual occupancy at the hotel has increased 17.6 points to 81 percent in 2010 from 63 percent in 2009 and the hotel's average daily rate has increased 2 percent to $131.26 in 2010 from $128.60 in 2009. While the hotel's financial performance has been affected by industry reductions in demand, the hotel has made significant improvement versus prior year in terms of revenue per available room and operating margin, which are up by 25 percent and 9 points, respectively, compared to 2009. Additionally, the hotel is still ahead of its peer set, which includes the local airport segment and the local luxury segment of hotels, in terms of guest service and overall guest satisfaction. The hotel continues to offer travelers an upscale brand hotel that is conveniently situated inside the Airport at the McNamara Terminal, featuring 404 guestrooms and 25,000 square feet of flexible meeting space including a 7,600 square foot grand ballroom, 26 meeting and board rooms, and a well-equipped business center. Other amenities include the latest in technology, a health club, and indoor pool.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2010:



Operating expenses for the Authority remained consistent as compared to 2009. Primary areas of operating expense reductions were in the areas of salaries and wages, materials and supplies, contractual services and utilities. Savings in salaries and wages are a result of a full-year impact of accelerated employee retirements, staff reductions, and employee benefit cost sharing, which were all implemented for the full year of 2010. Savings in materials and supplies (bulk chemicals) and contractual services (snow removal services) were due to a light snow season compared to 2009. Utilities costs were lower than 2009 due to a combination of savings in rates (commodity prices) and reduced consumption.

Offsets to the reductions in expense were increases in buildings and grounds maintenance and equipment repair maintenance. As described in the financial highlights section, increased expenses related to ADA compliance are realized for the first time in 2010, which affects the buildings and grounds line. Increased costs for equipment repair and maintenance are attributable to additional requirements for maintenance of ACS equipment in the parking structures and will be a recurring annual cost going forward.

Nonoperating Revenues and Expenses and Contributed Capital:

Total non-operating activities lead to a net Non-Operating Expense of $41.5 million in 2010. A 32 percent decrease in interest income was driven by economic conditions during 2010. Interest expense decreased 9 percent in 2010 due to the savings realized as a result of bonds that were previously refunded in 2008.

Revenue generated from state and federal operating grants decreased for the fourth year as the State of Michigan and Federal Aviation Administration (FAA) issued less award dollars than in prior years. Willow Run Airport is more significantly impacted by these actions as it receives several small grants for activities including pavement marking from the State and does not meet hub airport status from the FAA.

Capital contributions decreased 20 percent over the prior year to $29.1 million as the Federal Government is limiting discretionary grants and award levels.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2010

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Unrestricted current assets:				
Cash and investments (note 4)	$ 101,134,746	$ 184,624	$ 1,358,802	$ 102,678,172
Accounts receivable, less allowance (note 2)	9,911,046	190,119	1,143,326	11,244,491
Due from other governmental units	15,664,547	733,719	—	16,398,266
Due from other funds	—	177,530	—	177,530
Prepaids and deposits	1,110,407	13,126	664,359	1,787,892
Total unrestricted current assets	127,820,746	1,299,118	3,166,487	132,286,351
Restricted current assets (notes 4 and 5):				
Cash and investments	101,016,675	1,700,730	2,882,168	105,599,573
Accounts receivable	10,716,848	—	5,696	10,722,544
Total restricted current assets	111,733,523	1,700,730	2,887,864	116,322,117
Total current assets	239,554,269	2,999,848	6,054,351	248,608,468
Noncurrent assets:				
Restricted cash and investments (notes 4 and 5)	330,648,748	2,503,594	10,799,854	343,952,196
Capital assets (note 6):				
Land and nondepreciable assets	226,569,280	15,926,984	—	242,496,264
Buildings and improvements	1,956,754,685	8,455,365	92,728,076	2,057,938,126
Equipment	61,700,145	6,159,332	590,949	68,450,426
Infrastructure	1,150,946,407	110,609,876	—	1,261,556,283
Construction in progress	68,025,672	694,650	—	68,720,322
Total capital assets	3,463,996,189	141,846,207	93,319,025	3,699,161,421
Less accumulated depreciation	1,295,520,526	90,772,682	38,934,287	1,425,227,495
Net capital assets	2,168,475,663	51,073,525	54,384,738	2,273,933,926
Other assets:				
Bond issuance cost, less amortization (note 2)	20,050,799	—	4,315,341	24,366,140
Accounts receivable, less allowance (note 2)	90,259	—	—	90,259
Deferred outflows from hedging derivative instruments	1,152,000	—	—	1,152,000
Net OPEB asset (note 10)	1,921,843	—	—	1,921,843
Total other assets	23,214,901	—	4,315,341	27,530,242
Total noncurrent assets	2,522,339,312	53,577,119	69,499,933	2,645,416,364
Total assets	$ 2,761,893,581	$ 56,576,967	$ 75,554,284	$ 2,894,024,832

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2010

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Payable from current assets:				
Accounts payable	$ 43,010,015	$ 359,939	$ 735,627	$ 44,105,581
Accrued wages and benefits	1,802,087	36,624	—	1,838,711
Due to primary government	232,065	—	—	232,065
Due to other governmental units	1,054,556	—	—	1,054,556
Due to other funds	177,530	—	—	177,530
Deferred revenue	5,889,661	12,164	—	5,901,825
Accrued interest payable	—	—	105,000	105,000
Bonds payable and other debt (note 7)	—	19,476	405,640	425,116
Other accrued liabilities	41,628,571	501,921	—	42,130,492
Total current liabilities payable from current assets	93,794,485	930,124	1,246,267	95,970,876
Payable from restricted current assets:				
Accrued interest payable	30,952,774	—	1,902,168	32,854,942
Bonds payable and other debt (note 7)	70,063,901	—	980,000	71,043,901
Deferred revenue	—	1,700,730	—	1,700,730
Total current liabilities payable from restricted current assets	101,016,675	1,700,730	2,882,168	105,599,573
Total current liabilities	194,811,160	2,630,854	4,128,435	201,570,449
Long-term liabilities:				
Other accrued liabilities (note 2)	8,926,861	598,000	1,982,888	11,507,749
Hedging derivative instruments	1,152,000	—	—	1,152,000
Bonds payable and other debt, net (note 7)	2,043,025,169	572,403	111,164,665	2,154,762,237
Total long-term liabilities	2,053,104,030	1,170,403	113,147,553	2,167,421,986
Total liabilities	2,247,915,190	3,801,257	117,275,988	2,368,992,435
Net assets:				
Investment in capital assets, net of related debt	122,719,120	50,481,646	(52,898,472)	120,302,294
Restricted for:				
Capital assets	18,320,324	2,503,594	10,423,031	31,246,949
Debt service	293,486,943	—	1,362,519	294,849,462
Operations	30,583,843	—	—	30,583,843
Drug enforcement	1,705,860	—	—	1,705,860
Unrestricted (deficit)	47,162,301	(209,530)	(608,782)	46,343,989
Total net assets (deficit)	$ 513,978,391	$ 52,775,710	$ (41,721,704)	$ 525,032,397

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2010

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 69,651,497	$ 520,527	$ —	$ 70,172,024
Terminal building rentals and related fees	70,061,244	1,791,391	—	71,852,635
Facility use fees	5,949,870	352,275	—	6,302,145
Nonairline revenues:				
Parking fees	48,309,486	—	—	48,309,486
Concession fees	30,702,401	—	—	30,702,401
Car rental	17,272,576	—	—	17,272,576
Hotel	—	—	26,828,936	26,828,936
Employee shuttle bus	5,467,240	—	—	5,467,240
Ground transportation	4,738,700	—	—	4,738,700
Utility service fees	4,332,355	113,392	—	4,445,747
Rental facilities	3,453,532	8,700	—	3,462,232
Other	6,934,916	607,849	—	7,542,765
Total operating revenues	266,873,817	3,394,134	26,828,936	297,096,887
Operating expenses:				
Salaries, wages, and fringe benefits	68,799,294	1,261,145	—	70,060,439
Parking management	6,504,949	—	—	6,504,949
Hotel management	3,500	—	20,029,041	20,032,541
Shuttle bus services	8,495,126	—	—	8,495,126
Janitorial services	10,972,244	16,000	—	10,988,244
Security	2,293,067	—	—	2,293,067
Professional and other contractual services	14,317,714	904,629	—	15,222,343
Utilities	25,789,315	902,521	—	26,691,836
Buildings and grounds maintenance	18,956,930	748,040	—	19,704,970
Equipment repair and maintenance	17,832,450	166,210	—	17,998,660
Materials and supplies	5,611,847	103,563	—	5,715,410
Insurance	2,531,983	37,396	—	2,569,379
Other	4,421,289	489,835	—	4,911,124
Depreciation	136,688,351	4,220,493	5,242,231	146,151,075
Total operating expenses	323,218,059	8,849,832	25,271,272	357,339,163
Operating income (loss)	(56,344,242)	(5,455,698)	1,557,664	(60,242,276)
Nonoperating revenues (expenses):				
Passenger facility charges	60,305,754	—	—	60,305,754
Federal and state grants	1,230,573	34,318	—	1,264,891
Net insurance recovery	1,213	—	—	1,213
Interest income	4,892,215	20,114	29,015	4,941,344
Interest expense	(99,601,623)	(32,081)	(6,280,124)	(105,913,828)
Gain on disposal of assets	55,049	23,983	—	79,032
Amortization of bond issuance costs	(1,837,232)	—	(324,446)	(2,161,678)
Total nonoperating revenue (expense)	(34,954,051)	46,334	(6,575,555)	(41,483,272)
Net loss before capital contributions and transfers	(91,298,293)	(5,409,364)	(5,017,891)	(101,725,548)
Capital contributions	25,869,294	3,268,058	—	29,137,352
Transfers in (out)	(1,490,004)	1,490,004	—	—
Changes in net assets	(66,919,003)	(651,302)	(5,017,891)	(72,588,196)
Net assets (deficit) – Beginning of year, restated (note 2)	580,897,394	53,427,012	(36,703,813)	597,620,593
Net assets (deficit) – End of year	$ 513,978,391	$ 52,775,710	$ (41,721,704)	$ 525,032,397

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2010

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 273,770,045	$ 3,435,044	$ 26,611,621	$ 303,816,710
Payments to suppliers	(122,573,836)	(3,460,369)	(20,069,803)	(146,104,008)
Payments to employees	(67,479,275)	(1,246,517)	—	(68,725,792)
Payments to Wayne County for services provided	(1,031,948)	—	—	(1,031,948)
Payments from Wayne County for services provided	4,009	—	—	4,009
Payments (to) from other funds for services provided	1,213,483	(1,213,483)	—	—
Advances (to) from other funds for services provided	(1,239,462)	1,239,462	—	—
Return of customer deposits	(8,678,387)	(1,589)	—	(8,679,976)
Collection of customer deposits	4,810,517	13,085	—	4,823,602
Net cash provided by (used in) operating activities	78,795,146	(1,234,367)	6,541,818	84,102,597
Cash flows from noncapital financing activities:				
Passenger facility charges received	2,210,561	—	—	2,210,561
Grants from federal/state government	1,194,650	85,556	—	1,280,206
Net cash provided by noncapital financing activities	3,405,211	85,556	—	3,490,767
Cash flows from capital and related financing activities:				
Capital contributions received	34,962,353	7,793,413	—	42,755,766
Passenger facility charges received	54,381,204	—	—	54,381,204
Proceeds from capital debt	7,000,000	—	—	7,000,000
Principal paid on capital debt	(75,910,693)	(27,619)	(1,139,553)	(77,077,865)
Insurance proceeds received from damage to capital assets	1,213	—	—	1,213
Acquisition and construction of capital assets	(62,953,319)	(4,771,706)	(60,682)	(67,785,707)
Proceeds from disposal of capital assets	55,049	23,983	—	79,032
Interest paid on capital debt	(101,524,760)	(32,081)	(6,167,633)	(107,724,474)
Net cash provided by (used in) capital and related financing activities	(143,988,953)	2,985,990	(7,367,868)	(148,370,831)
Cash flows from investing activities:				
Interest and dividends received	6,093,702	20,114	24,725	6,138,541
Purchases of investments	(297,396,558)	—	(2,705,000)	(300,101,558)
Maturities of investments	477,083,579	—	3,629,000	480,712,579
Net cash provided by investing activities	185,780,723	20,114	948,725	186,749,562
Net increase in cash and cash equivalents	123,992,127	1,857,293	122,675	125,972,095
Cash and cash equivalents – Beginning of year	298,401,275	2,531,655	13,873,149	314,806,079
Cash and cash equivalents – End of year	$ 422,393,402	$ 4,388,948	$ 13,995,824	$ 440,778,174

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2010

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ (56,344,242)	$ (5,455,698)	$ 1,557,664	$ (60,242,276)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	136,688,351	4,220,493	5,242,231	146,151,075
Decrease (increase) in accounts receivable	1,996,399	78,928	(216,915)	1,858,412
Increase (decrease) in due from/to other funds	(25,979)	25,979	—	—
(Increase) decrease in prepaids/deposits	225,367	3,759	(541,726)	(312,600)
Increase in net OPEB asset	(916,680)	—	—	(916,680)
Increase (decrease) in accounts payable	(14,380,515)	(103,830)	71,323	(14,413,022)
Increase (decrease) in accrued wages and benefits	363,922	(8,361)	—	355,561
Decrease in due to primary government	(34,077)	—	—	(34,077)
Increase (decrease) in deferred revenue	4,701,954	(8,122)	—	4,693,832
Increase in due to other governmental units	34,530	—	—	34,530
Increase in other accrued liabilities	6,486,116	12,485	429,241	6,927,842
Total adjustments	135,139,388	4,221,331	4,984,154	144,344,873
Net cash provided by (used in) operating activities	$ 78,795,146	$ (1,234,367)	$ 6,541,818	$ 84,102,597
Cash and investments at September 30, 2010 consist of:				
Cash and cash equivalents	$ 422,393,402	$ 4,388,948	$ 13,995,824	$ 440,778,174
Investments	110,406,767	—	1,045,000	111,451,767
Total cash and investments	$ 532,800,169	$ 4,388,948	$ 15,040,824	$ 552,229,941

Noncash operating activities:

- Loans due to Detroit Metropolitan Airport Fund from Willow Run Airport Fund of $669,634 were forgiven during fiscal year 2010.
- Other accrued liabilities of $2.9 million were written off during fiscal year 2010 due to a customer terminating a lease. The termination relieved Detroit Metropolitan Airport Fund of its liability.

Noncash capital and related financial activities:

- $723,593 of Willow Run Airport capital assets acquired through contributions from customers; $3.1 million of Detroit Metropolitan Airport capital assets acquired through contributions from customers.
- $642,840 of capital assets transferred to Willow Run Airport from Detroit Metropolitan Airport Fund.
- Interest expense of approximately $2.1 million was capitalized into capital assets during 2010.
- As a result of the implementation of GASB 53, $1.2 million of assets and liabilities were added. See Note 7 for further details.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Assets

September 30, 2010

		Postemployment Health Benefits Trust Fund
Assets:		
Cash and investments (note 4):		
Commercial paper	$	9,999,700
Money market funds		118,275
Interest receivable		111
Total assets	$	10,118,086
Net Assets:		
Held in trust for postemployment health benefits	$	10,118,086

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Changes in Fiduciary Net Assets

Year Ended September 30, 2010

		Postemployment Health Benefits Trust Fund
Additions:		
Investment income:		
Interest	$	6,248
Retirement contributions:		
Employer		3,500,000
Total additions		3,506,248
Deductions:		
Trustee fees		250
Changes in net assets		3,505,998
Net assets - Beginning of year		6,612,088
Net assets - End of year	$	10,118,086

See accompanying notes to basic financial statements.

(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, the Willow Run Airport, and the Airport Hotel, and the Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*.

The Authority is directed and governed by a board consisting of seven members. The governor of the state appoints two members of the board, one member is appointed by the legislative body of the County that owns Metro Airport, and four members of the board are appointed by the chief executive officer of the County.

Metro Airport has airport use contracts with 13 airlines. These airlines, along with their affiliates, constitute approximately 98 percent of total landed weight in 2010. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports the following major funds:

Detroit Metropolitan Airport Fund – This fund is used to account for the operations and maintenance of the Detroit Metropolitan Wayne County Airport.

Willow Run Airport Fund – This fund is used to account for the operations and maintenance of the Willow Run Airport.

Airport Hotel Fund – This fund is used to account for the activity associated with the funding, furnishing, and operations of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

The Authority reports the following fiduciary fund type:

Postemployment Health Benefits Trust Fund – This fund is used to account for the postemployment healthcare payments to qualified employees.

(b) Basis of Accounting and Measurement Focus

The financial statements of the Authority are presented on the accrual basis of accounting and are accounted for on the flow-of-economic-resources measurement focus; revenues are recorded when earned, and expenses are recorded as incurred.

As allowed by GASB Statement No. 20, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989, but has chosen not to do so.

(c) Cash and Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned but not received at year end is accrued. Investments are stated at fair market value, which is based on quoted market prices.

(d) Cash Flows

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All pooled investments qualify as cash equivalents.

(e) Passenger Facility Charges

The Authority assesses passenger facility charges of $4.50 per passenger enplanement. The passenger facility charges are recorded as nonoperating revenues and may only be expended on capital and noncapital projects approved by the federal government. Passenger facility charges are recorded upon receipt from airlines on an accrual basis.

(f) Revenue Recognition

Operating revenues are recorded as revenues at the time services are rendered. Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and capital contributions. Federal and state grants and capital contributions are recognized as revenues when the eligibility requirements, if any, are met.

(g) Net Assets

Equity is displayed in three components, as follows:

Invested in Capital, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(Continued)

The Airport Hotel Fund and Willow Run Airport Fund incurred unrestricted deficits for the year ended September 30, 2010 of $608,782 and $209,530, respectively. These deficits are expected to be funded by the improvement in future operations of both the Hotel and Willow Run Airport.

(h) Classification of Revenues and Expenses

The Authority has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees and concession fees, and expenses paid to employees and vendors.

Nonoperating – Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions that are defined as nonoperating by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, such as revenue from federal and state grants and contributions and investment income, and expenses for capital debt.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

(j) Capital Assets

Capital assets are stated at the estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 – 50 years
Equipment/Vehicles	3 – 12 years
Infrastructure	10 – 40 years

Expenditures with a cost of $5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits, and interest costs during construction. At the time capital assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the results of operations.

(Continued)

(k) Compensated Absences

The Authority's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited. A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements as a current "other accrued liability."

Activity for the year ended September 30, 2010 was as follows:

Beginning balance	Increases	Decreases	Ending balance
$ 5,177,762	$ 3,184,413	$ (3,294,190)	$ 5,067,985

(l) Retirement Contributions and Other Postemployment Benefit Costs

Employer and employee contributions are recognized by the Wayne County Employees' Retirement System, which includes the Authority personnel, in the period in which the contributions are due. Prior service costs resulting from benefit improvements, plan amendments, actuarial gains or losses, and other reasons are generally reflected in contributions based upon a 20-year amortization period.

The Authority offers retiree healthcare benefits to retirees. The Authority receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. The Authority reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

(m) Accounts Receivable

Net receivables at September 30, 2010 consist of trade receivables incurred by customers during the normal course of business. The total allowance for uncollectible accounts at September 30, 2010 was $200,400, of which $150,000 was for the Detroit Metropolitan Airport Fund, $50,000 was for the Willow Run Airport Fund, and $400 was for the Airport Hotel Fund.

(n) Accounts Payable

Total payables at September 30, 2010 consist of payables due to vendors used during the normal course of business.

(Continued)

(o) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and accounts receivable that are legally restricted by third parties to certain uses. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. Operation and maintenance funds are restricted to pay for operations at Metro Airport as required by the bond ordinance. Public safety funds obtained from seizures are restricted to specified security or public safety uses.

Liabilities payable from restricted assets are the deferred revenue, accrued interest, and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(p) Interfund Balances, Advances, and Transfers

The interfund balances resulted from (1) the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one fund to another fund within the same reporting entity. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one fund to another fund within the same reporting entity.

Interfund transfers are used to transfer unrestricted resources from one reporting fund to another to fund operations.

(q) Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2010 is $13,182,184.

(r) Deferral of Gains and Losses on Refundings

The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The deferred amount is amortized and recorded as a component of interest expense in accordance with the standard.

(s) Derivative Financial Instruments

The Governmental Accounting Standards Board (GASB) issued Statement No. 53, *Accounting for Derivative Instruments*, effective for the Authority's fiscal year ended September 30, 2010. This standard requires that all derivatives be recorded on the balance sheet at their respective fair value. Changes in fair value are recognized either in net assets or other assets and other liabilities, depending on the nature of the underlying exposure being hedged and whether the derivatives are effective or ineffective. The Authority's derivative instruments are deemed effective and any change in fair value is reflected in other assets and other liabilities. The impact of the change in accounting was an increase in other assets and other liabilities by $1,152,000.

(t) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. These accruals are evaluated periodically for changes due to additional assessment and remediation efforts, as well as more detailed legal or technical information. Environmental liabilities are included in the balance sheet as current and long-term "other accrued liabilities."

In certain instances, environmental remediation costs cannot be reasonably estimated; however, the nature of the matters is disclosed in the notes to the basic financial statements as commitments and contingencies. As components of the remediation efforts are able to be projected, they are calculated using an expected cash flow technique and recorded accordingly.

(u) New Accounting Pronouncements

The Authority adopted the following GASB statements for the year ended September 30, 2010: GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.*

The Authority elected to implement GASB Statement No. 51 at the beginning of the fiscal year (see note 6 for further information). As a result of this implementation, the Detroit Metropolitan Airport Fund has restated its beginning net asset balance as follows:

Beginning net assets - 10/1/09	$	529,938,534
Land and intangible assets additions		50,958,860
Beginning net assets - as restated	$	580,897,394

(v) Self Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. Since no actual history prior to this could be determined for the Authority individually, the Authority started documenting a history in fiscal year 2004 and is conservatively adjusting the reserve until an appropriate liability can be determined based on actual claims incurred. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, and legal bills for claims under $50,000 are paid out of these funds. The Authority purchases commercial insurance for liability claims in excess of $50,000. Since September 30, 2004, there have been three losses that have exceeded the $50,000 retention wherein the insurer has been responsible for settlement and legal fees.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. Since no actual history prior to this could be determined for the Authority individually, the Authority started documenting a history in fiscal year 2005 and is conservatively adjusting the reserve until an appropriate liability can be determined based on actual claims incurred. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases commercial insurance for claims that exceed $1 million. Settled claims have not exceeded this commercial coverage in the past three years. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met during the past three years.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability." A reconciliation of the Authority's self-insured claims liability at September 30, 2010 follows:

	Health Insurance	Workers' Compensation	Other Claims	Total
Claims liability, September 30, 2008	$ 3,460,864	$ 2,065,094	$ 1,483,174	$ 7,009,132
Claims incurred during fiscal year 2009	16,261,022	1,680,455	711,995	18,653,472
Payments on claims	(16,084,922)	(493,881)	(320,365)	(16,899,168)
Increase (decrease) in the reserve	1,635,484	(1,239,030)	(265,092)	131,362
Claims liability, September 30, 2009	5,272,448	2,012,638	1,609,712	8,894,798
Claims incurred during fiscal year 2010	19,041,750	3,741,268	1,100,251	23,883,269
Payments on claims	(14,757,400)	(710,043)	(368,108)	(15,835,551)
Decrease in the reserve	(5,000,917)	(116,021)	(925,238)	(6,042,176)
Claims liability, September 30, 2010	$ 4,555,881	$ 4,927,842	$ 1,416,617	$ 10,900,340

(Continued)

(3) Major Customer

Delta Airlines (Delta) accounts for approximately 32 percent of total Authority operating revenues for the year ended September 30, 2010, including 51 percent of landing and related fees, 77 percent of airline rental and related fees, and 73 percent of facility use fees. Approximately 52 percent of total 2010 enplanements are attributable to Delta's operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $977,000 in net receivables from Delta at September 30, 2010.

The airlines serving the Airport have been impacted by global events to varying degrees. Delta and Mesaba Airlines have filed bankruptcy reorganization in the past five years, yet have since emerged. During 2008, Delta Airlines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport operations.

(4) Deposits and Investments

Michigan Compiled Laws, Section 129.9 1 (Public Act 20 of 1943, as amended), authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Authority in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities (date-specific maturities only), non-negotiable certificates of deposit, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118, or investment pools organized under the Urban Cooperation Act of 1967, PA 7, and MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed-income mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of $1.00 per share.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below.

Credit risk – In compliance with state law, the Authority's investment policy limits investments of commercial paper to the two top ratings issued by nationally recognized statistical rating organizations. As of year end, the credit quality ratings of investments (other than the U.S. government) are as follows:

Investment		Fair value	Rating	Organization
Primary Government:				
Money market funds	$	10,418,413	AAA	S&P
Commercial paper		251,916,156	A1+, P1	S&P, Moody
Fiduciary Fund:				
Money market funds		118,275	AAA	S&P
Commercial paper		9,999,700	A1+, P1	S&P, Moody

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had $61,435,284 of bank deposits (certificates of deposit, checking, and savings accounts) that were largely uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk of investments – Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery vs. payment procedure, and be held in third-party safekeeping. At year end, none of the Authority's investments was subject to custodial credit risk due to one of the following:

- Investments were held by a third-party safe-keeper in the Authority's name.
- Investments were held by the Authority's trustee in the Authority's name.
- Investments were part of a mutual fund.

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy addresses this risk by setting limits by investment fund type as follows:

Investment fund	Maturity maximum
General Pool	1 year
Bond Reserve	5 years
Bond Payment and Capital Interest Funds	1 business day prior to bond payment date
Construction Funds	Must match draw schedule or less

Note: All commercial paper is limited by state statute to 270 days maximum.

At year end, the average maturities of investments subject to interest rate risk are as follows:

		Fair value	Average maturity
Primary Government:			
Investments subject to risk:			
Bond reserves:			
U.S. Treasuries	$	49,011,866	3.9 years
Long-term repo		3,629,278	11.2 years
Commercial paper		113,518,594	5 days
Bond payment funds:			
U.S. Treasuries		85,651,685	57 days
Capital interest funds:			
2003 Construction:			
U.S. Treasuries		6,999,390	57 days
2005 Construction:			
U.S. Treasuries		3,301,240	57 days
Construction funds:			
2005 Construction:			
Commercial paper		25,099,961	57 days
2007 Construction:			
Commercial paper		26,999,190	5 days
2009 Construction:			
Commercial paper		8,499,745	5 days
Other construction and operating:			
Commercial paper		67,498,975	5 days
Hotel:			
Commercial paper		10,299,691	5 days
U.S. Treasuries		2,638,718	2 months
Investments subject to risk		403,148,333	
Deposits/investments not subject to risk:			
Deposits		138,663,195	
Money market funds		10,418,413	
Total Primary Government		552,229,941	
Fiduciary Fund:			
Investments subject to risk:			
Commercial paper		9,999,700	5 days
Deposits/investments not subject to risk:			
Money market funds		118,275	
Total Fiduciary Fund		10,117,975	
Total deposits and investments	$	562,347,916	

(Continued)

Concentration of credit risk – Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test – Maximum investment is 25 percent of combined capital and surplus position of that financial institution.

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year end
Bankers' acceptances	50%	- %
Repurchase agreements	25	0.7
Certificates of deposit (bank)	50	4.7
Money market funds	50	1.9
Commercial paper	60	46.6
U.S. government	100	26.3

Authority limits based upon use of a single issuer:

Investment type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of deposit (bank)	33% of total portfolio
Certificates of deposit (S&L)	5% of total portfolio

Actual year-end investments in a single issuer exceeding 5 percent of total portfolio are as follows:

Issuer	Investment type	Fair value	Portfolio	Rating
Abbey National	Commercial paper	$ 237,115,886	42.17%	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2010 is as follows:

Operations and maintenance:	
Cash and investments	$ 30,542,237
Accounts receivable	41,606
Total	30,583,843
Replacement and improvements:	
Cash and investments	630,257
Construction:	
Cash and investments	99,646,151
Accounts receivable	3,798
Total	99,649,949
Bond and interest redemption:	
Cash and investments	267,014,699
Accounts receivable	438,626
Total	267,453,325
Passenger facility charges:	
Cash and investments	50,012,565
Accounts receivable	10,238,514
Total	60,251,079
Drug enforcement:	
Cash and investments	1,705,860
Total restricted assets	$ 460,274,313

(Continued)

(6) Capital Assets

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning balance as restated	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 226,602,461	$ —	$ (33,181)	$ 226,569,280
Construction in progress	65,005,442	62,218,476	(59,198,246)	68,025,672
Total capital assets not being depreciated	291,607,903	62,218,476	(59,231,427)	294,594,952
Capital assets being depreciated:				
Buildings and improvements	1,928,140,230	28,614,455	—	1,956,754,685
Equipment	58,750,743	4,544,444	(1,595,042)	61,700,145
Infrastructure	1,119,561,066	31,385,341	—	1,150,946,407
Total capital assets being depreciated	3,106,452,039	64,544,240	(1,595,042)	3,169,401,237
Less accumulated depreciation for:				
Buildings and improvements	571,071,611	81,657,694	—	652,729,305
Equipment	38,299,024	4,507,866	(1,595,042)	41,211,848
Infrastructure	551,056,582	50,522,791	—	601,579,373
Total accumulated depreciation	1,160,427,217	136,688,351	(1,595,042)	1,295,520,526
Total capital assets being depreciated, net	1,946,024,822	(72,144,111)	—	1,873,880,711
Total Detroit Metropolitan Airport Fund capital assets, net	2,237,632,725	(9,925,635)	(59,231,427)	2,168,475,663

	Beginning balance as restated	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 15,926,984	$ —	$ —	$ 15,926,984
Construction in progress	291,780	2,668,804	(2,265,934)	694,650
Total capital assets not being depreciated	16,218,764	2,668,804	(2,265,934)	16,621,634
Capital assets being depreciated:				
Buildings and improvements	7,731,772	723,593	—	8,455,365
Equipment	6,609,329	—	(449,997)	6,159,332
Infrastructure	108,634,688	1,975,188	—	110,609,876
Total capital assets being depreciated	122,975,789	2,698,781	(449,997)	125,224,573
Less accumulated depreciation for:				
Buildings and improvements	3,393,768	288,912	—	3,682,680
Equipment	4,234,662	427,490	(449,997)	4,212,155
Infrastructure	79,373,756	3,504,091	—	82,877,847
Total accumulated depreciation	87,002,186	4,220,493	(449,997)	90,772,682
Total capital assets being depreciated, net	35,973,603	(1,521,712)	—	34,451,891
Total Willow Run Airport Fund capital assets, net	52,192,367	1,147,092	(2,265,934)	51,073,525
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	92,681,026	47,050	—	92,728,076
Equipment	577,317	13,632	—	590,949
Total capital assets being depreciated	93,258,343	60,682	—	93,319,025
Less accumulated depreciation for:				
Buildings and improvements	33,354,926	5,153,387	—	38,508,313
Equipment	337,130	88,844	—	425,974
Total accumulated depreciation	33,692,056	5,242,231	—	38,934,287
Total capital assets being depreciated, net	59,566,287	(5,181,549)	—	54,384,738
Total Airport Hotel Fund capital assets, net	59,566,287	(5,181,549)	—	54,384,738
Total Authority capital assets, net	$ 2,349,391,379	$ (13,960,092)	$ (61,497,361)	$ 2,273,933,926

The beginning balance in land and nondepreciable assets in the Detroit Metropolitan Airport Fund was restated by $50.9 million as a result of the implementation of GASB 51. As described in note 2, the Authority elected to implement GASB No. 51 at the beginning of the year, which resulted in an increase being taken directly to the beginning net assets.

(Continued)

(7) Long-term Debt

The detail of long-term debt at September 30, 2010 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds:	
Series 1998A, 4.2% to 5.5%, due 12/1/2028	$ 711,505,000
Series 1998B, 4.1% to 5.25%, due 12/1/2013	13,885,000
Series 2002C, 3.0% to 5.375%, due 12/1/2020	25,660,000
Series 2002D, 5.0% to 5.5%, due 12/1/2019	60,860,000
Series 2005, 3.5% to 5.25%, due 12/1/2034	497,545,000
Series 2007A Jr. Lien, 4.85% to 5%, due 12/1/2037	180,390,000
Series 2007B, 4.0% to 5.0%, due 12/1/2028	119,390,000
Series 2008A, 4.0% to 5.75%, due 12/1/2032	134,810,000
Series 2008B, variable, current yield at 9/30/10, 0.33%, due 12/1/2033	196,450,000
Series 2008C, variable, current yield at 9/30/10, 0.30%, due 12/1/2033	81,250,000
Series 2008D, variable, current yield at 9/30/10, 0.27%, due 12/1/2021	33,375,000
Series 2008E, variable, current yield at 9/30/10, 0.26%, due 12/1/2016	33,340,000
Series 2008F, variable, current yield at 9/30/10, 0.27%, due 12/1/2016	33,375,000
Installment purchase contract, 5.625%, due 5/11/2011	1,880,000
Installment purchase contract, 4.33%, due 5/21/2023	3,686,466
Installment purchase contract, 3.7%, due 9/25/2015	219,193
Installment purchase contract, 3.54%, due 11/14/2014	264,280
Installment purchase contract, 4.05%, due 4/8/2018	310,944
Installment purchase contract, 5.31%, due 12/16/2013	247,397
Total Detroit Metropolitan Airport Fund	2,128,443,280
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	180,150
Notes payable – University of Michigan, 8%, due 9/1/2013	411,729
Total Willow Run Airport Fund	591,879
Airport Hotel Fund:	
Airport Hotel Revenue Bonds:	
Series 2001A, 5.0% to 5.5%, due 12/1/2030	99,630,000
Series 2001B, 6.0% to 6.6%, due 12/1/2015	9,490,000
Other Hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 11/15/2017	3,767,095
Working Capital Loan, 8%, due 11/15/2017	1,500,000
Total Airport Hotel Fund	114,387,095
Total Authority bonds payable and other debt	2,243,422,254

Add (less):		
Deferred amount on refunding	$	(30,732,745)
Certain bond discounts		(8,125,540)
Certain bond premiums		21,667,285
Total Authority bonds payable and other debt, net		2,226,231,254
Less current portion		71,469,017
Total Authority bonds payable and other debt, noncurrent	$	2,154,762,237

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2010 are summarized as follows:

	Principal					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2011	$ 67,810,000	$ 2,253,901	$ 19,476	$ 980,000	$ 405,640	$ 71,469,017
2012	74,355,000	400,464	19,476	1,200,000	439,308	76,414,248
2013	80,520,000	427,865	431,205	1,480,000	475,771	83,334,841
2014	84,290,000	393,186	19,476	1,645,000	515,259	86,862,921
2015	88,365,000	341,666	19,476	1,935,000	558,026	91,219,168
2016 to 2020	458,895,000	1,676,412	82,770	14,590,000	2,873,091	478,117,273
2021 to 2025	468,600,000	1,114,786	—	29,310,000	—	499,024,786
2026 to 2030	492,875,000	—	—	46,235,000	—	539,110,000
2031 to 2035	272,675,000	—	—	11,745,000	—	284,420,000
2036 to 2038	33,450,000	—	—	—	—	33,450,000
Total	$ 2,121,835,000	$ 6,608,280	$ 591,879	$ 109,120,000	$ 5,267,095	$ 2,243,422,254

	Interest					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2011	$ 100,535,367	$ 301,313	$ 38,044	$ 5,676,370	$ 406,708	$ 106,957,802
2012	97,126,403	178,974	38,044	5,609,035	373,040	103,325,496
2013	93,391,055	161,208	38,044	5,522,995	336,578	99,449,880
2014	89,387,901	143,346	—	5,419,870	297,089	95,248,206
2015	85,159,355	128,206	—	5,301,730	254,323	90,843,614
2016 to 2020	358,466,073	430,830	—	24,403,462	381,998	383,682,363
2021 to 2025	247,460,197	68,466	—	18,714,363	—	266,243,026
2026 to 2030	126,185,266	—	—	9,117,025	—	135,302,291
2031 to 2035	39,146,298	—	—	293,625	—	39,439,923
2036 to 2038	2,563,250	—	—	—	—	2,563,250
Total	$ 1,239,421,165	$ 1,412,343	$ 114,132	$ 80,058,475	$ 2,049,736	$ 1,323,055,851

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations, associated with the $110.9 million Airport Hotel Revenue Bonds, Series 2001A and 2001B, issued by the County. This includes all of the County's obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each outstanding series of airport revenue bonds issued thereunder by the County (collectively, Ordinance 319). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements, or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

The Airport Revenue Bond Ordinances require that Metro Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

In August 1993, the County entered into a $445,801 note payable agreement to purchase the Packard Hangar, located at the Willow Run Airport, from the University of Michigan. The agreement calls for quarterly interest payments of $9,511 commencing on September 1, 1993. Principal payments on the note are required if revenue in excess of $60,000 is generated at the Packard Hangar site during any calendar year. In this situation, half of the revenue generated would be required to be paid to the University of Michigan. On September 1, 2013, any principal and interest remaining unpaid are due.

In June 1999, the County entered into agreements with Northwest to issue approximately $15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to provide debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

In March 2001, the County issued $110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, $99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing an airport hotel (the Airport Hotel) and related improvements at the new McNamara Terminal of Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, $11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the bonds, subject to constitutional, statutory, and charter tax rate limitations.

In August 2001, the County entered into an Installment Purchase Contract for $14.4 million to pay for energy conservation improvements at Metro Airport.

In December 2001, the County entered into a $292,133 note payable with Washtenaw County to allow Washtenaw County to use its Michigan Community Development Block Grant to assist Willow Run Airport in renovating Hangar I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In July 2002, the County issued $102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The County defeased the Series 1990B Bonds, the Series 1990A Bonds, the Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds of the Series 2002C and 2002D Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 1990B, the Series 1990A, and the Series 1991B Bonds were subsequently called and paid in full in August 2002. The portion of the Series 1998B Bonds was subsequently called and paid in December 2002. The difference between the cash flows required to service the new debt and complete the refunding was approximately $15.3 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $14.1 million.

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for $5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital Loan was for $1.5 million and was used to provide initial working capital to operate the Airport Hotel. During 2007, the Capital/FF&E loan was renegotiated with the Hotel Operator and the outstanding interest payable at December 31, 2006 was rolled into the principal amount of the loan.

The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued $507 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued $180 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. As of September 2010, the Authority has used $1,511,137 of this agreement and has entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In November 2007, the Authority issued $119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately $6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $7 million.

In May 2008, the Authority entered into an Installment Purchase Contract for $3,886,162 to pay for additional energy conservation improvements at Metro Airport.

During fiscal year 2008, disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, which significantly affected the Authority's variable rate hedged and unhedged debt program representing 25.74% of overall authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued $142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

In June 2008, the Authority issued $330.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2008B Refunding Bonds were issued to refund the Series 2003A-1 Bonds, 2003A-2 Bonds, and a portion of 2003A-3 Bonds. The Series 2008C-1 Refunding Bonds were issued to refund the Series 2003B. The Series 2008C-2 Refunding Bonds were issued to refund the Series 2004 Bonds. The Series 2008C-3 Refunding Bonds were issued to refund a portion of the Series 2003A-3 Bonds. The Series 2008D Refunding Bonds were issued to refund the Series 2003C Bonds. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds by placing the proceeds of the Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds were subsequently called and paid in full in July 2008 and August 2008.

The Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

As part of the refunding, the Authority continued the variable to fixed interest rate swap agreement. At September 30, 2010, the agreement resulted in a fixed coupon rate and notional balance of 3.4825% and $53,825,000 for the Series 2008C-1 Bonds, a fixed coupon rate and notional balance of 3.997% and $9,525,000 for the Series 2008C-2 Bonds, and a fixed coupon rate and notional balance of 3.4265% and $33,375,000 for the Series 2008D Bonds. The Swap was terminated without penalty on December 13, 2010.

As of September 30, 2010, rates were as follows:

Interest rate	Term	2008C-1 rates	2008C-2 rates	2008D rates
Fixed payment to counterparties	Fixed	3.4825%	3.9970%	3.4265%
Variable rate from counterparties	Enh Lib	0.2575	0.2563	0.2563
Net interest rate swap payments		3.2250	3.7407	3.1702
Variable-rate bond payment	Market	0.3000	0.3000	0.2700
Synthetic interest rate on bonds		3.5250	4.0407	3.4402

The Authority has concluded that the Swap is a hedging derivative instrument. The Swap had a negative fair value at year end of $534,000. Fair value was determined based on actual cash flows realized between September 30, 2010 and the termination date. Due to the negative fair value of the Swap, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The Counterparty, Goldman Sachs, has S&P ratings of A, Moody's ratings of A1, and Fitch ratings of A+ mitigating this risk.

In October 2008, the Authority issued $74.8 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008E and 2008F. The Series 2008E and 2008F Bonds were issued to refund certain outstanding indebtedness previously issued to refinance the cost of various capital projects at Metro Airport. The Series 2008E Refunding Bonds were issued to refund the Series 1996A Bonds. The Series 2008F Refunding Bonds were issued to refund the Series 1996B Bonds. The Series 2008E and 2008F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 1996A and 1996B Bonds by placing the proceeds of the Series 2008E and 2008F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1996A and 1996B Bonds were subsequently called and paid in full in October 2008 and December 2008.

The Series 2008E and 2008F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008E and 2008F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

As part of the refunding, the Authority continued the variable to fixed interest rate Swap agreement resulting in a fixed coupon rate and notional balance as of September 30, 2010 of 5.1082% and $57,220,000 for both Series 2008E and 2008F Bonds. The Swap was terminated without penalty on December 13, 2010.

As of September 30, 2010, rates were as follows:

Interest rate	Term	2008E rates	2008F rates
Fixed payment to counterparties	Fixed	5.1082%	5.1082%
Variable rate from counterparties	Enh Lib	0.2563	0.2563
Net interest rate swap payments		4.8519	4.8519
Variable-rate bond payment	Market	0.2600	0.2700
Synthetic interest rate on bonds		5.1119	5.1219

The Authority has concluded that the Swap is a hedging derivative instrument. The Swap had a negative fair value at year end of $618,000. Fair value was determined based on actual cash flows realized between September 30, 2010 and the termination date. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The Counterparty, Goldman Sachs, has S&P ratings of A, Moody's ratings of A1, and Fitch ratings of A+ mitigating this risk.

The interest rate Swaps were entered into by the Authority with the objective of hedging against risks associated with the issuance of variable rate debt instruments, specifically, the risk that changes in interest rates could adversely impact Authority cash flows.

Although Swaps are utilized by the Authority to hedge against a specific risk, Swaps also expose the Authority to risks. The risks created by involvement in Swap transactions are addressed by the Authority Swap Management Plan. Swap (synthetic variable to fixed) borrowing is limited to 10% of the overall bond program. The following table identifies the Authority's plan for mitigating Swap risk.

Type of risk	Concern	Resolution
Counterparty risk	Default of counterparty	Counterparty is rated A by S&P and A1 by Moody's.
Tax risk	Federal marginal rates could decline, reducing tax-exempt advantage of underlying auction rate securities	Terminated at Par Dec 2010 (Early Call provision)
Basis risk	Spread could widen, making Swap more expensive	(1) Enhanced LIBOR Index was chosen, protecting the Airport in both low- and high-interest environments (2) Terminated at Par Dec 2010
Termination risk	Authority credit quality could deteriorate during a time when it would be very expensive for the Authority to get out of the Swap	(1) Solid financial performance of the Authority (2) Terminated at Par in Dec 2010

In September 2009, the Authority entered into an agreement with JP Morgan Chase for the bank to purchase for its own account, a single instrument revenue bond in an amount not to exceed $40 million to provide financing for certain airfield related projects. The Series 2009A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The bond is structured as a draw-down instrument, which will enable the Authority to draw down principal as needed to pay project costs, reducing interest expense to the Authority during the construction period. The interest on the bond is a monthly variable rate based on the sum of 30-day LIBOR plus 275 basis points times 67 percent. The bond can be paid down not more than monthly upon expected receipt of $28 million in federal grant funds awarded to the Authority.

Effective January 19, 2010, the loan commitment was reduced from $40 million to $29 million and all principal outstanding as of that date was paid in full. Notice was given to JP Morgan Chase on October 1, 2010 to terminate the loan effective October 6, 2010.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2010, interest expense incurred on these debt issues totaled $103,475,463. For 2010, net financing costs capitalized were $2,114,015.

In July 2010, the Authority entered into a line of credit agreement with a maximum borrowing amount of $15 million. The borrowings charge interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2011. There were no borrowings on this line during the year ended September 30, 2010.

Long-term debt activity for the year ended September 30, 2010 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,188,500,000	$ 7,000,000	$ (73,665,000)	$ 2,121,835,000	$ 67,810,000
Installment Purchase Contracts	8,853,973	—	(2,245,693)	6,608,280	2,253,901
Less:					
Deferred amount on refunding	(32,988,441)	2,255,696	—	(30,732,745)	—
Certain bond discounts	(6,862,816)	574,066	—	(6,288,750)	—
Add:					
Certain bond premiums	23,326,660	—	(1,659,375)	21,667,285	—
Total Detroit Metropolitan Airport Fund	2,180,829,376	9,829,762	(77,570,068)	2,113,089,070	70,063,901
Willow Run Airport Fund:					
Notes payable	619,498	—	(27,619)	591,879	19,476
Total Willow Run Airport Fund	619,498	—	(27,619)	591,879	19,476
Airport Hotel Fund:					
Airport Hotel Bonds	109,885,000	—	(765,000)	109,120,000	980,000
Other Hotel debt	5,641,648	—	(374,553)	5,267,095	405,640
Less:					
Certain bond discounts	(1,964,836)	128,046	—	(1,836,790)	—
Total Airport Hotel Fund	113,561,812	128,046	(1,139,553)	112,550,305	1,385,640
Total long-term debt	$ 2,295,010,686	$ 9,957,808	$ (78,737,240)	$ 2,226,231,254	$ 71,469,017

Other long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund -					
Other accrued liabilities	$ 10,750,164	$ 5,432,000	$ (4,038,763)	$ 12,143,401	$ 3,216,540
Hedging derivative instruments	—	1,152,000	—	1,152,000	—
Willow Run Airport Fund -					
Other accrued liabilities	676,000	—	(22,000)	654,000	56,000
Airport Hotel Fund -					
Other accrued liabilities	1,553,647	429,241	—	1,982,888	—
Total other long-term liabilities	$ 12,979,811	$ 7,013,241	$ (4,060,763)	$ 15,932,289	$ 3,272,540

(8) Commitments and Contingencies

(a) Litigation

The Authority is a defendant in a number of lawsuits and claims that have resulted from the ordinary course of providing services. The ultimate effect on the Authority's financial statements of the resolution of these matters is, in the opinion of the Authority's counsel, not expected to be material.

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $506.6 million at September 30, 2010, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $55.6 million at September 30, 2010.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $123.1 million at September 30, 2010, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $1 million at September 30, 2010.

(Continued)

(c) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2010, the Authority had accrued obligations of $5 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. A significant portion (65%) of the recorded environmental liability is related to a consent decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). Most of the remaining liability is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

In 1994, the Environmental Protection Agency (EPA) and Michigan Department of Natural Resources (MDNR), through a federal court ruling, issued a mandate for environmental remediation of the System noting in their Financing Plan and Final Judgment RE: 1994 Court-Ordered Improvements, "Whereas, it is immediately necessary and imperative for the public health and welfare of the present and future residents of Wayne and the Downriver Communities that the improvements for the System required by the Consent Decree be planned, designed, acquired, constructed and financed to service the Downriver Communities."

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid $5.6 million to the City of Romulus for prior year debt service as of September 30, 2010 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

It is known that certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that will need to be disposed of upon demolition of affected structures. While the pollutant is currently contained due to prior remediation efforts during the late 1980s and early 1990s, the environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment of the pollutants and proper disposal.

During 2010, the planned demolition of the Smith Terminal building, concourses, and observation deck was consolidated into one project slated to begin in 2017 with the removal of the hazardous material as the first action that will be taken as part of the overall project.

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental and have provided information to help develop estimated remediation costs expected over time. As of September 30, 2010, the Authority recorded asbestos-related liabilities of $1 million and $598 thousand at Detroit Metro and Willow Run Airports, respectively.

National Pollutant Discharge Elimination System Permit Violation

During 2006, the Authority entered into a plea agreement with the United States for a misdemeanor violation of a condition and limitation in a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Michigan. This matter pertained to a 2001 failure to report a discharge of turbid and odorous storm water directly to the Frank and Poet Drain, a waterway that flows directly into the Detroit River, near Lake Erie. The sentence prescribed by the Federal Court includes a four-year probationary period ending in 2010 and the construction and use of a force main to connect Pond 3W at the Airport to sanitary sewer lines leading to the Detroit Water and Sewerage Department's (DWSD) treatment plant. In June 2010, the Federal Court sentenced a new probation term of three years ending in 2013. The estimated cost of the project is $13.5 million and the Authority has incurred $5.6 million to date. The project is deemed complete upon approval by DWSD that the main can and will be operated in a manner consistent with all state and federal regulatory requirements.

Additional Remediation Matters

General Motors Corporation (GM) and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the "Lease"). Under the Lease, GM leases certain land at Willow Run Airport (the "Airport") upon which GM constructed and operates a water treatment plant, which it uses as an integral part of its operations of the GM transmission facility next to the Airport (the "GM Plant").

On June 1, 2009, GM filed for protection under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and pursuant to the Bankruptcy Code, GM has the right to assume or reject the Lease. On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of GM's assets to NGMCO, Inc., a U.S. Treasury-sponsored purchaser (the "Purchaser"), and on July 10, 2009, the transfer of assets to the Purchaser occurred. GM's name now has been changed to "Motors Liquidation Company" and the Purchaser's name is now "General Motors Company."

The purchase agreement between GM and the Purchaser contemplates that the GM Plant will close on or around December 31, 2010. The Lease has been amended to extend the term to December 31, 2010, with an option to extend the term further for three (3) additional periods of one (1) month each.

In July 2009, GM assigned the Lease to the Purchaser. Pursuant to the Assignment and Assumption document between GM and the Purchaser, GM assigned all of its right, title, and interest in the Lease to the Purchaser, and the Purchaser accepted the assignment and assumed GM's obligations under the Lease, subject to the retention by GM of certain liabilities associated with the Lease. The liabilities to be retained by GM and not assumed by the Purchaser include, among other things, all liabilities for environmental contamination, at, under or emanating from the leased premises, all liabilities for cleanup of environmental contamination, and all liabilities for noncompliance with environmental laws. As such, once the property is returned to the Authority in the winter of 2011 and assuming GM is fully dissolved, to the extent there exists environmental remediation costs, these costs will be the responsibility of the Authority.

Additional small environmental matters were identified during 2010, including site closure of several Willow Run fuel farms. The Authority recorded liabilities totaling $56 thousand for these items as of September 30, 2010.

(9) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides four defined benefit retirement options, two of which are contributory and one of which is a hybrid between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on their website at www.wcers.org.

The Defined Benefit Plan consists of Plan Option 1, Plan Option 2, Plan Option 3, and Plan Option 5 (collectively, the Plan) and the Defined Contribution Plan, which consists of Plan Option 4 and Plan Option 5.

In 1983, the County closed the Plan 1 option of the WCERS to new hires and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant.

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Option 4 through September 30, 2001. Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's command officers and deputies contribute 5.0 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 with 2 percent multiplier contribute 0, 1, or 5 percent of pay, depending on the collective bargaining agreement.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2010 were $2,905,248 and $642,614, respectively.

The following represents the Authority's annual pension costs as of September 30, 2010:

	Three-year trend information		
	Annual pension cost (APC)	**Percentage of APC contributed**	**Net pension obligation**
Year ended September 30:			
2008	$ 3,509,818	100%	$ —
2009	3,114,227	100	—
2010	2,905,248	100	—

(c) Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime, after meeting normal retirement or duty disability retirement requirements, which vary by option, based on the following percentages of average final compensation, for each year of credited service:

Plan Option 1 – 2.65 percent for each year of service. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments). Minimum monthly pension is $5 times years of service.

Plan Option 2 – 1 percent for each year up to 20 years and 1.25 percent for each year over 20 years. Maximum Authority-financed portion is 75 percent of average final compensation.

Plan Option 3 – 1.5 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5 – 1.25 percent for each year up to 20 years and 1.5 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

Death and disability benefits – The Plan also provides nonduty death and disability benefits to members after 10 years of credited service for Plan Options 1 and 5, along with nonduty disability for Plan Option 2 and nonduty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits for Plan Options 1 and 5 and duty disability for Plan Option 2.

(d) Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan (Plan Option 4 and Plan Option 5) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor, and disability benefits to County and Authority employees. The administration, management, and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

Under Plan Option 4, the Authority contributes $4.00 for every $1.00 contributed by each member or, for eligible executives, $5.00 for every $1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002.

Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of $2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent), rounded to the nearest quarter of a percent.

Participants in Plan Option 5 contribute 3 percent of gross pay. The Authority makes matching contributions at a rate equal to the amount contributed by each employee. Classified employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time, permanent Authority employees are eligible to join the Plan. Those employees hired prior to July 1, 1984 were eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective October 1, 2001, the County closed Plan Option 4 to new hires. Plan Option 5 is available to all persons hired after September 30, 2001.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2010 were $3,007,472 and $1,182,159, respectively.

(10) Other Postemployment Benefits

Wayne County Airport Authority Act 149 Health Care Fund

(a) *Plan Description*

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 616 members (including 496 Authority employees in active service and 120 retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

This is a single employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) *Funding Policy*

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. Employees in Executive Service, GAA Executive, Local 502 and Local 3317 bargaining units are required to contribute 10 percent of the Blue Cross Blue Shield illustrative rate or 10 percent of the HAP premium. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) *Funding Progress*

For the year ended September 30, 2010, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2008. The valuation computes an annual required contribution, which 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 over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$	4,914,922
Interest on the prior year's net OPEB asset		(80,413)
Less adjustment to the annual required contribution		(30,862)
Annual OPEB cost		4,803,647
Amounts contributed:		
Payments of current premiums		(2,220,327)
Advance funding		(3,500,000)
Increase in net OPEB asset		(916,680)
OPEB asset - beginning of year		(1,005,163)
OPEB asset - end of year	$	(1,921,843)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation (asset) for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2008	2009	2010
Annual OPEB costs	$ 4,454,663	$ 5,357,505	$ 4,803,647
Percentage contributed	89.2%	127.8%	119.1%
Net OPEB obligation (asset)	$ 482,409	$ (1,005,153)	$ (1,921,843)

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of October 1, 2008

Actuarial value of assets	$	3,100,000
Actuarial accrued liability (AAL)	$	52,986,791
Unfunded AAL (UAAL)	$	49,886,791
Funded ratio		5.9%
Annual covered payroll		N/A
Ratio of UAAL to covered payroll		N/A

(d) ***Actuarial Methods and Assumptions***

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 the healthcare cost trend. 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. The schedule of funding progress, presented as required as supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the 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 October 1, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the expected long-term investment return on plan assets, a projected 3 percent salary increase, and an annual healthcare cost trend rate of 9 percent initially, reduced to an ultimate rate of 5 percent after eight years. The UAAL is being amortized using the straight-line method (level percent of pay amortized annually) over 30 years.

Wayne County Health and Welfare Plan (Pre-2002)

(a) Plan Description

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 4,009 members, which includes retirees for the County and the Authority who retired before September 1, 2002. The plan is closed to new members.

This is a cost-sharing, multiple-employer, defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(Continued)

(b) Funding Policy

The benefits of the plan are established by the various collective bargaining agreements. Employees are not required to contribute to the plan. The Authority is required to contribute 11.25 percent of incurred costs to the plan. The required and actual contributions for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2008	2009	2010
Required contribution	$ 4,742,406	$ 3,095,546	$ 3,313,630
Actual contribution	$ 4,742,406	$ 3,095,546	$ 3,313,630
% of required contribution made	100.0%	100.0%	100.0%

(11) Subsequent Events

On October 1, 2010, the Authority gave notice to JP Morgan Chase to terminate the 2009A bonds with JP Morgan Chase effective October 6, 2010.

On December 13, 2010, the 2008C-1, 2008C-2, 2008D, 2008E, and 2008F Swap agreements were terminated by the Authority without penalty.

On December 16, 2010, the Authority issued $838.7 million in Wayne County Airport Authority Revenue Refunding Bonds at the following amounts: Series 2010A - $222.5 million, Series 2010B - $8.8 million, Series 2010C - $188.4 million, Series 2010D - $28 million, Series 2010E-1 - $75.4 million, Series 2010E-2 - $75 million, Series 2010F - $124.6 million, and Series 2010G - $116 million.

The Series 2010A-D Fixed Rate Refunding Bonds were issued to refund the Series 1998B Bonds, the Series 2008D Bonds, the Series 2008E Bonds, the Series 2008F Bonds; and a portion of each of the Series 1998A, Series 2008B, and Series 2008C Bonds. The Series 2010E-G Variable Rate Refunding Bonds were issued to refund a portion of each of the Series 1998A, Series 2008B, and Series 2008C Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

WAYNE COUNTY AIRPORT AUTHORITY

Required Supplementary Information

September 30, 2010

Wayne County Airport Authority Act 149 Health Care Fund

The schedule of funding progress is as follows (in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2006	$ -	$ 46.9	$ 46.9	0.0%	N/A	N/A
10/1/2007	$ -	$ 54.6	$ 54.6	0.0%	N/A	N/A
10/1/2008	$ 3.1	$ 52.9	$ 49.8	5.9%	N/A	N/A

The schedule of employer contributions is as follows:

Year Ended September 30	Actual Valuation Date	Annual Required Contribution	Percentage Contributed
2008	10/1/2006	$ 4,454,663	89.2%
2009	10/1/2007	$ 5,318,912	128.7%
2010	10/1/2008	$ 4,914,922	116.4%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2008 the latest actuarial valuation follows:

Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay amortized annually
Amortization period (perpetual)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.00%

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

This section of the Wayne County Airport Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

CONTENTS

Financial Trends – *Exhibits S-1, S-2*

These exhibits contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity – *Exhibits S-2 to S-5*

These exhibits contain information to help the reader assess the factors affecting the Authority's ability to generate revenue.

Debt Capacity – *Exhibits S-6 to S-8*

These exhibits present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information – *Exhibit S-10 series*

These exhibits offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time with other entities. In certain instances, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

Operating Information – *Exhibits S-4, S-5, S-9, S-11, S-12*

These exhibits contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs. In the case of *S-11* and *S-12*, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

Sources: Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial reports of the relevant year. Exhibits presenting historical data begin in 2002 when the Authority became a separate legal entity.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Assets

(Unaudited)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating revenues:									
Airport landing and related fees	$ 70,172,024	60,059,740	84,607,837	59,512,753	60,738,124	73,872,334	89,178,691	82,583,060	81,393,972
Concession fees	47,974,977	48,424,882	51,851,089	50,242,144	47,350,937	44,496,491	42,569,958	41,654,131	36,672,705
Parking fees	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Hotel	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Rental facilities	91,822,952	90,110,146	53,748,737	53,145,882	48,582,712	46,009,056	39,266,093	40,225,929	32,819,038
Expense recoveries	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	7,218,512
Other	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	5,615,349	9,906,586	1,583,487
Total operating revenues	297,096,887	280,759,062	290,711,955	266,513,315	253,003,991	251,387,821	243,790,836	220,948,292	189,545,653
Nonoperating revenues:									
Passenger facility charges	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and state grants	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest income and other	5,021,589	7,310,241	28,603,234	46,903,106	43,339,574	19,695,210	7,174,260	6,520,467	10,490,990
Total nonoperating revenues	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Total revenues	363,689,121	348,870,255	389,710,396	390,133,042	376,285,798	357,451,128	328,932,040	299,317,946	267,411,612
Operating expenses:									
Salaries, wages, and fringe benefits	70,060,439	75,098,962	77,942,240	72,396,333	68,648,870	66,623,493	62,191,329	61,418,718	60,681,158
Parking management	6,504,949	7,082,235	8,905,534	10,325,232	9,754,453	10,647,259	9,726,476	15,757,657	15,594,154
Hotel management	20,032,541	18,693,537	23,032,852	24,054,417	22,271,550	21,870,313	19,671,787	12,687,714	—
Janitorial services	10,988,244	10,599,304	2,422,889	2,433,551	2,047,401	2,010,248	3,436,194	5,483,889	5,353,722
Security	2,293,067	2,657,120	2,757,886	3,433,065	3,501,437	3,462,682	3,324,401	3,770,824	3,524,907
Utilities	26,691,836	27,700,377	30,429,231	26,570,574	23,021,456	21,827,924	20,303,099	19,947,988	14,097,712
Repairs, professional services, and other	74,617,012	69,556,874	84,887,031	75,042,299	78,310,637	83,477,087	89,905,438	71,012,644	61,713,586
Depreciation	146,151,075	146,151,805	129,574,853	121,087,982	115,853,648	103,631,906	100,235,010	96,882,107	62,288,793
Total operating expenses	357,339,163	357,540,214	359,952,516	335,343,453	323,409,452	313,550,912	308,793,734	286,961,541	223,254,032
Nonoperating expenses:									
Interest expense	105,913,828	116,392,802	94,925,971	105,855,656	106,822,360	92,389,419	83,572,858	87,293,710	63,677,112
Loss on disposal of assets	—	1,104,513	6,214,429	317,452	42,544	—	—	—	—
Amortization of bond issuance costs	2,161,678	1,942,959	2,315,453	2,267,001	2,294,476	2,105,484	1,857,822	1,582,619	1,821,609
Total nonoperating expenses	108,075,506	119,440,274	103,455,853	108,440,109	109,159,380	94,494,903	85,430,680	88,876,329	65,498,721
Total expenses	465,414,669	476,980,488	463,408,369	443,783,562	432,568,832	408,045,815	394,224,414	375,837,870	288,752,753
Capital contributions	29,137,352	36,318,566	54,816,676	66,212,355	39,806,394	39,938,986	60,334,091	26,386,612	40,240,519
Change in net assets	$ (72,588,196)	(91,791,667)	(18,881,297)	12,561,835	(16,476,640)	(10,655,701)	(4,958,283)	(50,133,312)	18,899,378
Net assets at year end composed of:									
Invested in capital assets, net of related debt	120,302,294	151,759,863	170,385,938	131,815,887	180,192,710	235,042,203	369,007,593	439,424,598	485,901,921
Restricted	358,386,114	405,007,255	430,322,283	471,545,803	384,747,891	386,024,617	273,179,286	217,328,386	212,937,645
Unrestricted	46,343,989	40,853,475	37,745,179	53,973,007	79,832,261	99,185,995	88,721,637	79,113,815	87,160,545
Total net assets	$ 525,032,397 [2]	597,620,593 [2]	638,453,400	657,334,697	644,772,862 [1]	720,252,815	730,908,516	735,866,799	786,000,111

[1] In 2006, the Authority restated beginning net assets to $661,249,502. This amount less the 2006 decrease in net assets is used to arrive at ending net assets.

[2] In 2009, the Authority restated beginning net assets by $50,958,860. This amount less the increase/decrease in net assets is used to arrive at ending net assets.

Note: GASB Statement 34 was implemented beginning in 2002 at the time the Airport was established as an authority.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Airline revenues:									
Airport landing and related fees	$ 70,172,024	$ 60,059,740	$ 84,607,837	$ 59,512,753	$ 60,738,124	$ 73,872,334	$ 89,178,691	$ 82,583,060	$ 81,249,265
Terminal building rentals and fees	71,852,635	67,703,125	28,972,704	28,621,629	26,992,072	25,831,713	24,992,399	26,155,830	20,197,400
Facility use fees	6,302,145	6,468,964	8,159,193	7,962,948	7,073,579	7,568,033	6,460,040	6,269,348	6,286,812
Total airline revenues	148,326,804	134,231,829	121,739,734	96,097,330	94,803,775	107,272,080	120,631,130	115,008,238	107,733,477
Percentage of total revenues	40.8%	38.5%	31.2%	24.6%	25.2%	30.0%	36.7%	38.4%	40.3%
Non-Airline revenues:									
Parking fees	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Concession fees	30,702,401	30,885,107	30,358,313	29,382,953	28,175,773	26,415,027	25,846,018	25,893,985	19,946,606
Car rental	17,272,576	17,539,775	21,492,776	20,859,191	19,175,164	18,081,464	16,723,940	15,760,146	16,210,970
Hotel	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Employee shuttle bus	5,467,240	5,655,355	5,773,430	5,253,731	4,959,535	5,331,254	4,544,805	5,860,035	3,300,585
Ground transportation	4,738,700	6,510,045	7,055,550	7,394,349	5,911,719	4,134,289	1,110,046	504,500	409,044
Utility service fees	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	2,490,199
Rental facilities	3,462,232	3,772,657	3,787,860	3,913,225	3,645,807	3,143,767	2,819,528	1,940,716	3,127,795
Other	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	4,954,624	9,402,086	6,469,038
Total non-airline revenues	148,770,083	146,527,233	168,972,221	170,415,985	158,200,216	144,115,741	123,159,706	105,940,054	81,812,176
Percentage of total revenues	40.9%	42.0%	43.4%	43.7%	42.0%	40.3%	37.4%	35.4%	30.6%
Nonoperating revenues:									
Passenger facility charges	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and state grants	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest	4,941,344	7,310,241	28,082,306	45,948,105	43,328,283	19,194,846	7,174,260	6,520,467	10,490,990
Other	80,245	—	520,928	955,001	11,291	500,364	—	—	—
Total nonoperating revenues	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Percentage of total revenues	18.3%	19.5%	25.4%	31.7%	32.8%	29.7%	25.9%	26.2%	29.1%
Total revenues	$ 363,689,121	$ 348,870,255	$ 389,710,396	$ 390,133,042	$ 376,285,798	$ 357,451,128	$ 328,932,040	$ 299,317,947	$ 267,411,612
Enplaned passengers	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Total revenue per enplaned passenger	$ 22.91	21.88	21.86	21.54	21.14	19.55	18.99	18.39	17.15
Airline revenue per enplaned passenger	9.34	8.42	6.83	5.31	5.33	5.87	6.97	7.07	6.91

Note: GASB Statement 34 was implemented beginning in 2002 at the time the Airport was established as an authority.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		2010	2009	2008	2007	2006	2005	2004	2003	2002
Landing Fees:										
Signatory Airlines [1]	$	3.44	2.83	3.58	2.37	2.49	2.74	3.74	3.44	3.32
Non-Signatory Airlines [2]		4.30	3.39	3.79	3.01	4.21	3.97	4.64	4.08	4.13
General Aviation [3]		1.50	1.50	1.50	1.50	1.50	1.38	1.00	0.75	0.50
Facility Use Fees:										
South Terminal	$	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
North Terminal		5.00	5.00	—	—	—	—	—	—	—
Smith/Berry Terminals		—	—	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):										
Office Space – Airline	$	—	—	19.71	19.71	19.71	19.71	19.71	17.92	17.92
South Terminal - Signatory Airlines [1]		54.51	52.00	—	—	—	—	—	—	—
South Terminal - Non-Signatory Airlines		68.00	60.00	—	—	—	—	—	—	—
North Terminal - Signatory Airlines [1]		65.17	61.00	—	—	—	—	—	—	—
North Terminal - Non-Signatory Airlines		88.00	71.00	—	—	—	—	—	—	—
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	0.96	0.96	1.00	0.88
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.32	0.29
Electric		4.67	1.24	1.24	1.24	1.24	1.24	1.24	1.20	1.17

** The revenue bases to which these rates are applied and their principal payers can be found in Schedules S-2 and S-4.

[1] Calculated pursuant to the formulas set forth in the Airport Use and Lease Agreement. The agreement provides the calculation of the annual landing fee and terminal rental rates, with rate adjustments at mid-year, if required

[2] Average billed rate per 1,000 lbs. MGLW.

[3] General aviation rates are charged at Willow Run Airport only and represent an average of the tiered rates applied per 1,000 lbs. MGLW.

Note: Beginning in 2010, the airlines rates and charges are presented based on the rates effective at year end.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2010 Landed weights	2010 Share	2009 Landed weights	2009 Share	2008 Landed weights	2008 Share	2007 Landed weights	2007 Share
Northwest/Delta Air Lines [2]	10,369,432	51.4%	11,333,666	54.0%	13,604,011	58.2%	14,856,034	61.0%
Pinnaele	2,817,713	14.0	2,616,584	12.5	2,516,756	10.8	2,402,170	9.9
Mesaba	1,202,839	6.0	1,484,510	7.1	1,118,993	4.8	679,531	2.8
Northwest/Delta (Comair) [2]	669,929	3.3	187,696	0.9	125,020	0.5	137,273	0.6
Southwest Airlines	668,576	3.3	706,040	3.4	833,750	3.6	883,222	3.6
Spirit Airlines	637,083	3.2	690,048	3.3	925,981	4.0	1,116,697	4.6
Northwest/Delta (Compass) [2]	438,616	2.2	596,054	2.8	173,768	0.7	—	—
US Airways	380,154	1.9	377,506	1.8	397,966	1.7	435,733	1.8
Federal Express	361,807	1.8	374,202	1.8	477,212	2.0	525,479	2.2
American Airlines	312,306	1.5	399,070	1.9	506,633	2.2	538,336	2.2
AirTran Airways	225,504	1.1	240,496	1.1	240,128	1.0	302,472	1.2
American (American Eagle)	193,235	1.0	155,625	0.7	107,737	0.5	116,715	0.5
Continental Airlines	174,752	0.9	233,049	1.1	254,628	1.1	259,645	1.1
United Parcel Service	171,234	0.8	171,687	0.8	195,473	0.8	204,976	0.8
Lufthansa	142,243	0.7	174,062	0.8	243,753	1.0	229,272	0.9
Air France	138,582	0.7	122,641	0.6	114,617	0.5	116,552	0.5
Frontier	126,776	0.6	140,742	0.7	147,774	0.6	152,353	0.6
Northwest/Delta (Atlantic Southeast) [2]	104,058	0.5	1,474	0.0	64,185	0.3	44,137	0.2
Continental Express	93,195	0.5	76,524	0.4	85,836	0.4	93,465	0.4
United Airlines	64,056	0.3	161,068	0.8	317,477	1.4	339,795	1.4
KLM	—	—	74,970	0.4	80,214	0.3	—	—
British Airways	—	—	—	—	107,202	0.5	209,479	0.9
United (Air Canada)	—	—	—	—	28,994	0.1	28,960	0.1
Aeromexico	—	—	—	—	9,432	0.0	—	—
Independence Air	—	—	—	—	—	—	—	—
American Trans Air	—	—	—	—	—	—	—	—
Trans World Airlines	—	—	—	—	—	—	—	—
Atlantic Coast Air	—	—	—	—	—	—	—	—
Other [3]	874,787	4.2	686,932	3.2	681,370	3.0	684,407	2.7
Total	20,166,877	100.0%	21,004,646	100.0%	23,358,910	100.0%	24,356,703	100.0%

[1] Signatory Affiliate Airlines are associated based on 2010 affiliations and shown in parenthesis to major carrier name.
All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one on this report.

[3] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2006		2005		2004		2003		2002	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
14,723,198	61.1%	16,766,206	64.8%	16,892,256	66.7%	16,247,175	66.0%	16,640,170	67.1%
2,227,894	9.2	2,186,581	8.4	1,757,142	6.9	1,246,064	5.0	661,337	2.7
1,371,475	5.7	1,818,552	7.0	1,583,408	6.3	1,805,442	7.3	2,209,367	8.9
137,285	0.6	191,421	0.7	189,889	0.8	185,601	0.8	141,658	0.6
656,164	2.7	648,992	2.5	658,960	2.6	662,963	2.7	720,982	2.9
952,127	3.9	877,491	3.4	937,300	3.7	943,670	3.8	761,410	3.1
—	—	—	—	—	—	—	—	—	—
393,666	1.6	454,692	1.8	548,455	2.2	637,774	2.5	684,677	2.7
482,405	2.0	479,467	1.9	493,409	1.9	480,983	1.9	488,667	2.0
548,634	2.3	621,399	2.4	701,026	2.8	805,564	3.3	804,060	3.2
237,816	1.0	—	—	—	—	—	—	—	—
93,732	0.4	43,656	0.2	—	—	—	—	—	—
276,009	1.1	286,972	1.1	298,145	1.2	373,464	1.5	387,994	1.6
211,295	0.9	195,519	0.8	193,016	0.8	183,217	0.7	185,364	0.7
150,863	0.6	151,089	0.6	155,152	0.6	147,460	0.6	10,650	—
119,720	0.5	44,044	0.2	—	—	—	—	—	—
116,166	0.5	36,220	0.1	—	—	—	—	—	—
40,937	0.2	12,220	—	21,929	0.1	10,951	0.1	30,691	0.1
96,004	0.4	92,214	0.4	96,519	0.4	81,539	0.3	80,754	0.3
335,201	1.4	334,306	1.3	491,974	1.9	496,162	2.0	480,179	1.9
—	—	—	—	—	—	115,368	0.5	75,124	0.3
118,431	0.5	153,285	0.6	150,523	0.6	107,573	0.4	111,439	0.4
29,070	0.1	27,443	0.1	33,957	0.1	29,908	0.1	—	—
—	—	—	—	—	—	—	—	—	—
16,262	0.1	105,750	0.4	14,570	0.1	—	—	—	—
—	—	—	—	10,396	0.0	68,727	0.3	126,537	0.5
—	—	—	—	—	—	—	—	61,860	0.2
—	—	—	—	60,511	0.2	75,159	0.3	73,309	0.3
775,286	3.2	359,736	1.3	19,173	0.1	—	—	46,668	0.5
24,109,640	100.0%	25,887,255	100.0%	25,307,710	100.0%	24,704,764	100.0%	24,782,897	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2010 Passenger enplanements	2010 Share	2009 Passenger enplanements	2009 Share	2008 Passenger enplanements	2008 Share	2007 Passenger enplanements	2007 Share
Domestic:								
AirTran Airways	201,664	1.27%	219,085	1.37%	216,149	1.21%	239,410	1.32%
America West	—	—	—	—	—	—	241,961	1.34
American (AA Eagle)	161,692	1.02	125,766	0.79	85,637	0.48	91,529	0.51
American Airlines	284,813	1.79	346,775	2.18	442,012	2.48	443,530	2.45
American Trans Air (ATA)	—	—	—	—	—	—	—	—
Champion Air	—	—	—	—	—	—	34,462	0.19
Continental (ExpressJet)	86,581	0.55	63,765	0.40	63,856	0.36	70,559	0.39
Continental Airlines	150,053	0.95	193,026	1.21	210,747	1.18	219,751	1.21
Northwest/Delta (Atlantic Southeast) [2]	83,690	0.53	1,289	0.01	58,351	0.33	37,242	0.21
Northwest/Delta (Comair) [2]	540,781	3.41	145,990	0.92	90,839	0.51	94,044	0.52
Northwest/Delta (Compass) [2]	340,262	2.14	439,785	2.76	144,644	0.81	—	—
Northwest/Delta (Mesaba Aviation) [2]	949,610	5.98	1,042,785	6.54	811,681	4.55	457,948	2.53
Northwest/Delta (Pinnacle) [2]	2,186,627	13.77	2,066,229	12.96	2,043,385	11.46	1,915,685	10.58
Northwest/Delta (Shuttle America) [2]	4,462	0.03	10,599	0.07	36,813	0.21	—	—
Northwest/Delta Airlines [2]	7,328,799	46.16	7,894,790	49.52	9,555,525	53.59	10,324,808	57.02
Frontier	117,044	0.74	117,396	0.74	126,580	0.71	121,456	0.67
Independence Air	—	—	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—	—	—
Southwest Airlines	553,612	3.49	523,304	3.28	595,944	3.34	606,113	3.35
Spirit Airlines	558,596	3.52	591,150	3.71	802,424	4.50	933,029	5.15
Trans Meridian	—	—	—	—	—	—	—	—
Trans World Airlines	—	—	—	—	—	—	—	—
United (Atlantic Coast)	—	—	—	—	—	—	—	—
United (GoJet)	66,206	0.42	56,837	0.36	—	—	—	—
United (Mesa)	29,999	0.19	47,908	0.30	43,380	0.24	57,546	0.32
United (Skywest)	68,400	0.43	31,407	0.20	24,640	0.14	36,475	0.20
United Airlines	36,467	0.23	94,542	0.59	239,332	1.34	263,054	1.45
US Airways	303,451	1.91	313,774	1.97	331,934	1.86	100,860	0.56
US Airways (Air Wisconsin)	76,414	0.48	95,658	0.60	104,993	0.59	83,203	0.46
US Airways (Mesa)	22,387	0.14	22,640	0.14	47,464	0.27	—	—
US Airways (Piedmont)	—	—	—	—	—	—	—	—
US Airways (PSA)	5,860	0.04	15,747	0.10	38,059	0.21	17,035	0.09
US Airways (Republic)	112,838	0.71	74,785	0.47	23,992	0.13	—	—
USA 3000	2,226	0.01	19,823	0.12	79,304	0.44	67,516	0.37
Other [3]	341,511	2.15	67,536	0.43	53,443	0.31	124,106	0.68
Total Domestic	14,614,045	92.05	14,622,391	91.74	16,271,128	91.25	16,581,322	91.57
International:								
Aeromexico	—	—	2,053	0.01	5,942	0.03	—	—
Air Canada	6,875	0.04	5,956	0.04	13,678	0.08	13,085	0.07
Air France	70,685	0.45	55,233	0.35	45,947	0.26	48,355	0.27
Airtran	5,849	0.04	271	—	—	—	—	—
British Airways	—	—	—	—	20,491	0.11	47,472	0.26
Compass	13,301	0.08	26,608	0.17	—	—	—	—
KLM-Royal Dutch Airlines	—	—	40,196	0.25	41,753	0.23	—	—
Lufthansa	65,568	0.41	72,884	0.46	102,121	0.57	98,008	0.54
Mesaba Aviation	19,583	0.12	45,248	0.28	37,906	0.21	37,538	0.21
Northwest/Delta Air Lines	921,973	5.81	1,009,773	6.33	1,204,927	6.76	1,174,843	6.49
Northwest/Delta (Comair)	20,851	0.13	—	—	—	—	—	—
Northwest/Delta (Pinnacle)	97,518	0.61	—	—	—	—	—	—
Royal Jordanian Airlines	15,258	0.10	14,822	0.09	16,434	0.09	14,150	0.08
Spirit Airlines	12,274	0.08	16,928	0.11	19,464	0.11	20,146	0.11
US Airways	1,997	0.01	1,853	0.01	—	—	—	—
Other [3]	10,604	0.07	26,916	0.16	51,440	0.30	73,171	0.40
Total International	1,262,336	7.95	1,318,741	8.26	1,560,103	8.75	1,526,768	8.43
Grand Total	15,876,381	100.00%	15,941,132	100.00%	17,831,231	100.00%	18,108,090	100.00%

[1] Signatory Affiliate Airlines are associated based on 2009 affiliations and shown in parenthesis to major carrier name.

All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[3] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2006		2005		2004		2003		2002	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
182,972	1.03%	—	—	—	—	—	—	—	—
259,600	1.46	267,776	1.46%	215,539	1.24%	217,906	1.34%	199,768	1.28%
73,918	0.42	32,203	0.18	—	—	—	—	—	—
440,680	2.48	471,863	2.58	446,589	2.58	497,564	3.06	475,390	3.05
—	—	—	—	8,027	0.05	39,887	0.25	48,937	0.31
34,055	0.19	31,283	0.17	31,195	0.18	35,235	0.22	80,880	0.52
73,606	0.41	62,265	0.34	63,440	0.37	52,790	0.32	49,349	0.32
226,707	1.27	226,260	1.24	234,109	1.35	259,989	1.60	290,999	1.87
32,646	0.18	8,316	0.05	4,867	0.03	5,324	0.03	16,689	0.11
91,216	0.51	108,322	0.59	103,012	0.59	115,244	0.71	97,492	0.63
—	—	—	—	—	—	—	—	—	—
900,785	5.06	1,108,615	6.06	973,875	5.62	1,032,906	6.35	1,149,931	7.37
1,663,236	9.34	1,477,582	8.08	1,201,651	6.94	798,915	4.91	415,887	2.67
33,902	0.19	4,385	0.02	—	—	—	—	—	—
10,207,929	57.35	10,915,338	59.69	10,654,864	61.53	9,951,780	61.14	9,711,699	62.28
91,097	0.51	28,184	0.15	—	—	—	—	—	—
13,445	0.08	74,496	0.41	6,378	0.04	—	—	—	—
372	—	—	—	11,400	0.07	1,037	0.01	528	—
496,693	2.79	461,535	2.52	449,778	2.60	414,123	2.54	442,169	2.84
781,652	4.39	793,510	4.34	854,526	4.93	873,055	5.36	664,250	4.26
—	—	25,488	0.14	14,958	0.09	—	—	—	—
—	—	—	—	—	—	—	—	27,932	0.18
—	—	—	—	44,199	0.26	56,463	0.35	50,636	0.32
—	—	—	—	—	—	—	—	—	—
55,148	0.31	70,388	0.38	—	—	—	—	—	—
39,041	0.22	11,609	0.06	—	—	—	—	—	—
275,380	1.55	266,825	1.46	354,429	2.05	340,115	2.09	322,979	2.07
56,900	0.32	91,892	0.50	193,798	1.12	224,041	1.37	262,968	1.69
89,264	0.50	748	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
66,631	0.37	53,283	0.29	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
66,277	0.37	52,788	0.29	34,099	0.20	432	—	—	—
68,660	0.40	113,467	0.64	14,149	0.06	335	—	19,373	0.11
16,321,812	91.70	16,758,421	91.64	15,914,882	91.90	14,917,141	91.64	14,327,856	91.89
—	—	—	—	—	—	—	—	—	—
14,899	0.08	13,921	0.08	13,746	0.08	13,996	0.09	17,285	0.11
50,466	0.28	19,174	0.10	—	—	—	—	—	—
—	—	—	—	1,684	0.01	20,928	0.13	47,633	0.31
55,403	0.31	59,658	0.33	59,507	0.34	51,600	0.32	51,164	0.33
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	60,897	0.37	42,444	0.27
67,305	0.38	70,372	0.38	74,608	0.43	70,087	0.43	63,576	0.41
32,103	0.18	36,362	0.20	22,787	0.13	16,987	0.10	19,369	0.12
1,138,025	6.39	1,199,496	6.56	1,100,843	6.36	1,037,952	6.38	973,201	6.24
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
16,028	0.09	14,581	0.08	10,369	0.06	6,220	0.04	3,398	0.02
16,671	0.09	—	—	—	—	1,276	0.01	—	—
—	—	—	—	—	—	—	—	—	—
87,220	0.50	114,297	0.63	118,354	0.69	81,149	0.49	46,631	0.30
1,478,120	8.30	1,527,861	8.36	1,401,898	8.10	1,361,092	8.36	1,264,701	8.11
17,799,932	100.00%	18,286,282	100.00%	17,316,780	100.00%	16,278,233	100.00%	15,592,557	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2010		2009		2008		2007	
	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
Airport Revenue Bonds:								
Series 1990A	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Series 1990B	—	—	—	—	—	—	—	—
Series 1991A	—	—	—	—	—	—	—	—
Series 1991B	—	—	—	—	—	—	—	—
Series 1993A	—	—	—	—	—	—	—	—
Series 1993B	—	—	—	—	—	—	—	—
Series 1993C	—	—	—	—	—	—	—	—
Series 1994A	—	—	2,975,000	29,131	3,020,000	204,352	3,070,000	381,627
Series 1994B	—	—	—	—	—	—	—	—
Series 1996A	—	—	39,710,000	—	3,300,000	3,026,299	3,100,000	2,258,438
Series 1996B	—	—	39,710,000	—	3,300,000	3,075,232	3,100,000	2,265,728
Series 1998A	21,400,000	36,492,050	20,280,000	37,614,200	19,195,000	38,719,655	18,195,000	39,756,688
Series 1998B	4,085,000	752,119	3,890,000	960,013	124,705,000	1,133,787	3,560,000	7,386,740
Series 2001 Jr. Lien	—	—	—	8,956,732	52,965,000	743,403	18,580,000	2,080,789
Series 2002A	—	—	—	—	141,720,000	843,758	—	5,285,612
Series 2002C	125,000	1,362,839	120,000	1,367,806	115,000	1,372,573	110,000	1,377,139
Series 2002D	3,800,000	3,289,738	3,630,000	3,487,750	3,435,000	3,676,619	3,270,000	3,855,513
Series 2003A-1	—	—	—	—	75,000,000	3,048,146	—	2,840,173
Series 2003A-2	—	—	—	—	75,000,000	2,859,421	—	2,838,896
Series 2003A-3	—	—	—	—	64,975,000	2,314,922	—	2,467,024
Series 2003B	—	—	—	—	65,000,000	2,440,830	3,450,000	2,354,989
Series 2003C	—	—	—	—	44,375,000	1,594,832	3,425,000	1,506,226
Series 2004	—	—	—	—	10,800,000	465,882	400,000	439,732
Series 2005	9,590,000	25,332,592	—	25,718,425	—	25,718,425	—	25,718,425
Series 2007A Jr. Lien	—	8,956,733	—	8,956,733	—	8,920,544	—	2,549,050
Series 2007B	—	5,742,850	—	5,742,850	—	5,152,612	—	—
Series 2008A	4,895,000	7,355,542	2,580,000	7,796,648	—	2,994,129	—	—
Series 2008B	4,800,000	658,931	—	2,884,226	—	1,323,247	—	—
Series 2008C	4,715,000	2,336,011	3,470,000	3,629,604	—	980,225	—	—
Series 2008D	3,800,000	1,154,563	2,500,000	1,708,255	—	495,441	—	—
Series 2008E	3,725,000	1,736,496	300,000	2,317,172	—	—	—	—
Series 2008F	3,730,000	1,705,727	300,000	2,280,328	—	—	—	—
Series 2009A	9,000,000	36,125	—	1,559	—	—	—	—
Installment Purchase Contracts	2,245,693	378,987	2,018,534	490,406	1,724,791	452,981	1,540,000	455,531
Willow Run Notes Payable:								
Washtenaw County	19,475	—	19,475	—	19,475	—	19,476	—
University of Michigan	8,144	32,081	5,492	34,733	7,162	33,064	5,352	34,872
Less: Bond Refundings [2]	—	—	(74,770,000)	—	(590,355,000)	—	—	—
Totals	$ 75,938,312	97,323,384	46,738,501	113,976,571	98,301,428	111,590,379	61,824,828	105,853,192

Airport Hotel

	2010		2009		2008		2007	
	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
Airport Hotel Bonds:								
Series 2001A	$ —	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	765,000	624,908	590,000	669,745	210,000	701,590	135,000	713,440
Other Hotel Debt:								
Capital/FF&E Reserve Loan	374,553	317,796	345,848	346,501	319,342	373,006	223,341	361,738
Working Capital Loan	—	120,000	—	120,000	—	120,000	—	120,467
Totals	$ 1,139,553	6,152,079	935,848	6,225,621	529,342	6,283,971	358,341	6,285,020

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

[2] Amount of debt service paid through issuance of refunding bonds.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan and Willow Run Airports

2006		2005		2004		2003		2002	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	—	—	—	—	—	—	—	41,815,000	1,937,341
—	—	—	—	—	—	—	—	24,830,000	993,200
—	—	—	—	—	—	—	—	945,000	10,080
—	—	—	—	—	—	—	—	36,605,000	1,619,193
—	—	—	—	11,340,000	99,362	545,000	600,484	520,000	626,045
—	—	—	—	63,110,000	562,305	1,930,000	3,389,104	1,845,000	3,479,645
—	—	—	—	54,690,000	469,965	2,535,000	2,839,220	1,465,000	2,947,382
3,120,000	558,111	3,165,000	734,288	3,215,000	909,872	4,245,000	1,093,737	4,175,000	1,319,525
—	—	11,260,000	58,337	265,000	686,444	255,000	701,281	240,000	715,254
3,000,000	2,398,779	2,800,000	2,575,422	2,700,000	2,844,177	2,500,000	3,021,847	2,400,000	3,219,432
3,000,000	2,398,963	2,800,000	2,572,463	2,700,000	2,834,116	2,500,000	3,004,723	2,400,000	3,199,812
17,275,000	40,692,075	16,415,000	41,574,274	15,670,000	42,370,697	15,020,000	43,037,345	—	43,563,045
3,410,000	7,540,969	3,265,000	7,686,289	3,130,000	7,823,442	390,000	7,897,963	2,615,000	8,054,241
17,635,000	2,441,237	18,200,000	1,978,673	17,300,000	1,166,125	17,220,000	1,577,534	—	2,198,957
—	4,710,152	—	3,090,894	—	1,519,173	—	1,277,561	—	1,255,096
105,000	1,381,331	100,000	1,384,456	100,000	1,387,456	—	1,390,138	—	254,644
1,035,000	4,007,631	—	4,052,913	—	4,052,913	—	4,053,441	—	742,506
—	2,510,843	—	1,614,219	—	663,417	—	—	—	—
—	2,533,444	—	1,620,687	—	662,635	—	—	—	—
—	2,182,817	—	1,437,901	—	619,013	—	—	—	—
3,125,000	2,472,482	3,475,000	2,600,251	—	2,125,829	—	—	—	—
3,150,000	1,615,689	3,350,000	1,735,027	—	1,439,799	—	—	—	—
375,000	453,099	—	398,552	—	—	—	—	—	—
—	26,861,465	—	10,858,891	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,495,000	540,680	1,395,000	621,493	1,300,000	696,843	1,270,000	769,708	270,000	865,670
19,476	—	14,606	—	—	—	—	—	—	—
3,931	36,294	3,460	36,767	531	39,693	—	40,223	—	77,222
—	—	(10,980,000)	—	(123,890,000)	—	—	—	(104,015,000)	—
56,748,407	105,336,061	55,263,066	86,631,797	51,630,531	72,973,276	48,410,000	74,694,309	16,110,000	77,078,290

Airport Hotel

2006		2005		2004		2003		2002	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	6,785,833
100,000	721,190	—	726,190	—	726,190	—	726,190	—	968,253
—	482,131	—	358,049	—	431,945	—	364,363	—	—
—	126,067	—	126,333	—	125,733	—	105,000	—	—
100,000	6,418,763	—	6,299,947	—	6,373,243	—	6,284,928	—	7,754,086

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Detroit Metro and Willow Run Airports									
Net revenues:									
Operating revenues	$ 270,267,951	257,512,270	259,215,375	233,130,883	222,468,787	222,174,589	218,956,819	210,114,018	189,545,653
Interest income and other	4,992,574	7,143,858	28,101,968	46,264,411	42,905,863	19,469,004	7,075,748	6,231,047	8,289,769
Federal and state grants	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Passenger facility charges	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Total revenues	336,831,170	325,457,080	357,712,550	356,111,915	345,316,883	328,011,690	303,999,511	288,194,252	265,210,391
Less operating expenses, not including depreciation	(191,159,047)	(192,698,372)	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)	(188,883,437)	(177,391,720)	(160,965,239)
Net revenues	145,672,123	132,758,708	150,393,642	165,910,494	160,033,629	140,211,744	115,116,074	110,802,532	104,245,152
Net debt service:									
Principal [3]	75,938,312	46,738,501	98,301,428	61,824,828	56,748,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	97,323,384	105,019,840	111,590,379	105,853,192	105,336,061	86,631,797	72,973,276	74,694,309	77,078,290
Net debt service	173,261,696	151,758,341	209,891,807	167,678,020	162,084,468	141,894,863	124,603,807	123,104,309	93,188,290
Debt Service Coverage [2]	0.84	0.87	0.72	0.99	0.99	0.99	0.92	0.90	1.12
Pledged Revenue Coverage – Airport Hotel									
Net revenues:									
Operating revenues	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Interest income	29,015	166,383	501,266	638,695	433,711	226,206	98,512	289,420	2,201,221
Total revenues	26,857,951	23,413,175	31,997,846	34,021,127	30,968,915	29,439,438	24,932,529	11,123,694	2,201,221
Less operating expenses, not including depreciation	(20,029,041)	(18,690,037)	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)	(19,675,287)	(12,687,714)	—
Net revenues	6,828,910	4,723,138	8,939,091	9,967,077	8,696,365	7,320,378	5,257,242	(1,564,020)	2,201,221
Net debt service:									
Principal	1,139,553	935,848	529,342	358,341	100,000	—	—	—	—
Interest [1]	6,152,079	6,225,621	6,283,971	6,285,020	6,418,763	6,299,947	6,373,243	6,284,928	7,754,086
Net debt service	7,291,632	7,161,469	6,813,313	6,643,361	6,518,763	6,299,947	6,373,243	6,284,928	7,754,086
Debt Service Coverage [2]	0.94	0.66	1.31	1.50	1.33	1.16	0.82	(0.25)	n/a
Combined net debt service:									
Principal	77,077,865	47,674,349	98,830,770	62,183,169	56,848,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	103,475,463	111,245,461	117,874,350	112,138,212	111,754,824	92,931,744	79,346,519	80,979,237	84,832,376
Total combined net debt service	$ 180,553,328	158,919,810	216,705,120	174,321,381	168,603,231	148,194,810	130,977,050	129,389,237	100,942,376

Notes: The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel Revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the Bonds, subject to constitutional, statutory, and charter tax rate limitations.

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

[2] Coverage calculations presented in this schedule differ from those required by the Master Bond Ordinance and all series ordinances as shown in the Continuing Disclosures.

[3] Principal payments do not include bond refunding payoffs.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger		**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Outstanding debt by type: [1]										
Airport revenue bonds	$	2,121,835,000	2,188,500,000	2,231,195,000	2,326,065,000	2,205,935,000	2,261,165,000	1,807,285,000	1,637,180,000	1,684,320,000
Installment purchase contracts		6,608,280	8,853,973	10,508,525	7,532,539	8,740,000	10,235,000	11,630,000	12,930,000	14,200,000
Willow Run notes payable		591,879	619,498	644,465	671,102	695,930	719,337	737,403	—	—
Airport hotel bonds		109,120,000	109,885,000	110,475,000	110,685,000	110,820,000	110,920,000	110,920,000	110,920,000	110,920,000
Other hotel debt		5,267,095	5,641,648	5,987,496	6,306,838	6,500,000	6,500,000	6,500,000	6,500,000	—
Total outstanding debt	$	2,243,422,254	2,313,500,119	2,358,810,486	2,451,260,479	2,332,690,930	2,389,539,337	1,937,072,403	1,767,530,000	1,809,440,000
Enplaned passengers		15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Outstanding debt per enplaned passenger	$	141.31	145.13	132.29	135.37	131.05	130.67	111.86	108.58	116.05

Combined net debt service per enplaned passenger										
Combined net debt service [2]	$	180,553,328	158,919,810	216,705,120	174,321,381	168,603,231	148,194,810	130,977,050	129,389,237	100,942,376
Enplaned passengers		15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Net debt service per enplaned passenger	$	11.37	9.97	12.15	9.63	9.47	8.10	7.56	7.95	6.47

[1] Outstanding Debt amounts do not include refundings, discounts, or premiums.

[2] Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

Last Eight Fiscal Years **

(Unaudited)

	Authority Full-Time Positions *							
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Administration	11	15	18	20	20	20	20	19
Internal Audit	2	2	3	3	3	2	2	2
Legal	5	5	7	7	7	7	7	7
North Terminal Development Team	—	—	4	6	6	5	9	1
Finance	35	31	36	37	37	36	32	29
Information Technology/Telecommunications	14	14	14	16	13	7	7	6
Procurement & Compliance	24	20	25	25	24	21	19	14
Human Resources	12	14	15	15	15	18	22	17
Maintenance/Facilities	204	203	223	228	228	238	239	240
Airfield Operations	44	44	47	47	46	49	48	45
Public Safety	207	207	247	248	241	270	270	270
Planning & Development	17	16	14	15	15	22	22	17
Business Development	35	37	52	56	54	44	49	38
Willow	11	11	27	27	27	23	23	26
Central Communications [1]	—	—	—	—	8	27	28	29
Totals	621	619	732	750	744	789	797	760

* Represents both filled and budget-approved full-time positions as of each fiscal year end. Headcount actuals are lower due to employee turnover and amount of available positions at different times during the year.

** This schedule shows eight years of employee data as the Authority was still a part of Wayne County for a large part of fiscal year 2002 and thus employee levels are not comparative.

[1] As of 10/1/2007, staff were reallocated to other divisions at the Authority or returned to Wayne County.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

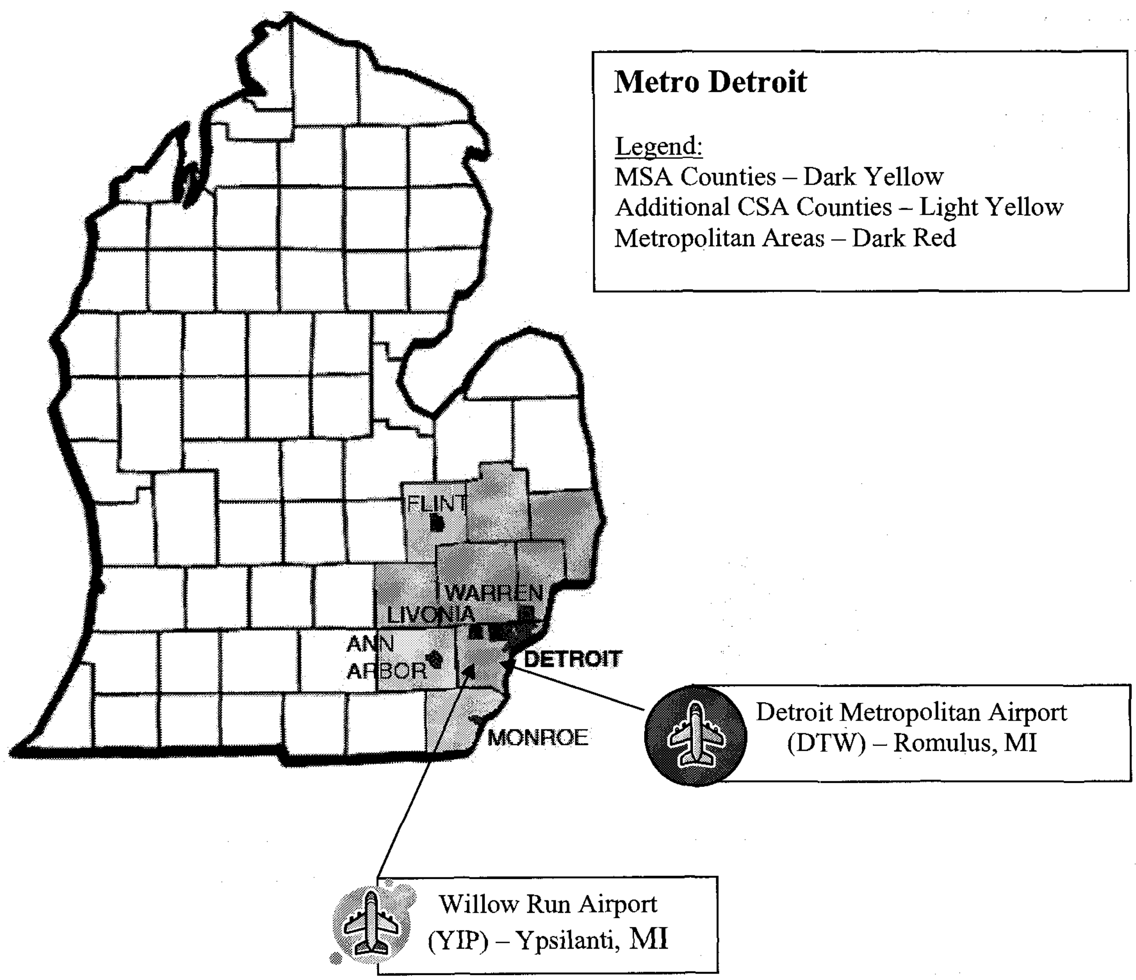
Exhibit S-10: Demographic and Economic Information

Wayne County Airport Authority (the Authority) is a regional entity that spans multiple jurisdictions. The Authority has operational jurisdiction of Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), as well as an Airport Hotel.

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2009, Detroit Metro Airport is the eleventh busiest airport in the United States and the sixteenth busiest airport in the world. Nearby to DTW is the smaller non-commercial airport Willow Run that serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.4 million as of the 2000 census.

Detroit Metro Airport also serves the Toledo, Ohio, area, which is located approximately 47 miles south of the airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit.



WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

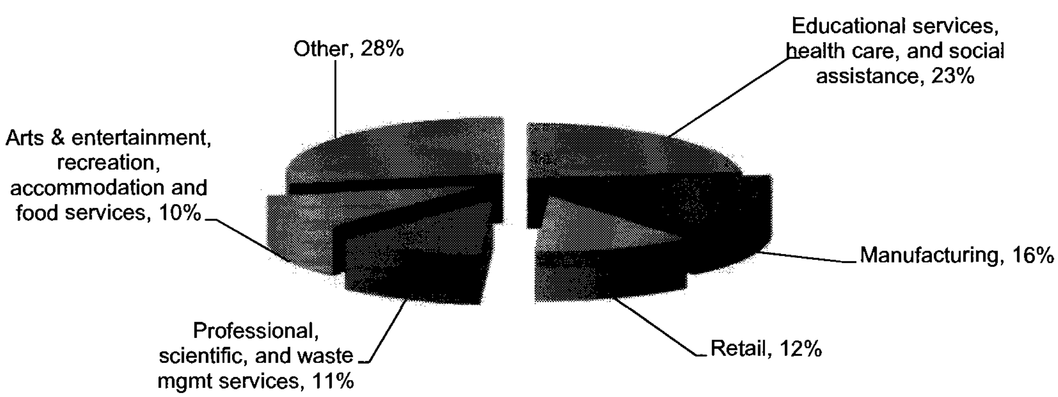
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2009) Est.	5,327,764
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Increase in Population - 2000 to 2009	-0.6%
Percentage Female	51.2%
Percentage Male	48.8%
Personal Income (millions) (2009) Prelim.	$196,061
Percent of U.S. Total	1.9%
Per Capita Personal Income (2008)	$39,028
Per Capita Personal Income (2008) - U.S.	$40,166
Unemployment Rate (2010 September) Prelim.	13.4%
Unemployment Rate (2009 Annual)	15.1%
Unemployment Rate (2008 Annual)	8.8%
Total Households (millions)	2.0
Average Household Size (people)	2.6

Leading Industries

(% of employed population 16 years and older)



Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis, and Bureau of Labor Statistics

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2010 *	Metro Employees 2009 *	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	38,000	44,000	(13.6)%	Automobile Manufacturer
University of Michigan	Ann Arbor	27,145	26,433	2.7	Public University & Health Care System
General Motors Corp.	Detroit	25,903	29,000	(10.7)	Automobile Manufacturer
Henry Ford Health System	Detroit	18,388	18,282	0.6	Health Care System
Chrysler L.L.C.	Auburn Hills	18,255	19,882	(8.2)	Automotive Manufacturer
U.S. Government	Detroit	18,197	16,694	9.0	Federal Government
Beaumont Hospitals	Royal Oak	14,495	15,275	(5.1)	Hospital
Detroit Public Schools	Detroit	13,039	13,750	(5.2)	Public School System
St. John Health	Warren	12,678	12,684	(0.0)	Health Care System
Trinity Health	Novi	12,588	11,614	8.4	Health Care System
City of Detroit	Detroit	12,472	13,187	(5.4)	City Government
U.S. Postal Service	Detroit	12,200	12,800	(4.7)	Postal Service
Detroit Medical Center	Detroit	11,820	11,626	1.7	Health Care System
State of Michigan	Detroit	10,885	10,886	(0.0)	State Government
DTE Energy Co.	Detroit	6,577	6,632	(0.8)	Energy and Energy-Technology Co.

* Calendar year basis

Source: Crain's Detroit Business , November 1, 2010

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,072 acres			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	913,904	sq ft	
	North Terminal Airlines	241,077	sq ft	
	Tenants/Concessionaires	207,337	sq ft	
	TSA/FIS	185,434	sq ft	
	Public/Common	1,603,768	sq ft	
	Number of In-Service Passenger Gates	147		
	Number of Concessionaires	32		
	Number of Rental Car Agencies On-Airport	6		
Airfield:	Runways	15,961,368	sq ft	(a)
	Taxiways	21,906,675	sq ft	(b)
	Aprons	20,886,462	sq ft	
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	7,355		
	Yellow Economy Lot	893		
	Green Lot	1,404		
		19,769	spaces	
Cargo:	Cargo/Hangar Buildings	1,425,760	sq ft	
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Operations Control Tower			
FBOs:	ASIG (Aircraft Service International Group) Metro Flight Services			

(a) This total has increased from the prior year due to the reconstruction of runway 9L/27R.

(b) Increase in square footage for 2010 is a result of reconstruction of Taxiway K - Phase I

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,367 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9/27 14/32		
Airfield:	Runways	5,173,021	sq ft
	Taxiways	3,516,929	sq ft
	Ramps/Aprons	5,093,764	sq ft
Corporate/Private Space:	Hangar/Arrivals Buildings	224,900	sq ft
	Tenants Other	126,600	sq ft
	T-Hangars (qty. 110)	175,000	sq ft
	Number of Rental Car Agencies On-Airport	2	
Cargo & Additional Space:	Hangar/Office/Shop	359,600	sq ft
	WCAA Admin, Maintenance, Ops, Public Safety	128,500	sq ft
	Yankee Air Museum	30,200	sq ft
	Educational & Flight Training	51,500	sq ft
	FAA	41,500	sq ft
	Common	10,000	sq ft
International:	U.S. Customs (user fee airport)		
Tower:	FAA 24/7		
FBOs:	Active Aero Service Avflight		

See accompanying independent auditor's report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Years Ended September 30, 2010

Portions of the following documents are incorporated herein by reference into sections of the Comprehensive Annual Financial Report (CAFR) as indicated:

Document	Part of CAFR into which incorporated
Official Statement,$330,360,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A-C	Continuing Disclosures
Official Statement,$74,770,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008E-F	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2010

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	$ 221,890	$ 157,858	1.41	$ 9.17
Total Senior Lien and Junior Lien	$ 221,890	$ 165,290	1.34	$ 9.17

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

		Historical				
Description		**2010**	**2009**	**2008**	**2007**	**2006**
Salaries and wages	$	43,166	46,274	47,323	46,151	43,932
Employee benefits		27,555	26,422	27,891	23,725	20,386
		70,721	72,696	75,214	69,876	64,318
Contractual services:						
Parking management		6,505	7,082	8,905	10,325	9,754
Security expenses		2,293	2,657	2,758	3,433	3,501
Janitorial services		10,972	10,577	2,403	2,417	2,031
Shuttle bus		8,495	8,483	9,221	8,251	9,943
Other services		14,025	14,481	13,369	9,107	9,264
Total contractual services		42,290	43,280	36,656	33,533	34,493
Wayne County administrative services		141	163	150	127	45
Repairs and maintenance		36,383	28,445	35,529	33,311	33,930
Supplies and other operating expenses		7,896	9,272	10,016	6,157	5,009
Insurance		2,532	2,710	2,593	2,826	2,972
Utilities		26,198	26,933	29,558	25,586	21,801
Rentals		679	66	146	166	119
Interest expense and paying agent fees		360	556	2,388	2,328	2,310
Capital expenses		2,774	1,500	2,086	1,942	4,107
		76,963	69,645	82,466	72,443	70,293
Total O&M expenses	$	189,974	185,621	194,336	175,852	169,104

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2010	2009	2008	2007	2006
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	56,611	49,318	22,254	22,034	20,574
Common-use/shared-use area rentals		18,778	16,381	2,852	2,781	2,516
Debt service recapture		1,828	1,828	1,828	1,828	1,936
Facilities use fees		5,950	6,320	7,885	7,525	6,767
Add (less) rental fee adjustment		(7,156)	(1,550)	—	—	—
Total rental and use fees		76,011	72,297	34,819	34,168	31,793
Activity fees:						
Signatory airlines		68,489	58,584	69,567	57,265	79,223
Nonsignatory airlines		1,505	1,610	1,595	1,790	2,313
Add (less) activity fee adjustment		(343)	(471)	12,860	(315)	(21,374)
Total activity fees		69,651	59,723	84,022	58,740	60,162
Total airline revenues		145,662	132,020	118,841	92,908	91,955
Nonairline revenues:						
Concessions:						
Automobile parking		48,309	49,911	58,683	58,859	53,026
Rental car		17,273	17,540	21,493	20,859	19,175
Food and beverage		13,107	12,872	12,628	12,486	12,197
Retail		11,103	12,565	11,855	8,633	7,821
Marketing and communications		1,977	1,490	2,295	752	788
Other concessions		4,240	3,636	3,264	7,207	7,086
Total concessions		96,009	98,014	110,218	108,796	100,093
Rentals		3,454	3,767	3,783	3,906	3,640
Utility fees		4,332	4,320	4,498	4,078	3,622
Interest income		234	730	1,498	2,100	2,235
Ground transportation		4,739	6,510	7,056	5,136	4,039
Other (a)		10,080	9,540	10,468	11,047	8,126
Total nonairline revenues		118,848	122,881	137,521	135,063	121,755
Total operating revenues	$	264,510	254,901	256,362	227,971	213,710

(a) Includes shuttle bus revenue, badging fees, miscellaneous fees, chargebacks, and state and federal grants

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Priority			2010	2009	2008	2007	2006
	Revenues:						
	Airline revenues	$	145,662	132,020	118,841	92,908	91,955
	Nonairline revenues		118,848	122,881	137,521	135,063	121,755
	Interest income generated in bond funds and reserves		2,192	8,069	22,802	9,385	6,830
	Other available monies:						
	PFC contributions		99,207	97,862	78,589	63,013	54,484
	Letter of intent		—	605	18,281	19,745	18,582
	Capitalized interest contribution		1,846	3,852	30,470	25,564	32,548
	Other		1,064	2,308	1,475	5,450	10,238
	Transfer credit from Airport funds (a)		—	—	782	1,300	5,349
	Total revenues	$	368,819	367,597	408,761	352,428	341,741
	Application of revenues:						
1	Operation and Maintenance Fund	$	194,014	190,098	194,336	175,852	169,104
2	Bond Fund		158,179	160,873	155,005	145,189	144,831
3	Junior Lien Bond Fund		8,957	8,957	52,467	24,691	21,207
4	Operation and Maintenance Reserve Fund		—	—	—	—	—
5	Renewal and Replacement Fund		500	500	500	500	500
6	County Discretionary Fund		350	350	350	350	350
7	Airport Development Fund		6,819	6,819	6,103	5,846	5,749
	Total application of revenues	$	368,819	367,597	408,761	352,428	341,741

(a) Represents a credit given to the Airlines, which was paid from the Airport Authority's Airport Development Fund.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	264,510
Revenue fund balance at beginning of year			48,931
Other available monies:			
PFC contributions			99,207
Other			1,064
Interest income generated in bond funds and reserves			2,192
Total revenues	[A]		415,904
Operation and maintenance expenses	[B]		194,014
Net revenues available for Sr. Lien debt service	[A - B] = [C]		221,890
Bond debt service - Senior Lien	[D]		157,858
Net revenues available for Jr. Lien debt service	[C - D] = [E]		64,032
Bond debt service - Junior Lien	[F]		7,432
Net revenues remaining in revenue fund			56,600
Debt service coverage:			
Senior Lien bonds	[C]/[D]		1.41
Senior Lien and Junior Lien bonds	[C]/[D + F]		1.34
Rate covenant elements:			
Operation and maintenance expenses		$	194,014
125% debt service – Bonds	[(1.25 x D) + F]		204,755
Other fund requirements			7,669
Total rate covenant elements		$	406,438

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2010	14,614,045	1,262,336	15,876,381	(0.4)%
2009	14,622,391	1,318,741	15,941,132	(10.6)
2008	16,271,128	1,560,103	17,831,231	(1.5)
2007	16,581,322	1,526,768	18,108,090	1.7
2006	16,321,812	1,478,120	17,799,932	(2.7)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

	Detroit Metro		United States		
Calendar year	**Number of passengers**	**Percent increase (decrease)**	**Number of passengers**	**Percent increase (decrease)**	**Detroit as a percentage of U.S. total**
2010	15,640,160	0.3	699,038,000	0.1	2.2
2009	15,593,075	(6.9)	697,998,338	(0.2)	2.2
2008	16,751,796	(2.9)	699,164,160	(2.6)	2.4
2007	17,246,272	(0.3)	717,920,039	2.1	2.4
2006	17,291,304	(0.6)	703,377,278	0.3	2.5

Note: 2010 estimate based on six months of data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type: Majors	Nationals	Regionals	Total departures: Total (a)	Percent increase (decrease)
2010	101,592	100,872	9,932	212,396	2.0%
2009	103,617	95,697	8,920	208,234	(5.5)
2008	118,470	94,130	7,660	220,260	(0.3)
2007	133,628	86,206	1,068	220,902	(2.9)
2006	133,544	92,208	1,772	227,524	(8.0)

(a) Total does not include departures by commuters or charters.

Note: 2010 estimate based on six months of data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations Number	Domestic originations Percent of total	Domestic connections Number	Domestic connections Percent of total
2010	6,232,860	43.5%	8,082,734	56.5%
2009	6,671,730	46.4	7,718,609	53.6
2008	7,386,420	46.2	8,591,640	53.8
2007	7,721,720	47.2	8,629,815	52.8
2006	7,297,730	44.2	9,216,455	55.8

Note: 2010 estimate based on six months of data

Source: U.S. Department of Transportation Origin and Destination Passenger Ticket Survey, 298c Commuter Data, Airport Activity Statistics of Certificated Route Air Carriers, and Wayne County Airport Authority records.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2010 Enplaned passengers	OY 2010 Percent of market	OY 2009 Enplaned passengers	OY 2009 Percent of market	OY 2008 Enplaned passengers	OY 2008 Percent of market
Domestic:						
Air Tran Airways	201,664	1.4%	219,085	1.5%	216,149	1.3%
America West Airlines	—	—	—	—	—	—
American (AA Eagle)	161,692	1.1	125,766	0.9	85,637	0.5
American Airlines	284,813	1.9	346,775	2.4	442,012	2.7
Champion Air	—	—	—	—	—	—
Continental (Chautauqua)	—	—	—	—	824	—
Continental (CommutAir)	—	—	—	—	13,181	0.1
Continental (ExpressJet)	86,581	0.6	63,765	0.4	63,856	0.4
Continental Airlines	150,053	1.0	193,026	1.3	210,747	1.3
Northwest/Delta (Atlantic Southeast) [1]	83,690	0.6	1,289	—	58,351	0.4
Northwest/Delta (Chautauqua) [1]	95,086	0.7	4,798	—	9,211	0.1
Northwest/Delta (Comair) [1]	540,781	3.7	145,990	1.0	90,839	0.6
Northwest/Delta (Compass) [1]	340,262	2.3	439,785	3.0	144,644	0.9
Northwest/Delta (Freedom) [1]	191,445	1.3	19,912	0.1	6,142	—
Northwest/Delta (Mesaba Aviation) [1]	949,610	6.5	1,042,785	7.1	811,681	5.0
Northwest/Delta (Pinnacle) [1]	2,186,627	15.0	2,066,229	14.1	2,043,385	12.6
Northwest/Delta (Shuttle America) [1]	4,462	0.0	10,599	0.1	36,813	0.2
Northwest/Delta (SkyWest) [1]	—	—	4,681	—	3,362	—
Northwest/Delta Air Lines [1]	7,328,799	50.1	7,894,790	54.0	9,555,525	58.7
Frontier	117,044	0.8	117,396	0.8	126,580	0.8
Independence Air	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—
Southwest Airlines	553,612	3.8	523,304	3.6	595,944	3.7
Spirit Airlines	558,596	3.8	591,150	4.1	802,424	4.9
United (Atlantic Southeast)	17,044	0.1	—	—	—	—
United (ExpressJet)	14,376	0.1	—	—	—	—
United (GoJet)	66,206	0.5	56,837	0.4	—	—
United (Mesa)	29,999	0.2	47,908	0.3	43,380	0.3
United (SkyWest)	68,400	0.5	31,407	0.2	24,640	0.2
United (TransStates)	16,133	0.1	32,140	0.2	14,916	0.1
United Airlines	36,467	0.2	94,542	0.7	239,332	1.5
US Airways	303,451	2.1	313,774	2.1	331,934	2.0
US Airways (Air Wisconsin)	76,414	0.5	95,658	0.7	104,993	0.6
US Airways (Chautauqua)	3,881	0.0	—	—	1,260	—
US Airways (Mesa)	22,387	0.2	22,640	0.2	47,464	0.3
US Airways (PSA)	5,860	0.0	15,747	0.1	38,059	0.2
US Airways (Republic)	112,838	0.8	74,785	0.5	23,992	0.1
USA 3000	2,226	0.0	19,823	0.2	79,304	0.5
Other [2]	3,546	0.0	6,005	—	4,547	—
Subtotal – Domestic	14,614,045	100.0%	14,622,391	100.0%	16,271,128	100.0%
International:						
Aeromexico	—	—	2,053	0.2	5,942	0.4
Air Canada	6,875	0.5	5,956	0.5	13,678	0.9
Air France	70,685	5.6	55,233	4.2	45,947	2.9
Airtran	5,849	0.5	271	—	—	—
British Airways	—	—	—	—	20,491	1.3
Compass	13,301	1.1	26,608	2.0	—	—
KLM-Royal Dutch Airlines	—	—	40,196	3.0	41,753	2.7
Lufthansa	65,568	5.2	72,884	5.5	102,121	6.5
Northwest/Delta (Mesabe Aviation) [1]	19,583	1.6	45,248	3.4	37,906	2.4
Northwest/Delta Air Lines [1]	921,973	73.0	1,009,773	76.6	1,204,927	77.2
Northwest/Delta (Comair) [1]	20,851	1.7	—	—	—	—
Northwest/Delta (Pinnacle) [1]	97,518	7.7	—	—	—	—
Royal Jordanian Airlines	15,258	1.2	14,822	1.1	16,434	1.1
Spirit	12,274	1.0	16,928	1.3	19,464	1.2
US Airways	1,997	0.2	1,853	0.1	—	—
Other [2]	10,604	0.8	26,916	2.1	51,440	3.4
Subtotal – International	1,262,336	100.0%	1,318,741	100.0%	1,560,103	100.0%
Total – All Markets	15,876,381		15,941,132		17,831,231	

[1] Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report

[2] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

	OY 2007		OY 2006	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:				
Air Tran Airways	239,410	1.4%	182,972	1.1%
America West Airlines	241,961	1.5	259,600	1.6
American (AA Eagle)	91,529	0.6	73,918	0.5
American Airlines	443,530	2.7	440,680	2.7
Champion Air	34,462	0.2	34,055	0.2
Continental (Chautauqua)	—	—	—	—
Continental (CommutAir)	9,371	0.1	7,812	—
Continental (ExpressJet)	70,559	0.4	73,606	0.5
Continental Airlines	219,751	1.3	226,707	1.4
Northwest/Delta (Atlantic Southeast) [1]	37,242	0.2	32,646	0.2
Northwest/Delta (Chautauqua) [1]	—	—	—	—
Northwest/Delta (Comair) [1]	94,044	0.6	91,216	0.6
Northwest/Delta (Compass) [1]	—	—	—	—
Northwest/Delta (Freedom) [1]	—	—	—	—
Northwest/Delta (Mesaba Aviation) [1]	457,948	2.8	900,785	5.5
Northwest/Delta (Pinnacle) [1]	1,915,685	11.6	1,663,236	10.2
Northwest/Delta (Shuttle America) [1]	—	—	33,902	0.2
Northwest/Delta (SkyWest) [1]	6,676	—	—	—
Northwest/Delta Air Lines [1]	10,324,808	62.3	10,207,929	62.5
Frontier	121,456	0.7	91,097	0.6
Independence Air	—	—	13,445	0.1
Ryan International	—	—	372	—
Southwest Airlines	606,113	3.7	496,693	3.0
Spirit Airlines	933,029	5.6	781,652	4.8
United (Atlantic Southeast)	—	—	—	—
United (ExpressJet)	—	—	—	—
United (GoJet)	—	—	—	—
United (Mesa)	57,546	0.3	55,148	0.3
United (SkyWest)	36,475	0.2	39,041	0.2
United (TransStates)	—	—	—	—
United Airlines	263,054	1.6	275,380	1.7
US Airways	100,860	0.6	56,900	0.3
US Airways (Air Wisconsin)	83,203	0.5	89,264	0.5
US Airways (Chautauqua)	1,928	—	—	—
US Airways (Mesa)	71,535	0.4	37,757	0.2
US Airways (PSA)	17,035	0.1	66,631	0.4
US Airways (Republic)	29,729	0.2	11,339	0.1
USA 3000	67,516	0.4	66,277	0.4
Other [1]	4,867	—	11,752	0.1
Subtotal – Domestic	16,581,322	100.0%	16,321,812	100.0%
International:				
Aeromexico	—	—	—	—
Air Canada	13,085	0.9	14,899	1.0
Air France	48,355	3.2	50,466	3.4
Airtran	—	—	—	—
British Airways	47,472	3.1	55,403	3.7
Compass	—	—	—	—
KLM-Royal Dutch Airlines	—	—	—	—
Lufthansa	98,008	6.4	67,305	4.6
Northwest/Delta (Mesaba Aviation) [1]	37,538	2.5	32,103	2.2
Northwest/Delta Airlines [1]	1,174,843	76.9	1,138,025	77.0
Northwest/Delta (Comair) [1]	—	—	—	—
Northwest/Delta (Pinnacle) [1]	—	—	—	—
Royal Jordanian Airlines	14,150	0.9	16,028	1.1
Spirit	20,146	1.3	16,671	1.1
US Airways	—	—	—	—
Other [1]	73,171	4.8	87,220	5.9
Subtotal – International	1,526,768	100.0%	1,478,120	100.0%
Total – All Markets	18,108,090		17,799,932	

[1] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[2] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail			Percent
Operating					Total	increase
year	Enplaned	Deplaned	Enplaned	Deplaned	Cargo	(decrease)
2010	71,409	105,269	4,950	3,306	184,934	14.6%
2009	68,021	85,235	4,264	3,849	161,369	(28.6)
2008	99,578	117,636	4,225	4,415	225,854	(1.8)
2007 (b)	94,226	130,901	2,253	2,582	229,962	6.5
2006	86,515	123,348	3,186	2,953	216,002	(1.6)

(a) Includes small packages

(b) Lufthansa Airlines' cargo was reported for the first time in October 2007 covering the period from February 2007 to September 2007. Prior year data is unavailable for comparison.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2010		OY 2009		OY 2008	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	—	—%	4,352	—%	9,432	—%
Air Canada	13,640	0.1	21,049	0.1	28,994	0.1
Air France	138,582	0.7	122,641	0.6	114,617	0.5
Air Tran Airways	225,504	1.1	240,496	1.1	240,128	1.0
America West Airlines	—	—	—	—	—	—
American (AA Eagle)	193,235	1.0	155,625	0.7	107,737	0.5
American Airlines	312,306	1.5	399,070	1.9	506,633	2.2
American Trans Air	—	—	—	—	—	—
British Airways	—	—	—	—	107,202	0.5
Champion Air	—	—	—	—	900	—
Continental (CommutAir)	—	—	35	—	27,894	0.1
Continental (Chautauqua)	—	—	—	—	1,610	—
Continental (ExpressJet)	93,195	0.5	76,524	0.4	85,836	0.4
Continental Airlines	174,752	0.9	233,049	1.1	254,629	1.1
Delta (Atlantic Southeast)	104,058	0.5	1,474	—	64,185	0.3
Delta (Chautauqua)	94,308	0.4	6,200	—	11,052	—
Delta (Comair)	669,929	3.3	187,696	0.9	125,020	0.5
Delta (Freedom)	196,138	1.0	23,702	—	8,617	—
Delta (Shuttle America)	5,238	—	13,437	0.1	49,342	0.2
Delta (SkyWest)	—	—	5,100	—	4,425	—
Delta Air Lines	10,369,432	51.4	548,594	2.6	218,996	0.9
DHL/ABX	—	—	67,939	0.3	64,605	0.3
Federal Express	361,807	1.8	374,202	1.8	477,212	2.0
Frontier	126,776	0.6	140,742	0.7	147,774	0.6
Independence Air	—	—	—	—	—	—
KLM-Royal Dutch Airlines	—	—	74,970	0.4	80,214	0.3
Lufthansa	142,243	0.7	174,062	0.8	243,753	1.0
Northwest (Compass)	438,616	2.2	596,054	2.8	173,768	0.7
Northwest (Mesaba Aviation)	1,202,839	6.0	1,484,510	7.1	1,118,993	4.8
Northwest (Pinnacle)	2,817,713	14.0	2,616,584	12.5	2,516,756	10.8
Northwest Airlines	—	—	10,785,072	51.1	13,385,015	57.3
Royal Jordanian Airlines	41,097	0.2	42,294	0.2	41,895	0.2
Ryan International	—	—	480	—	7,811	—
Southwest Airlines	668,576	3.3	706,040	3.4	833,750	3.6
Spirit Airlines	637,083	3.2	690,048	3.3	925,981	4.0
United (Air Wisconsin)	—	—	—	—	—	—
United (Atlantic Southeast)	20,304	0.1	—	—	—	—
United (ExpressJet)	15,341	0.1	—	—	—	—
United (GoJet)	79,931	0.4	69,077	0.3	—	—
United (Mesa)	34,400	0.2	54,058	0.3	45,532	0.2
United (SkyWest)	75,208	0.4	34,341	0.2	25,976	0.1
United (TransStates)	19,147	0.1	36,379	0.2	15,998	0.1
United Airlines	64,056	0.3	161,068	0.8	317,477	1.4
United Parcel Service	171,234	0.8	171,687	0.8	195,473	0.8
US Airways	380,154	1.9	377,507	1.8	397,966	1.7
US Airways (Air Wisconsin)	87,467	0.4	113,082	0.5	121,072	0.5
US Airways (Chautauqua)	4,255	—	—	—	1,447	—
US Airways (Mesa)	21,536	0.1	21,261	0.1	41,942	0.2
US Airways (Piedmont)	—	—	—	—	—	—
US Airways (PSA)	6,655	—	15,835	0.1	38,762	0.2
US Airways (Republic)	116,510	0.6	78,548	0.4	28,519	0.1
US Airways (Trans States)	—	—	—	—	—	—
USA 3000	13,357	0.1	53,149	0.3	117,801	0.5
Other (1)	30,255	0.1	26,613	0.3	26,169	0.3
Total	20,166,877	100.0%	21,004,646	100.0%	23,358,910	100.0%

(1) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2007		OY 2006	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	—	—%	—	—%
Air Canada	28,960	0.1	29,070	0.1
Air France	116,552	0.5	119,720	0.5
Air Tran Airways	302,472	1.2	237,816	1.0
America West Airlines	265,091	1.1	308,035	1.3
American (AA Eagle)	116,715	0.5	93,732	0.4
American Airlines	538,336	2.2	548,634	2.3
American Trans Air	—	—	—	—
British Airways	209,479	0.9	118,431	0.5
Champion Air	45,900	0.2	45,750	0.2
Continental (CommutAir)	14,392	0.1	13,728	0.1
Continental (Chautauqua)	—	—	—	—
Continental (ExpressJet)	93,465	0.4	96,004	0.4
Continental Airlines	259,645	1.1	276,009	1.1
Delta (Atlantic Southeast)	44,137	0.2	40,937	0.2
Delta (Chautauqua)	—	—	—	—
Delta (Comair)	137,273	0.6	137,285	0.6
Delta (Freedom)	—	—	—	—
Delta (Shuttle America)	—	—	49,895	0.2
Delta (SkyWest)	8,617	—	—	—
Delta Air Lines	263,257	1.1	266,479	1.1
DHL/ABX	68,865	0.3	77,754	0.3
Federal Express	525,479	2.2	482,405	2.0
Frontier	152,353	0.6	116,166	0.5
Independence Air	—	—	16,262	0.1
KLM-Royal Dutch Airlines	—	—	—	—
Lufthansa	229,272	0.9	150,863	0.6
Northwest (Compass)	—	—	—	—
Northwest (Mesaba Aviation)	679,531	2.8	1,371,475	5.7
Northwest (Pinnacle)	2,402,170	9.9	2,227,894	9.2
Northwest Airlines	14,592,777	59.6	14,456,719	59.8
Royal Jordanian Airlines	40,698	0.2	41,501	0.2
Ryan International	21,883	0.1	31,404	0.1
Southwest Airlines	883,222	3.6	656,164	2.7
Spirit Airlines	1,116,697	4.6	952,127	3.9
United (Air Wisconsin)	—	—	—	—
United (Atlantic Southeast)	—	—	—	—
United (ExpressJet)	—	—	—	—
United (GoJet)	—	—	—	—
United (Mesa)	67,597	0.3	67,320	0.3
United (SkyWest)	44,048	0.2	50,555	0.2
United (TransStates)	—	—	—	—
United Airlines	339,795	1.4	335,201	1.4
United Parcel Service	204,976	0.8	211,295	0.9
US Airways	170,642	0.7	85,631	0.4
US Airways (Air Wisconsin)	104,763	0.4	112,471	0.5
US Airways (Chautauqua)	2,085	—	—	—
US Airways (Mesa)	63,181	0.3	31,143	0.1
US Airways (Piedmont)	—	—	33	—
US Airways (PSA)	17,219	0.1	77,036	0.3
US Airways (Republic)	37,006	0.2	15,978	0.1
US Airways (Trans States)	—	—	12,120	0.1
USA 3000	116,664	0.5	119,790	0.5
Other [(1)]	31,489	0.1	28,807	0.1
Total	24,356,703	100.0%	24,109,639	100.0%

[(1)] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2010

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

Operating year	Operations by class of carrier: Air carrier	Air taxi and commuter	General aviation	Military	Total operations: Total	Percent increase (decrease)
2010	195,916	242,697	6,777	110	445,500	1.9%
2009	211,998	218,172	7,006	140	437,316	(6.4)
2008	253,024	203,629	10,580	153	467,386	(1.1)
2007	280,062	181,025	11,335	100	472,522	(2.6)
2006	287,793	185,109	12,280	91	485,273	(8.5)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	Historical				
	2010	2009	2008	2007	2006
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,360,289	6,767,341	6,969,007	7,702,170	6,989,659
Connecting (a)	8,247,984	7,829,222	9,218,270	8,772,307	9,227,647
Subtotal – scheduled	14,608,273	14,596,563	16,187,277	16,474,477	16,217,306
Percentage connecting	56.5%	53.6%	56.9%	53.2%	56.9%
Charter	5,772	25,828	83,851	106,845	104,506
Subtotal – domestic	14,614,045	14,622,391	16,271,128	16,581,322	16,321,812
International:					
Scheduled:					
U.S. airlines	1,093,595	1,100,681	1,262,297	1,232,527	1,186,799
Foreign flag	158,386	191,144	246,366	221,070	204,101
Subtotal – scheduled	1,251,981	1,291,825	1,508,663	1,453,597	1,390,900
Charter	10,355	26,916	51,440	73,171	87,220
Subtotal – international	1,262,336	1,318,741	1,560,103	1,526,768	1,478,120
Total enplaned passengers	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932
Enplaned cargo (tons):					
Freight	71,409	68,021	99,578	94,226	86,515
Mail	4,950	4,264	4,225	2,253	3,186
Total cargo	76,359	72,285	103,803	96,479	89,701
Aircraft departures (b):					
Domestic	181,666	199,105	206,716	209,880	215,856
International	11,451	13,275	15,785	15,268	15,480
Total aircraft departures	193,117	212,380	222,501	225,148	231,336
Aircraft operations:					
Air carrier	195,916	211,998	253,024	280,062	287,793
Air taxi and commuter	242,697	218,172	203,629	181,025	185,109
General aviation	6,777	7,006	10,580	11,335	12,280
Military	110	140	153	100	91
Total aircraft operations	445,500	437,316	467,386	472,522	485,273
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	12,977,875	14,339,238	17,359,185	19,070,127	18,436,064
Commuter/regional	6,296,021	5,589,520	4,614,483	3,832,199	4,413,869
Subtotal – U.S. carriers	19,273,896	19,928,758	21,973,668	22,902,326	22,849,933
Foreign flag	335,562	439,368	626,107	624,960	459,585
Subtotal – passenger	19,609,458	20,368,126	22,599,775	23,527,286	23,309,518
All cargo	557,419	636,520	759,135	829,417	800,121
Total landed weight	20,166,877	21,004,646	23,358,910	24,356,703	24,109,640

(a) 2010 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2010 departures are estimated based on both actual and scheduled data.

Sources: Wayne County Airport Authority records, U.S. Department of Transportation T100 and Commuter (298c) data, the Origin and Destination Passenger Ticket Survey, and the BACK Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

Year	Cities added	Cities dropped	Net change
2010	Sao Paulo, Brazil Hong Kong, China Seoul, Rep of Korea	Osaka, Japan London (Gatwick), England Kitchener/Waterloo, Canada Winnipeg (Manitoba), Canada Charlottetown, Canada	(2)
2009	Rome, Italy Shanghai (Pu Dong), China	Dusseldorf, Germany Ixtapa/Zihuatanejo, Mexico	—
2008	Monterrey, Mexico	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Mazatlan, Mexico	(3)
2007	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Dusseldorf, Germany		4
2006	Ixtapa/Zihuatanejo, Mexico Los Cabos, Mexico Mazatlan, Mexico	Bermuda, Bermuda Calgary Alberta, Canada Rome, Italy	—

Notes: Data reflect new and discontinued nonstop international destinations served from DTW during the entire calendar year

Source: BACK Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

		OY 2010	OY 2009	OY 2008	OY 2007	OY 2006
Operating revenues:						
Airport landing and related fees	$	69,652	59,723	84,022	58,741	60,162
Concession fees		47,975	48,425	51,851	50,242	47,351
Parking fees		48,309	49,911	58,683	58,859	53,026
Rental facilities		89,671	88,230	51,431	50,722	45,519
Utility service fees		4,332	4,320	4,498	4,078	3,622
Other		6,935	4,100	5,024	6,371	8,220
Total operating revenues		266,874	254,709	255,509	229,013	217,900
Operating expenses:						
Salaries, wages, and fringe benefits		68,799	72,696	75,214	69,877	66,383
Parking management		6,505	7,082	8,905	10,325	9,754
Janitorial services		10,972	10,584	2,403	2,418	2,031
Security		2,293	2,657	2,758	3,433	3,501
Utilities		25,789	26,499	29,166	25,143	21,809
Repairs, professional services, and other		72,172	67,310	80,699	73,020	76,211
Depreciation		136,688	135,777	120,145	111,942	107,110
Total operating expenses		323,218	322,605	319,290	296,158	286,799
Operating loss		(56,344)	(67,896)	(63,781)	(67,145)	(68,899)
Nonoperating revenues (expenses):						
Passenger facility charges		60,306	59,712	68,203	70,754	67,832
Federal and state grants		1,231	999	1,969	5,867	12,055
Interest income and other		4,948	7,070	27,970	44,897	42,666
Interest expense and other		(99,602)	(111,113)	(94,695)	(99,406)	(100,238)
Amortization of bond issuance costs		(1,837)	(1,615)	(1,985)	(1,936)	(1,963)
Total nonoperating revenue (expenses)		(34,954)	(44,947)	1,462	20,176	20,352
Net loss before capital contributions and transfers		(91,298)	(112,843)	(62,319)	(46,969)	(48,547)
Capital contributions		25,869	27,431	52,218	58,787	32,028
Transfers out		(1,490)	(8,178)	(2,813)	(1,419)	(627)
Changes in net assets		(66,919)	(93,590)	(12,914)	10,399	(17,146)
Net assets – beginning of year		580,897 [2]	623,528	636,442	626,043	643,189 [1]
Net assets – end of year	$	513,978	529,938	623,528	636,442	626,043

[1] In 2006, Detroit Metro Airport restated beginning net assets to $643,189 (see Note 2 of 2006 financial statements for additional discussion). This amount less the 2006 decrease in net assets is used to arrive at ending net assets.

[2] In 2010, Detroit Metro Airport restated beginning net assets to $580,897 (see Note 2 of 2010 financial statements for additional discussion). This amount less the 2010 decrease in net assets is used to arrive at ending net assets.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ended December 31, 2009

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York	915	6.9%	Northwest/Delta	71.0%	Spirit	12.8%	●
2	Orlando	912	6.8%	Northwest/Delta	60.5%	AirTran	18.2%	●
3	Baltimore/Wash Intl	771	5.8%	Northwest/Delta	81.8%	Southwest	6.1%	●
4	Las Vegas	684	5.1%	Northwest/Delta	59.1%	Spirit	18.3%	●
5	Los Angeles	672	5.0%	Northwest/Delta	59.9%	Spirit	9.7%	●
6	Florida South	642	4.8%	Northwest/Delta	51.9%	Spirit	32.5%	●
7	Chicago	592	4.4%	Northwest/Delta	50.6%	Southwest	20.4%	●
8	Atlanta	457	3.4%	Northwest/Delta	78.5%	AirTran	19.3%	●
9	Phoenix	455	3.4%	Northwest/Delta	55.2%	US Airways	23.0%	●
10	Tampa	433	3.2%	Northwest/Delta	63.3%	Spirit	24.4%	●
11	Fort Meyers	419	3.1%	Northwest/Delta	47.8%	Spirit	40.3%	●
12	San Francisco	385	2.9%	Northwest/Delta	67.6%	Southwest	11.7%	●
13	Dallas	323	2.4%	American	48.8%	Northwest/Delta	37.3%	●
14	Denver	316	2.4%	Northwest/Delta	52.6%	Frontier	23.4%	●
15	Houston	250	1.9%	Continental	42.7%	Northwest/Delta	38.4%	●
16	Philadelphia	237	1.8%	Northwest/Delta	65.5%	US Airways	28.4%	●
17	Boston	232	1.7%	Northwest/Delta	86.9%	US Airways	5.8%	●
18	St. Louis	214	1.6%	Northwest/Delta	50.3%	Southwest	47.1%	●
19	Minneapolis/St. Paul	206	1.5%	Northwest/Delta	89.6%	Southwest	3.6%	●
20	Seattle	191	1.4%	Northwest/Delta	77.5%	Southwest	5.5%	●
	Other O&D Markets	4,026	30.2%					
	Domestic O&D Passengers	13,332						
	O&D % of Domestic Passengers	46%						

Note: Figures may not add due to rounding

Source: Wayne County Airport Authority records; U.S. Department of Transportation, Origin & Destination Survey of Airline Passenger Traffic, Domestic

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International O&D Markets

Calendar year ended December 31, 2009

(Unaudited)

Rank	Market	Total O&D Passengers	Non-Stop Service
1	Cancun	17,050	●
2	Montego Bay	29,738	●
3	Frankfurt	24,453	●
4	Puerto Vallarta	23,799	●
5	Amsterdam	18,884	●
6	Punta Cana	18,670	●
7	Mexico City	18,501	●
8	Tokyo	17,415	●
9	London (Heathrow)	16,705	●
10	Los Cabos	16,514	●
11	Paris	15,582	●
12	Toronto	15,090	●
13	Nassau	14,514	●
14	Monterrey	13,707	●
15	Montreal	12,466	●
16	Beriut	12,405	
17	London (Gatwick)	11,521	●
18	Vancouver	11,076	●
19	Rome	10,136	●
20	Shanghai	9,521	●

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, Domestic via Sabre ADI, Adjusted for Foreign Flag Carriers

See accompanying independent auditor's report.

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2010 REFUNDING ORDINANCE

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2010 REFUNDING ORDINANCE

The following is a summary of certain provisions of the Master Bond Ordinance and the Series 2010 Refunding Ordinance. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to and subject to the provisions of the complete Master Bond Ordinance and the Series 2010 Refunding Ordinance. Capitalized terms used herein have the meanings established in the Master Bond Ordinance and the Series 2010 Refunding Ordinance, as more particularly described herein; see "Selected Definitions" from the "Master Bond Ordinance," and "Selected Definitions" from the "Series 2010 Refunding Ordinance" sections below. This summary should be read in conjunction with the description of the Series 2011 Refunding Bonds and the Master Bond Ordinance in the Official Statement, particularly the sections entitled "APPLICATION OF THE SERIES 2011 REFUNDING BOND PROCEEDS," "SECURITY FOR THE SERIES 2011 REFUNDING BONDS," and "DESCRIPTION OF THE SERIES 2011 REFUNDING BONDS."

MASTER BOND ORDINANCE

The Wayne County Airport Authority, State of Michigan (the "Authority") has adopted the Master Bond Ordinance to provide for the acquisition and construction of capital improvements (the "Capital Improvement Program") at the Detroit Metropolitan Wayne County Airport (the "Airport").

The Master Bond Ordinance contemplates and authorizes the issuance of several Series of Bonds or Junior Lien Bonds through adoption of a Series Ordinance, authorizing the issuance and sale of each such Series of Bonds or Junior Lien Bonds in accordance with the provisions of the Master Bond Ordinance and amending and supplementing the Master Bond Ordinance. In addition, the Master Bond Ordinance contains certain requirements which must be met prior to the issuance of such additional Series of Bonds. See "SECURITY FOR THE SERIES 2011 REFUNDING BONDS — Additional Senior Lien Bonds" and "— Junior Lien Bonds."

Selected Definitions

The following are definitions of certain of the terms used in the Master Bond Ordinance. The words and terms used in the Master Bond Ordinance shall have the following meanings, unless some other meaning is plainly intended and shall be either singular or plural, as the context may require.

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants having a favorable reputation for skill in performing similar duties to the duties imposed on the Accountant under the Master Bond Ordinance selected by the Authority Board from recommendations made by the Audit Committee as provided in Act 90.

"Act 90" means Act 90, Public Acts of Michigan, 2002.

"Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

"Act 34" means Act 34, Public Acts of Michigan, 2001, as amended.

"Act 32" or *"Aeronautics Code"* means Act 327, Public Acts of Michigan, 1945, as amended.

"Additional Bonds" means airport revenue bonds of equal standing with the Bonds, issued under and in accordance with the Master Bond Ordinance for the purposes set forth in Section 208 of the Master Bond Ordinance.

"Airport" means the entire Detroit Metropolitan Wayne County Airport, including all of its properties, real, personal or mixed, all buildings and all other improvements, additions or extensions thereto located thereon or appurtenant thereto, now existing or hereafter acquired.

"Airport Consultant" means any professionally qualified person, firm or corporation recognized in the air transportation industry and of favorable reputation for skill and experience in performing the duties of providing consulting services to airport operators at airports comparable in size and function to the Airport.

"Airport Development Fund" means the fund created pursuant to Section 501G of the Master Bond Ordinance.

"Airport Discretionary Fund" means the fund created by Section 501F of the Master Bond Ordinance.

"Authority" means the Wayne County Airport Authority created by Act 90.

"Authority Board" means the governing body of the Authority.

"Authorized Officer" means the Chief Executive Officer, the Chief Financial Officer, or officer designated by the Authority Board for the Authority or the designee of any of them.

"Bonds" means any bond or Series of bonds, established and created by the County under Section 202A of Ordinance No. 319 or by the Authority under Section 202A of the Master Bond Ordinance and issued pursuant to a Series Ordinance, and Reimbursement Obligations of equal standing with the Bonds established and created by a Series Ordinance.

"Bond Counsel" means any nationally recognized bond counsel acceptable to the Trustee and the Authority.

"Bond Fund" means the fund created pursuant to Section 501B of the Master Bond Ordinance.

"Bond Payment Date" means any of the dates specified in a Series Ordinance for payment of interest, or interest and principal on the Bonds or Junior Lien Bonds.

"Bond Reserve Account" means the account in the Bond Fund created pursuant to Section 501B of the Master Bond Ordinance.

"Bondholder" or any similar term means any person or party who shall be the registered owner of any Bond or Junior Lien Bond.

"Capital Improvement Program" means the ongoing program of capital improvements at the Airports, as approved by the County prior to August 9, 2002, or since that date by the Authority as the successor to the County, as the same may be modified from time to time by the Authority.

"Chief Executive Officer" means the Chief Executive Officer of the Authority.

"Chief Financial Officer" means the Chief Financial Officer of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations, rulings and court decisions thereunder, as the context may require.

"Completion Date" means the date on which the acquisition, construction and installation of the portion of the Capital Improvement Program to be financed with the proceeds of a particular Series of Bonds or Junior Lien Bonds is complete, as evidenced by the filing of a Completion Certificate with the Trustee.

"Construction Fund" means the fund created pursuant to Section 401 of the Master Bond Ordinance.

"Consulting Architect or Engineer" means an independent architect or engineer or firm of professional architects or engineers, registered pursuant to the laws of the State of Michigan, from time to time selected by the Authority in accordance with its procurement policy and Act 90 to design or supervise the design and oversee the construction and installation of the Capital Improvement Program or components of the Capital Improvement Program.

"County" means the Charter County of Wayne, State of Michigan.

"Credit Entity" means with respect to a Series of Bonds or Junior Lien Bonds or a maturity of such Series a commercial bank, a bond insurance company, any other financial institution or combination of such financial

institutions or governmental entity which issues a Credit Facility for such Series of Bonds or Junior Lien Bonds or maturities but only while such Credit Facility is outstanding or Reimbursement Obligations or Junior Lien Reimbursement Obligations or other amounts are outstanding under any written agreement with a Credit Entity pursuant to which a Credit Facility is issued.

"Credit Facility" means one or more credit facilities with respect to a Series of Bonds or Junior Lien Bonds or maturity of such Series consisting of an irrevocable and unconditional letter of credit, line of credit, bond purchase agreement, municipal bond insurance policy, surety bond or other credit enhancement facility issued by a Credit Entity as described in Section 213 of the Master Bond Ordinance to provide moneys for the purpose of paying the principal (whether upon tender or upon maturity or redemption) of and the interest on such Series of Bonds or Junior Lien Bonds but only while such Credit Facility is outstanding.

"Debt Service" means the amount scheduled to become due and payable annually on all Outstanding Bonds and Junior Lien Bonds as (i) interest, exclusive of interest capitalized on such Outstanding Bonds and Junior Lien Bonds and paid from the proceeds of a Series of Bonds or Junior Lien Bonds or investment earnings on such capitalized interest, plus (ii) principal, plus (iii) Mandatory Redemption Requirements. For purposes of calculating Debt Service:

(i) All principal payments shall be made as and when the same shall become due or upon mandatory redemption;

(ii) Outstanding Variable Rate Bonds shall be deemed to bear interest during any period after the date of calculation at a fixed annual rate equal to the weighted average of the actual rates on such Variable Rate Bonds for each day during the 365 consecutive days (or any lesser period such Variable Rate Bonds have been Outstanding) ending on the last day of the month next preceding the date of computation, or at the effective fixed annual rate thereon as a result of a Swap Agreement with respect thereto; provided, that such effective fixed annual rate for Variable Rate Bonds subject to a Swap Agreement must be utilized as long as such Swap Agreement is contracted to remain in full force and effect, and provided, further, that for purposes of establishing compliance with the requirements of Section 208 of the Master Bond Ordinance, Outstanding Variable Rate Bonds shall be deemed to bear interest as provided for Variable Rate Bonds proposed to be issued in clause (iii) below;

(iii) Variable Rate Bonds proposed to be issued shall be deemed to bear interest at a fixed annual rate equal to the average of the interest rates published in The Bond Buyer Revenue Bond Index during the twelve (12) months preceding the date of issuance of such Variable Rate Bonds, or at the effective fixed annual rate thereon as a result of a Swap Agreement with respect to such Variable Rate Bonds; and provided, that such effective fixed annual rate must be utilized only so long as such Swap Agreement is contracted to remain in full force and effect;

(iv) Any computation of Debt Service shall recognize and give effect to the alternative, rather than the cumulative, nature of obligations on Bonds or Junior Lien Bonds, including any related Reimbursement Obligations or Junior Lien Reimbursement Obligations to a provider of credit enhancement or a liquidity facility securing payment of such Bonds or Junior Lien Bonds. A termination payment which becomes payable pursuant to the terms of a Swap Agreement entered into after 1996 shall constitute interest as provided in Act 34.

"Default" means a default or event of default as such terms are defined in Section 701 of the Master Bond Ordinance.

"Government Obligations" means any of the following which at the time of investment are legal investments under Michigan law for the moneys proposed to be invested therein: investments described in Section 506(i) or (ii) of the Master Bond Ordinance.

"Insurance Consultant" means an independent person or a firm of persons having skill and experience in dealing with the insurance requirements of enterprises similar to the Airport and in performing the duties to be imposed upon it by the Master Bond Ordinance.

"Issuance Costs" means items of expense payable or reimbursable directly or indirectly by or to the Authority and related to the authorization, sale and issuance of Bonds or Junior Lien Bonds and authorization of the Master Bond Ordinance, which items of expense shall include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel, financial and other consultants' fees, initial Trustee's fees, underwriters' fees and discount, costs of credit ratings, costs of Credit Facilities and charges for execution, transportation and safekeeping of the Bonds or Junior Lien Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

"Junior Lien Bond Fund" means the fund created pursuant to Section 501C of the Master Bond Ordinance.

"Junior Lien Bonds" means any bonds or Series of bonds, issued by the County under Section 202B of Ordinance No. 319 or by the Authority under Section 202B of the Master Bond Ordinance, issued pursuant to a Series Ordinance and payable from Net Revenues deposited in the Junior Lien Bond Fund after satisfaction of requirements for funding the Bond Fund, and Junior Lien Reimbursement Obligations established and created by a Series Ordinance.

"Junior Lien Reimbursement Obligations" means any obligations to repay a Credit Entity for payments of Debt Service made with respect to a Series of Bonds or Junior Lien Bonds, as provided in any written agreement between the Authority and a Credit Entity pursuant to which a Credit Facility is issued, which Junior Lien Reimbursement Obligations may be evidenced by Refunding Bonds or Junior Lien Bonds or contractual undertakings with the Credit Entity.

"Mandatory Redemption Requirement" means as to each Series of Bonds or Junior Lien Bonds for any year, the principal amount of Bonds or Junior Lien Bonds of such series subject to mandatory sinking fund redemption in such year, as provided in the Series Ordinance or Sale Resolution for each Series of Bonds or Junior Lien Bonds.

"Master Bond Ordinance" means the Master Bond Ordinance as from time to time restated, amended or supplemented by supplemental ordinances in accordance with the terms and provisions hereof, and shall include the Series Ordinance and Sale Resolution (if any) or Order (if any) of the Chief Executive Officer, for each Series of Bonds or Junior Lien Bonds.

"Net Proceeds" means the gross proceeds derived by the Authority from insurance or as an award arising from condemnation of all or part of either of the Airports, less payment of attorneys fees and other expenses properly incurred in the collection thereof.

"Net Revenues" means Revenues less Operation and Maintenance Expenses.

"Operating Reserve Amount" means the amount required in Section 501D of the Master Bond Ordinance to be on deposit in the Operation and Maintenance Reserve Fund.

"Operating Year" means the fiscal year of the Authority.

"Operation and Maintenance Expenses" means the reasonable expenses of administration, operation and maintenance of the Airport.

"Operation and Maintenance Fund" means the fund created pursuant to Section 501A of the Master Bond Ordinance.

"Operation and Maintenance Reserve Fund" means the fund created pursuant to Section 501D of the Master Bond Ordinance.

"Ordinance No. 319" means Amended and Restated Ordinance No. 319 of the County, most recently dated April 14, 1998, and effective August 16, 1998, and superseded and replaced by the Master Bond Ordinance.

"Other Available Moneys" means, for any Operating Year, the amount of money determined by the Chief Financial Officer in concurrence with the Chief Executive Officer to be transferred by the Authority for such Operating Year from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund.

"Outstanding" means, as of any date, all Bonds or Junior Lien Bonds which have been authenticated and delivered by the Trustee (including Bonds or Junior Lien Bonds tendered which may be owned by the Authority, from time to time prior to the remarketing thereof), except:

(i) Bonds or Junior Lien Bonds (or portions of Bonds or Junior Lien Bonds) for the payment or redemption of which there shall be held in trust by the Trustee under the Master Bond Ordinance (whether at or prior to maturity or redemption) (a) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption or (b) Sufficient Government Obligations in such principal amounts, having such maturities and bearing such interest, as together with the moneys described in clause (a), if any, shall be sufficient without reinvestment to pay when due the principal amount or Redemption Price, as the case may be, with interest due to the date of maturity or redemption; provided, that if such Bonds or Junior Lien Bonds are to be redeemed, notice of such redemption shall have been given as provided in Article III of the Master Bond Ordinance or provisions satisfactory to the Trustee shall have been made for giving of such notice, (ii) Bonds or Junior Lien Bonds in lieu of or substitution for which other Bonds or Junior Lien Bonds shall have been delivered pursuant to Ordinance No. 319 or the Master Bond Ordinance, (iii) Bonds or Junior Lien Bonds deemed to have been paid or defeased as provided under Ordinance No. 319 or the Master Bond Ordinance and (iv) Bonds or Junior Lien Bonds subject to a mandatory tender which have not been tendered prior to the related tender date which are deemed to have been redeemed.

"Passenger Facility Charge" or *"PFC"* means the passenger facility charge as authorized under 49 U.S.C. § 40117, or any predecessor or successor law, and as approved by the Federal Aviation Administration (or successor agency) from time to time, or such other similar charge imposed by the Authority on passengers enplaned at the Airport.

"Person" means any natural person, firm, partnership, entity or public body.

"Plans and Specifications" means the drawings, plans, blueprints and technical specifications approved by the Authority and relating to the design, installation and construction of various components of the Capital Improvement Program, as amended from time to time.

"Program Costs" shall be deemed to include the costs of design, acquisition, construction, installation, and financing of the Capital Improvement Program, including, but not limited to obligations of the Authority incurred for: (a) machinery, furnishings and equipment and for labor and to contractors, builders and materialmen in connection with the planning, design, acquisition, construction and installation of capital projects which comprise part of the Capital Improvement Program or any portion thereof; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of capital projects which comprise part of the Capital Improvement Program or any portion thereof which is not paid by the contractor or contractors or otherwise provided for; (c) architectural and engineering expenses for test borings, surveys, estimates, Plans and Specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required for the proper construction of capital projects which comprise part of the Capital Improvement Program or any portion thereof; (d) Issuance Costs; (e) all other costs which the Authority shall be required to pay, under the terms of any contract or contracts approved by the County or the Authority as the successor of the County, for the planning, design, acquisition, construction and installation of capital projects which comprise part of the Capital Improvement Program or any portion thereof including any legal costs and master planning, environmental and economic impact studies undertaken in connection therewith; (f) any sums required to reimburse the County, the Authority or any air carrier (pursuant to an agreement with the Authority) for advances made by it for any of the above items, or for any other costs incurred and for work done by any of them which are properly chargeable to the Capital Improvement Program; and (g) any other costs properly chargeable to the Construction Fund under Act 94.

"Rating Agency" means any nationally recognized rating service then rating the Bonds or Junior Lien Bonds.

"Rebate Fund" means the fund created pursuant to Section 503 of the Master Bond Ordinance.

"Redemption Price" means the principal of any Bond or Junior Lien Bonds which has been called for redemption, together with any premium thereon.

"Refunding Bonds" means any Bonds or Junior Lien Bonds issued pursuant to Section 209 of the Master Bond Ordinance.

"Reimbursement Obligations" means any obligations to repay a Credit Entity for payments of Debt Service made with respect to a Series of Bonds as provided in any written agreement between the Authority (as successor to the County or otherwise) and a Credit Entity pursuant to which a Credit Facility is issued, which Reimbursement Obligations may be evidenced by the Bonds of such Series, Refunding Bonds or contractual undertakings with the Credit Entity.

"Renewal and Replacement Fund" means the fund created pursuant to Section 501E of the Master Bond Ordinance.

"Replacement Requirement" means the amount required in Section 501E of the Master Bond Ordinance to be on deposit in the Renewal and Replacement Fund.

"Reserve Requirement" means an amount equal to the maximum annual Debt Service requirements for each Series of Outstanding Bonds which amount is required to be on deposit or, if permitted by law, otherwise provided for (including, but not limited to, through provision of a letter of credit, surety bond or insurance policy in the same amount) in the Bond Reserve Account; provided, however, that such requirement may be satisfied by a deposit at the time of issuance of a Series of Bonds or by an accumulation on a scheduled basis of Bond proceeds, investment earnings or other deposits which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit no later than the date of the last scheduled application of all capitalized interest for such Series; provided, further, that with respect to a Series of Bonds which are proposed to be issued as Variable Rate Bonds, the Reserve Requirement shall be calculated utilizing the assumptions set forth under subparagraph (iii) of the definition of Debt Service; and provided that in no event shall the Reserve Requirement exceed the maximum permitted by the Code. Any Reserve Requirement with respect to one or more Series of Junior Lien Bonds shall be established by the related Series Ordinance.

"Revenue Fund" means the fund created pursuant to Section 501 of the Master Bond Ordinance.

"Revenues" means the general revenues derived from the operation of the Airport, which shall include all moneys deposited in the Revenue Fund, from whatever source, and all income derived from the charges, fees, rentals and rates charged for services, facilities and commodities furnished by the Airport, whether such income shall be derived from its function as an Airport or not, and including, but not by way of limitation, concessions, rentals, auto parking fees, service charges derived from the operation of the terminal complex buildings and facilities, airplane landing fees, non-airline gasoline fees and miscellaneous charges and rentals from other facilities and services and investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit in the Revenue Fund; provided, however, that the term "Revenues" shall not be construed to include (i) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with the County or the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (ii) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefor or other capital contributions from any source, or (iii) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport.

"Sale Resolution" or *"Sale Order"* means a resolution or resolutions of the County adopted by the County Commission in accordance with Ordinance No. 319 prior to the Approval Date or the Authority adopted by the Authority Board in accordance with Article II of the Master Bond Ordinance or an Order of the County Executive Officer of the County prior to the Approval Date or of the Chief Executive Officer of the Authority authorizing the sale of a Series of Bonds or Junior Lien Bonds in accordance with the terms and provisions of Ordinance No. 319 or the Master Bond Ordinance and a Series Ordinance.

"Series" means a Series of Bonds or Junior Lien Bonds issued and sold pursuant to a Series Ordinance and the Master Bond Ordinance or Ordinance No. 319.

"Series Ordinance" means an ordinance or ordinances, including, if necessary, a Sale Resolution or Order, of the County prior to the Approval Date or the Authority as successor to the County authorizing the issuance and sale of a Series of Bonds or Junior Lien Bonds in accordance with the provisions hereof, adopted by the County (prior to the Approval Date) or the Authority as successor to the County or executed by the County Executive or the County (prior to the Approval Date) or the Authority's Chief Executive Officer in accordance with Article X of the Master Bond Ordinance.

"Special Facilities" means a building or buildings or facilities constructed at the Airport for the use of any Person including both terminal and non-terminal improvements for the use of such Person, either exclusively or in common with others, or for public use as agreed upon by the Authority and such Person, for which rentals or other amounts are to be paid by such Person pursuant to a lease or other agreement assumed by or with the Authority, which rentals or other amounts are pledged for the payment of bonds issued by the County or the Authority to construct such facilities.

"Sufficient Government Obligations" means (a) direct obligations of the United States of America or (b) obligations the principal of and interest on which are fully guaranteed by the United States of America, and which (i) are not redeemable at the option of the issuer and (ii) without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the principal or Redemption Price and interest, respectively, as each becomes due on the Bonds or Junior Lien Bonds.

"Swap Agreement" means any interest rate exchange or swap, hedge or other similar agreement or agreements entered into in connection with the issuance of obligations or other evidences of indebtedness or in connection with the Authority's then Outstanding Bonds or Junior Lien Bonds within the limitations provided by Act 34 or its predecessor statute.

"Swap Provider" means any party with whom the Authority (as successor to the County or otherwise) has or shall enter into a Swap Agreement.

"Trustee" means an independent bank or trust company qualified and appointed pursuant to Article IX of the Master Bond Ordinance to act as Trustee under the Master Bond Ordinance and any company into which the Trustee may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor Trustee under Section 907 of the Master Bond Ordinance, or any other bank or trust company at any time substituted in its place pursuant to the Master Bond Ordinance.

"Variable Rate Bonds" means any Bonds or Junior Lien Bonds the interest rate on which is not fixed to maturity as of the date of the calculation being performed.

Defeasance

The statutory lien upon the Net Revenues established by the Master Bond Ordinance shall continue until payment in full of the principal or Redemption Price and interest on the Bonds and Junior Lien Bonds or until sufficient cash or Sufficient Government Obligations shall have been deposited in trust for payment in full of all Bonds and Junior Lien Bonds to be defeased and sufficient funds shall have also been provided for paying all other obligations payable under the Master Bond Ordinance by the Authority with respect to the Bonds and Junior Lien Bonds to be defeased. If any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds or Junior Lien Bonds for redemption shall be given to the Trustee after such deposit has been made.

Upon deposit of sufficient cash or Sufficient Government Obligations, as provided above, the statutory lien shall be terminated with respect to the Bonds or Junior Lien Bonds to be paid or defeased, the holders of such Bonds or Junior Lien Bonds shall have no further rights under the Master Bond Ordinance except for payment from the deposited funds and the replacement or transfer of registration of Bonds or Junior Lien Bonds, and such Bonds or Junior Lien Bonds shall no longer be considered to be Outstanding. The Authority shall not defease Variable Rate Bonds without having first obtained a confirmation of the rating on such Variable Rate Bonds from each nationally-recognized rating agency then rating the Variable Rate Bonds indicating that the rating on such Variable Rate Bonds will not be reduced or withdrawn due to the defeasance.

Proceeds; Construction Fund; Surplus Bond Proceeds

The proceeds of the sale of each Series of Bonds or Junior Lien Bonds shall be immediately deposited with the Trustee in the Funds and Accounts as specified in the Series Ordinance for such Series, provided, that (i) an amount equal to the accrued interest and premiums, if any, received on the delivery of such Series of Bonds or Junior Lien Bonds and an amount equal to any capitalized interest on such Series of Bonds or Junior Lien Bonds to be paid from Bond or Junior Lien Bond proceeds shall be deposited in the Bond Fund or Junior Lien Bond Fund, as appropriate and (ii) any Bond or Junior Lien Bond proceeds required to satisfy a Reserve Requirement shall be deposited in the Bond Reserve Account in the Bond Fund or the Junior Lien Bond Reserve Account in the Junior Lien Bond Fund, as appropriate and (iii) Bond or Junior Lien Bond proceeds to be used to pay Program Costs shall be deposited in a separate account established for such Series in the Construction Fund.

The Issuance Costs for a Series of Bonds or Junior Lien Bonds shall be paid or reimbursed by the Trustee out of the Construction Fund upon presentation of a requisition certificate by the Authority. The Trustee shall make disbursements from the Construction Fund to pay or reimburse other Program Costs in accordance with requisition certificates submitted by the Authority from time to time, executed by an Authorized Officer supported by an itemization of the Program Costs being financed with the proceeds of the particular Series of Bonds or Junior Lien Bonds for which payment or reimbursement is requisitioned thereby in sufficient detail to evidence the purpose for which such costs were incurred.

The Authority shall proceed with reasonable dispatch to acquire, construct, install and complete capital projects or to cause the same to occur substantially in accordance with the Plans and Specifications. Completion of construction and installation of capital improvements shall be signified by the prompt filing with the Trustee of a completion certificate ("Completion Certificate") executed by an Authorized Officer.

All proceeds of a Series of Bonds or Junior Lien Bonds and investment earnings thereon deposited in the related account in the Construction Fund in excess of the amount actually used for construction or required for completion of construction (other than sums for construction for which payment is not yet due) of the capital improvements in anticipation of which such Series of Bonds or Junior Lien Bonds was issued and capitalized interest remaining on deposit in the related subaccount in the Capitalized Interest Account ("Surplus Bond Proceeds") shall, if permitted by law, and subject to the Master Bond Ordinance, be used to satisfy any rebate obligations with respect to such Series of Bonds or Junior Lien Bonds or for such other capital projects (and capitalized interest related thereto) in the Capital Improvement Program or, upon receipt of a Completion Certificate, be immediately transferred by the Trustee to the general account in the Bond Fund or Junior Lien Bond Fund as appropriate, designated the "Surplus Bond Proceeds Account" to be applied as follows. Surplus Bond Proceeds may be applied, in certain instances, to (i) make principal payments next coming due on the Bonds or Junior Lien Bonds and (ii) redeem Bonds or Junior Lien Bonds. In no event shall Surplus Bond Proceeds so transferred to the Bond Fund or Junior Lien Bond Fund or the investment income thereon be used to pay interest on the Bonds or Junior Lien Bonds unless in the opinion of Bond Counsel such use would not impair the tax exempt status of the Bonds or Junior Lien Bonds.

Investments

Except as otherwise provided in the Master Bond Ordinance, or as further limited by agreement with a Credit Entity, moneys in the Funds and Accounts established in the Master Bond Ordinance and moneys derived from the proceeds of sale of the Bonds or Junior Lien Bonds may be invested at the oral direction of the Chief Financial Officer, confirmed in writing, to the extent consistent with Act 94 as then in effect, by the Trustee or by the Chief Financial Officer, as the case may be, in investments permitted by Act 20, Michigan Public Acts of 1943, as amended.

Investment of moneys in the Bond Fund or Junior Lien Bond Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds or Junior Lien Bonds shall be limited to (i) direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and (ii) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself); U.S. Export-Import Bank (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership; Farmers Housing Administration (FmHA) certificates of beneficial ownership; Federal Financing Bank; Federal Housing Administration Debentures (FHA); General Services Administration Participation Certificates; Government National Mortgage Association (GNMA or "Ginnie Mae") GNMA-guaranteed mortgage-backed bonds; GNMA-guaranteed pass-through obligations; U.S. Maritime Administration Guaranteed Title XI financing; U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U. S. government guaranteed debentures, U.S. Public Housing Notes and Bond – U.S. government guaranteed public housing notes and bonds; bearing maturity dates not later than one (1) business day prior to the date of the next maturing principal or interest payment on the Bonds or Junior Lien Bonds and any securities representing investment of the same shall be kept on deposit with the Trustee. Investment of moneys in the Bond Reserve Account or the Junior Lien Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption at the option of the owner thereof, not later than five years from the date of the investment or such lesser period of time until final maturity of the related Bonds or Junior Lien Bonds.

The Authority shall cause investments credited to the Bond Reserve Account and the Junior Lien Bond Reserve Account to be valued at least semiannually by the Accountant on the first day of each Operating Year and semiannually thereafter, at the then market value thereof, and, in the event such investments are valued at less than ninety percent (90%) of the related Reserve Requirement, budget such additional deposits at the beginning of the next quarter in an amount necessary to restore the Bond Reserve Account or the Junior Lien Reserve Account, as the case may be, to the full amount of the related Reserve Requirement within 18 months.

Covenants and Representations of the Authority

Management

The operation, maintenance and management of the Airport shall continue to be under the supervision and control of the Authority. The Chief Executive Officer shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport, operate the Airport in an efficient and economical manner, maintain the properties constituting the Airport in good repair and in sound operating condition for so long as the same are necessary to the operation of the Airport on a Revenue-producing basis. Powers conferred on the Authority shall, unless otherwise specifically provided, be exercised or performed by the Chief Executive Officer.

Operating Year

The Airport shall continue to be operated on the basis of an Operating Year which currently begins on October 1 of each year.

No Free Service or Use

No free service or use of the Airport, or service or use of the Airport at less than cost, shall be furnished by the Airport to any person, firm or corporation, public or private, or to any public agency or instrumentality.

Insurance

Generally

While any Bonds or Junior Lien Bonds remain Outstanding under the Master Bond Ordinance the Authority shall maintain or cause to be maintained insurance (which may include self-insurance) on all physical properties belonging to the Airport and/or operations of the Airport, or the kinds and in the amounts normally carried by agencies engaged in the operation of airports and reasonably available to the Authority. The Authority shall retain an Insurance Consultant for the Airport for the purpose of determining compliance with this requirement.

The Authority shall, and the Trustee may, demand, collect and sue for the insurance money that may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss of damages and any settlement or payment of indemnity therefor that may be agreed upon between the Authority and any insurer shall be evidenced to the Trustee by a certificate signed by the Authorized Officer.

The Authority shall require the Insurance Consultant to report to it annually on December 1 on the adequacy of the Authority's insurance coverage under the Master Bond Ordinance. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the Chief Financial Officer and copies thereof shall be sent to the Trustee.

Notice of Taking; Cooperation of Parties

If any public authority or entity attempts to take or damage all or any part of the Airport through eminent domain proceedings, the Authority shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee in connection with such proceedings. Upon receiving notice of the institution of eminent domain proceedings by any public instrumentality, body, agency or officer, the Authority shall deliver written notice thereof to the Trustee.

Insurance and Eminent Domain Proceeds

All Net Proceeds of all hazard insurance and all Net Proceeds resulting from eminent domain proceedings (excluding proceeds of insurance or condemnation awards which relate to Special Facilities and which are required under the terms of the related Series Ordinance to be otherwise directed) shall be paid to the Trustee and shall be deposited and applied at the election of the Authority as follows:

(1) deposited in the Construction Fund which shall be reactivated as necessary and used to promptly replace, repair, rebuild or restore the Airport to substantially the same condition as that which existed prior to such damage, destruction or taking, with such alterations and additions as the Authority may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Airport, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the Authority shall deliver to the Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the replacement, repair, rebuilding or restoration, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available or caused to be made available by the Authority, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport; or

(2) deposited in the Bond Fund or the Junior Lien Bond Fund, as the case may be and applied to the redemption of first the Bonds and then the Junior Lien Bonds, provided that Bonds or Junior Lien Bonds may be redeemed only if (A) the Airport has been restored to substantially the same condition as prior to such damage, destruction or taking or (B) the Authority has determined that the portion of the Airport damaged, destroyed or taken is not necessary to the operation of the Airport and that the failure of the Authority to repair and restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport; or (C) the Airport Consultant has been unable to make the statement required by subparagraph (1)(C) of this paragraph.

If the Authority does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Airport, the Authority shall first redeem or purchase the Bonds and after redemption or purchase of all of the Bonds the Authority shall redeem or purchase the Junior Lien Bonds, in each case in accordance with Article III of the Master Bond Ordinance and the relevant Series Ordinance and transfer from the Construction Fund to the Bond Fund and the Junior Lien Bond Fund amounts sufficient to pay the Redemption Price or purchase price of the Bonds and the Junior Lien Bonds to be redeemed or purchased.

If the Authority elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Airport, the Authority shall retain such Net Proceeds in the Construction Fund and shall make disbursements therefrom, to the extent practicable, in accordance with the procedures and requirements set forth in Section 402 of the Master Bond Ordinance for requisitions from the Construction Fund.

Payment of Charges and Covenant Against Encumbrances

Except as permitted in the Master Bond Ordinance, the Authority shall not create or suffer to be created any lien or charge upon the Airport or any part thereof, or on the Net Revenues. The Authority shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within sixty (60) days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Airport and the operation of the Airport if unpaid. The Authority shall not be required to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings and so long as such contest will not cause an imminent sale or foreclosure of the Airport or any significant part thereof.

Sale of Airport

The Master Bond Ordinance generally prohibits the Authority from selling, transferring, assigning or otherwise disposing of all or any part of the properties constituting the Airport, with the following exceptions:

(i) the right to sell or dispose of any real property or any machinery, fixtures, apparatus or other personal property which is part of the Airport if the Authority determines that such property is not or is no longer needed or useful and that such sale will not impair the operating efficiency of the Airport or reduce the Authority's ability to satisfy the rate covenant as projected by the Airport Consultant;

(ii) the right, without notice to the Trustee, to demolish or remove

(a) all or any part of the passenger terminal facilities, including concourses, existing at the Airport on November 1, 1997, which are to be replaced through the construction of passenger terminal facilities, including concourses, as part of the Capital Improvement Program; or

(b) any other structures now or hereafter existing as part of the Airport, without obligation to make any replacement thereof or substitution therefor, provided that the Airport Director determines that the fair market value of the structures demolished or removed does not exceed $3,000,000.

(iii) notwithstanding the provisions of (ii) (a) above, the right to demolish or remove any structure if the Airport Director determines that such structure has become inadequate, unsuitable or unnecessary, if:

(a) prior to such removal or demolition the Authority gives written notice thereof to the Trustee, and

(b) (1) structures having a utility value at the Airport at least equal to that of the property demolished or removed are constructed, acquired, or substituted, or (2) there shall be filed with the Trustee prior to such demolition or removal a certificate signed by the Authorized Officer and approved by the Airport Consultant stating that Net Revenues for the Operating Year next succeeding that in which such demolition or removal occurs are projected to be sufficient to enable the Authority to meet the rate covenant, and in such case no substitution or replacement shall be required.

Proceeds resulting from any abandonment, sale or disposition of properties constituting the Airport shall be deposited, in the Authority's sole discretion, in the Construction Fund if the amount then on deposit therein is insufficient to pay Program Costs, or otherwise to the Renewal and Replacement Fund unless some other disposition is required by law or by contract.

Other Authority Covenants

So long as any Bond or Junior Lien Bond is Outstanding, the Authority covenants to comply or cause compliance with all applicable laws, orders, rules or regulations of any municipal or other governmental authority relating to the construction, use and operation of the Airport, and further covenants that it shall not create a lien upon the Airport.

Events of Default

Each of the following events is an "Event of Default" under the Master Bond Ordinance:

(a) the Authority shall default in the payment of the principal or Redemption Price of any Bond or Bonds or Junior Lien Bonds when and as the same shall become due, whether at maturity or upon redemption or otherwise;

(b) payment of any installment of interest on any Bond or Bonds or Junior Lien Bonds shall not be made, when and as the same shall become due;

(c) the Authority shall fail or refuse to comply with the provisions of the Master Bond Ordinance or shall default in the performance or observance of any other of the covenants, agreements or conditions contained in the Master Bond Ordinance, any supplemental ordinance, any resolution, or in the Bonds or Junior Lien Bonds and such failure, refusal or default shall continue for a period of 45 days after written notice specifying such default and requesting that it be corrected, to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than twenty percent (20%) in principal amount of the outstanding Bonds and Junior Lien Bonds, provided that if prior to the expiration of such 45-day period the Authority institutes action reasonably designed to cure such default, no such "Event of Default" shall be deemed to have occurred upon the expiration of such 45-day period for so long as the Authority pursues such curative action with reasonable diligence;

(d) any proceeding shall be instituted by or against the Authority seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of thirty (30) days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against it or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property) shall occur; or the Authority shall take any action to authorize any of the actions set forth above in this subsection (d).

No default in the payment of the principal of, interest on or Redemption Price of any Junior Lien Bond shall be considered a default for any Bond.

Remedies

Upon the happening and continuance of any Event of Default specified in the Master Bond Ordinance, the Trustee may, or upon the request of the holders of not less than twenty percent (20%) in principal amount of the Outstanding Bonds and Junior Lien Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders, by suit, action, or other proceedings, and to protect and enforce the statutory lien on the Net Revenues and enforce and compel the performance of all duties of the officials of the Authority. The Trustee shall on behalf of the Bondholders be entitled as a matter of right, upon application to a court of competent jurisdiction, to have appointed a receiver of the Authority for the business and property of the Airport, or any part thereof, including all Revenues, issues, income, receipts and profits derived, received or had by the Authority thereof or therefrom, with such power as the Authority may have to operate and maintain such business and property, collect, receive and apply all Revenues, income, receipts and profits arising therefrom, and prescribe fees and other charges in the same way and manner as the Authority might do. The Trustee is entitled to indemnification against fees, costs, expenses and liabilities for its enforcing any of the remedies permitted by the Master Bond Ordinance on the terms provided by the Master Bond Ordinance in connection with its exercise of any of the foregoing remedies.

Limitation on Rights of Bondholders

No individual Bondholders may initiate legal proceedings to enforce rights under the Master Bond Ordinance unless such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such proceeding is to be taken, and unless the holders of not less than twenty percent (20%) in principal amount of the Bonds or Junior Lien Bonds then Outstanding have made written request of the Trustee after the right to exercise such right of action has occurred, and have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the Master Bond Ordinance or to institute such proceedings in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against fees, costs, expenses and liabilities, and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the Master Bond Ordinance on defaults and remedies shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his or her Bonds or Junior Lien Bonds, or the obligation of the Authority to pay the same.

Application of Revenues and Other Moneys After Default

During the continuance of an Event of Default, the Trustee, except as otherwise provided in the provisions of the Master Bond Ordinance relating to remedies, shall apply moneys, securities, funds and Revenues and the investment income thereon in the Funds and Accounts as follows and in the following order:

(i) to the payment of the reasonable fees, charges, costs, expenses and liabilities of the Trustee and the Airport Consultant or any Consulting Architect or Engineer selected by the Authority pursuant to the Master Bond Ordinance;

(ii) to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses; and for the reasonable renewals, repairs and replacements of the Airport necessary to prevent loss of Revenues, as certified to the Trustee by the Airport Consultant. For this purpose the books of records and accounts of the Authority relating to the Airport shall at all times be subject to the inspection of the Airport Consultant during the continuance of such Event of Default;

(iii) to the payment of the interest and principal or Redemption Price then due on the Bonds or Junior Lien Bonds, as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest on Bonds then due in order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

THIRD: To the payment to the persons entitled thereto of all installments of interest on Junior Lien Bonds, including payments in the nature of interest payable to a Swap Provider under a Swap Agreement, then due in order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

FOURTH: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Junior Lien Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Junior Lien Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

FIFTH: To the payment to any Swap Provider of any termination payment due and payable under a Swap Agreement, and if the amounts available shall not be sufficient to pay in full all termination payments due under the Swap Agreements then to the payment thereof ratably according to the amounts of termination payments due on such date to the persons entitled thereto without any discrimination or preference.

If and whenever all overdue installments of interest on all Bonds and Junior Lien Bonds, together with the reasonable fees, charges, costs, expenses and liabilities of the Trustee, and all other sums payable by the Authority to the Trustee under the Master Bond Ordinance, including the principal and Redemption Price of and accrued unpaid interest on the Bonds and Junior Lien Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Master Bond Ordinance or the Bonds or Junior Lien Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, funds and Revenues then remaining unexpended in the hands of the Trustee (except moneys, securities, funds or Revenues deposited or pledged, or required by the terms of the Master Bond Ordinance to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively to their former positions and rights under the Master Bond Ordinance, and all Revenues shall thereafter be applied as provided in the provisions of the Master Bond Ordinance governing the establishment and use of Funds and Accounts. No such payment over to the Authority by the Trustee or resumption of the application of Revenues as so provided shall extend to or affect any subsequent default under the Master Bond Ordinance or impair any right consequent thereon.

No Waiver of Default

No delay or omission of the Trustee or of any Holder of the Bonds and Junior Lien Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by the Master Bond Ordinance to the Trustee and the Holders of the Bonds and Junior Lien Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Notice of Event of Default

The Trustee shall promptly give to the holders of Bonds and Junior Lien Bonds notice (i) of each Event of Default of which it has actual notice under Section 902(h) of the Master Bond Ordinance, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of an Event of Default specified in clause (a), (b) or (d) of the definition thereof, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee of the board of directors, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the holders of Bonds and Junior Lien Bonds, and (ii) of any failure of the Authority to comply with its covenant under the Master Bond Ordinance to charge sufficient rates and charges of which the Trustee has actual notice as set forth in Section 902(h) of the Master Bond Ordinance. Each such notice required shall be given by the Trustee by mailing written notice thereof to all owners of Bonds and Junior Lien Bonds, at the registered addresses of such Holders shown upon the registration books of the Authority held by the Trustee.

Tax-Exempt Status; Non-Arbitrage Covenant

The Authority covenants not to take or to permit to be taken by its agents or assigns any action which, or fail to take any reasonable action the omission of which, would (i) impair the exemption of interest on the Bonds or Junior Lien Bonds from federal income taxation, or (ii) affect the validity of the Bonds or Junior Lien Bonds.

The Authority shall use the proceeds of all Series of Bonds and Junior Lien Bonds in a manner that will comply with the requirements of Section 103 of the Code. The Authority shall not make any use, and the Trustee is directed to make no use, of the proceeds of the Bonds and Junior Lien Bonds which could cause the Bonds or Junior Lien Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder. The Authority shall further comply with the requirements and regulations of such section throughout the term of the Bonds and the Junior Lien Bonds, including the rebate requirements of the Master Bond Ordinance.

Supplemental Ordinances

The Authority may, without the consent of the Bondholders, but with the consent of the Trustee and where required by a Credit Entity, the Credit Entity, adopt at any time or from time to time Series Ordinances or Supplemental Ordinances for any one or more of following purposes, and any Supplemental Ordinance shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by the Authorized Officer:

(1) To provide for the issuance of a Series of Bonds or Junior Lien Bonds and to prescribe the terms and conditions pursuant to which such Bonds or Junior Lien Bonds may be issued, paid or redeemed;

(2) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds or Junior Lien Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Bond Ordinance;

(3) To prescribe further limitations and restrictions upon the issuance of Bonds or Junior Lien Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Authority by terms of the Master Bond Ordinance;

(5) To confirm as further assurance any security created under and subject to any lien or claim created or to be created by the provisions of the Master Bond Ordinance;

(6) To modify the provisions of the Master Bond Ordinance or any previously adopted Series Ordinance to permit compliance with changes in federal tax law which is required to maintain the tax exempt status of the Bonds or Junior Lien Bonds;

(7) With the consent of the Trustee in reliance upon an opinion of Bond Counsel, to cure any ambiguity or defect or inconsistent provision in the Master Bond Ordinance or to insert such provisions clarifying matters or questions arising under the Master Bond Ordinance as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect; or

(8) To comply with the Trust Indenture Act of 1939.

Notice of the adoption and delivery of any Supplemental Ordinance or resolution and a copy thereof shall be filed by the Trustee with the Rating Agency at the time of such adoption and delivery.

Supplemental Ordinances Requiring Consent of Bondholders

Exclusive of Supplemental Ordinances covered by Section 1002 of the Master Bond Ordinance, the Holders of at least fifty percent (50%) of the principal amount of outstanding Bonds and Junior Lien Bonds affected by the proposed Supplemental Ordinance and when required by the provider of a Credit Facility, the related Credit Entity, shall have the right to consent to and approve the adoption by the Authority of other Supplemental Ordinances; provided, however, that nothing in the Master Bond Ordinance shall permit (i) an extension of the maturity of the principal of or the interest on any Bond or Junior Lien Bond issued under the Master Bond

Ordinance, (ii) a reduction in the principal amount of any Bond or Junior Lien Bond, (iii) modification of the privilege or priority of any Bond or Bonds over any other Bonds, except upon the written consent of the Holders of 100% of the principal amount of Bonds Outstanding or (iv) modification of the privilege or priority of any Junior Lien Bond or Junior Lien Bonds over any other Junior Lien Bonds. For the purposes of consents pursuant to Section 1003 of the Master Bond Ordinance a Credit Entity shall be deemed to be the Holder of Bonds or Junior Lien Bonds pledged by the Authority to the Credit Entity or owned by the Credit Entity or Bonds or Junior Lien Bonds secured by a Credit Facility except to the extent the Credit Entity has not honored a draw on its Credit Facility which draw complies with the requirements of the Credit Facility.

The Trustee shall give written notice of the proposed adoption of a Supplemental Ordinance by mail to the registered addresses of Holders of the Outstanding Bonds and Junior Lien Bonds and to the Credit Entity. Such notice shall briefly set forth the nature of the proposed Supplemental Ordinance and shall state that copies thereof are on file at the designated trust office of the Trustee for inspection by holders of Bonds and Junior Lien Bonds. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Holders of not less than the required percent of the principal amount of the Bonds and Junior Lien Bonds Outstanding by instruments filed with the Trustee shall have consented to the adoption thereof and any other prerequisites such as the approval of any Credit Entity having such right, such Supplemental Ordinance may be adopted and the Master Bond Ordinance shall be deemed to be modified and amended in accordance therewith.

Anything in the Master Bond Ordinance to the contrary notwithstanding, a Supplemental Ordinance under Article X of the Master Bond Ordinance which affects the rights, duties and obligations of the Trustee shall not become effective unless and until the Trustee shall have consented in writing in the case of the Trustee, to the adoption of such Supplemental Ordinance and unless the Authority has first obtained the approval of the Michigan Department of Treasury if such approval is required.

If a Series of Bonds or Junior Lien Bonds will be unaffected by the terms of the Supplemental Ordinance, such Bonds or Junior Lien Bonds shall not be deemed to be Outstanding for purposes of any required consent.

A Series shall be deemed to be affected by a modification or amendment of the Master Bond Ordinance if the same adversely affects or diminishes the rights of the Holders of Bonds or Junior Lien Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing provisions Bonds or Junior Lien Bonds of any particular Series or maturity would be affected by any modification or amendment of the Master Bond Ordinance and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds or Junior Lien Bonds. The Trustee may receive an opinion of Bond Counsel as conclusive evidence as to whether Bonds or Junior Lien Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Master Bond Ordinance.

Notwithstanding anything in Section 1003 of the Master Bond Ordinance to the contrary, so long as any Bonds or Junior Lien Bonds are Outstanding as Variable Rate Bonds, the payment of principal of and interest upon which Variable Rate Bonds is secured by a Credit Facility, the Holders of such Variable Rate Bonds so secured shall not have any right to consent to any Supplemental Ordinance with respect to which the consent of Holders of such Variable Rate Bonds would otherwise have to be obtained, the automatic and irrevocable consent of such Holders of such Variable Rate Bonds to be conclusively presumed by virtue of such Holder's acceptance thereof; and the Trustee shall not be required to seek such Holders' consent as set forth in Section 1003 of the Master Bond Ordinance, provided that all such Holders shall be entitled to receive notice of the proposed Supplemental Ordinance from the Trustee or from the remarketing agent with respect to such Variable Rate Bonds and shall have the opportunity to tender such Variable Rate Bonds for repurchase prior to the effectiveness of any such Supplemental Ordinance. So long any Bonds or Junior Lien Bonds are Outstanding as Variable Rate Bonds, the payment of principal of and interest upon which Variable Rate Bonds is secured by a Credit Facility, the Credit Entity which issued such Credit Facility shall be deemed the Holder of such Variable Rate Bonds so secured and shall have the right to consent to any Supplemental Ordinance with respect to which the consent of Holders of such Variable Rate Bonds would otherwise have to be obtained; provided, however, that the right of such Credit Entity to provide such consent shall be suspended if such Credit Entity shall have wrongfully dishonored a payment obligation under such Credit Facility or if the Credit Facility is for any reason unavailable to the Trustee for the benefit of the Holders of such Variable Rate Bonds other than by expiration in accordance with its terms.

General Provisions Relating to Series Ordinances and Supplemental Ordinances

The Master Bond Ordinance shall not be modified or amended in any respect except in accordance with and subject to the provisions of Article X of the Master Bond Ordinance. Nothing contained in Article X of the Master Bond Ordinance shall affect or limit the right or obligation of the Authority to execute or deliver to the Trustee any instrument pursuant to elsewhere in the Master Bond Ordinance provided or permitted to be delivered to the Trustee.

A copy of every Supplemental Ordinance adopted by the Authority when filed with the Trustee shall be accompanied by an opinion of Bond Counsel satisfactory to the Trustee stating that such Supplemental Ordinance has been duly and lawfully adopted in accordance with the provisions of the Master Bond Ordinance, is authorized or permitted by the Master Bond Ordinance and is valid and binding upon the Authority and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Ordinance or Supplemental Ordinance permitted or authorized pursuant to the provisions of the Master Bond Ordinance and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Ordinance is authorized or permitted by the provisions of the Master Bond Ordinance.

SERIES 2010 REFUNDING ORDINANCE

The Authority has adopted the Series 2010 Refunding Ordinance which together with the Sale Order authorizes the issuance and sale of the Series 2011 Refunding Bonds, and which amends and supplements the Master Bond Ordinance.

Selected Definitions

"*Authorized Denominations*" means denominations of $5,000 or any integral multiple thereof.

"Bonds" means any Bonds or Series of Bonds established and created by the Master Bond Ordinance and issued pursuant to a Series Ordinance.

"Debt Service Payments" means the payments required to be made by the Authority to amortize the Series 2011 Refunding Bonds, as provided for in the Series Ordinances, including the principal of, premium, if any, and interest on the Series 2011 Refunding Bonds when due (whether at stated maturity, upon redemption prior to stated maturity, or upon acceleration of stated maturity).

"Fixed Rate" means the rate or rates at which any series of the Series 2011 Refunding Bonds bears interest through the Stated Maturity Date, as established in accordance with Section 204 of the Series 2010 Refunding Ordinance.

"Interest Payment Date" means, except as otherwise provided in the Sale Order, with respect to the Series 2011 Refunding Bonds, June 1, 2011 and each June 1 and December 1 thereafter to and including the Stated Maturity Date.

"Operating Year" means the fiscal year of the Authority.

"Record Date" means the 15th day of the month preceding an Interest Payment Date.

"Registered Owner" or "Bondholder" or "owner" means the person or entity in whose name any Series 2011 Refunding Bond is registered.

"Sale Order" means, with respect to a series of the Series 2011 Refunding Bonds, the written order of the Chief Executive Officer or Chief Financial Officer of the Authority approving the sale of a series of the Series 2011 Refunding Bonds and making certain determinations regarding the final terms thereof within the parameters of the Series Ordinances and the Master Bond Ordinance.

"Stated Maturity Date" means, with respect to any series of the Series 2011 Refunding Bonds, the Stated Maturity Date set forth in the Sale Order.

Application of Series 2011 Refunding Bond Proceeds

The net proceeds of the Series 2011 Refunding Bonds shall be applied as follows, as finally determined in the Sale Order:

(a) An amount equal to the accrued interest, if any, on the Series 2011 Refunding Bonds to the date of delivery thereof shall be deposited in the general account of the Bond Fund.

(b) An amount sufficient to pay the Issuance Costs of the Series 2011 Refunding Bonds (to the extent permitted by law) shall be deposited with the Trustee in the 2011 Refunding Bond Costs of Issuance Account and used to pay Issuance Costs of the Series 2011 Refunding Bonds.

(c) An amount or other provision necessary to satisfy the Reserve Requirement shall be deposited in or credited to the Bond Reserve Account.

(d) The balance of the proceeds of such Series 2011 Refunding Bonds shall be deposited into one or more separate Escrow Funds to be held by the Trustee in accordance with Section 210 of the Series 2011 Refunding Ordinance and used, together with other available funds of the Authority, if any, to pay the principal of, interest on and redemption premium, if any, on the Refunded Bonds on the date or dates set forth in the Sale Order.

If more than one series of Series 2011 Refunding Bonds is issued, the costs of refunding the Refunded Bonds may be allocated among the series as provided in the Sale Order.

Series 2011 Accounts

The Trustee shall maintain the accounts established under Sections 501 and 502 of the Series 2010 Refunding Ordinance as follows:

(a) Moneys in the 2011 and Debt Service Accounts of the Bond Fund shall be deposited in accordance with Section 501B of the Master Bond Ordinance and shall be used for the payment when due of principal of, premium, if any, and interest on the related series of the Series 2011 Refunding Bonds.

(b) There shall be deposited in the 2011 Bond Reserve Accounts amounts necessary to satisfy the Reserve Requirement in accordance with the terms of the Sale Order.

Tax Covenant

The Authority covenants and represents that, to the extent permitted by law, it shall take all actions, or refrain from taking actions, within its control necessary to maintain the exclusion of the interest on the Series 2011 Refunding Bonds from gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended, including but not limited to actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Series 2011 Refunding Bond proceeds and moneys deemed to be Series 2011 Refunding Bond proceeds.

APPENDIX D

SUMMARY OF THE AIRLINE AGREEMENTS

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SUMMARY OF THE AIRLINE AGREEMENTS

Signatory Airlines

Each of the following airlines (the "Signatory Airlines") currently is a party to an Airport Use and Lease Agreement with the Authority (each an "Airline Agreement," and collectively, the "Airline Agreements"), which are substantially similar agreements relating to the use of the Airport, the lease of terminal facilities and the establishment and payment of terminal rentals, Activity Fees and other airline fees and charges: Air France, AirTran Airways, American Airlines, Continental Airlines, Delta Air Lines ("Delta"), Federal Express ("FedEx"), KLM Royal Dutch Airlines ("KLM"), Mesaba Aviation ("Mesaba"), Pinnacle Airlines ("Pinnacle"), Southwest Airlines, Spirit Airlines, United Airlines, United Parcel Service ("UPS") and US Airways.

Airline Agreements

Term. The Airline Agreements have a scheduled expiration date of September 30, 2032. The Airline Agreements may be terminated, suspended or abated under certain conditions.

Leases. Delta, Air France, KLM and Delta's regional carriers, which include Mesaba, Pinnacle, Comair, Compass and other contract regional carriers, all operate at the McNamara Terminal. All of the other Signatory Airlines (except FedEx and UPS) and all other passenger airlines serving the Airport, including all charter carriers, operate at the North Terminal. The Airline Agreements provide to the passenger Signatory Airlines leases on a preferential use basis of domestic gate holdrooms, ticket counters and other airline operational space in the McNamara Terminal and the North Terminal.

Delta preferentially leases all of the airline space in the McNamara Terminal, with the exception that the airline space in the international portion of the McNamara Terminal, as well as space in the domestic bag claim area, is available to all of the airlines using the terminal on a shared use basis. In addition to using the shared use premises in the terminal, Air France, KLM, Mesaba, Pinnacle and Delta's other regional carriers also operate on some of Delta's preferential use space. The Authority has the right to require Delta to make a portion of its preferentially leased premises available to other air carriers, subject to certain rules and priorities.

Each of the Signatory Airlines operating in the North Terminal leases one or more gate holdrooms and related ticket counters and other airline operational space on a preferential use basis. The North Terminal also has five common use gates under the control of the Authority, with related common use ticket counter space. The common use gates in the North Terminal include the international gates in the facility. The domestic and international bag claim areas in the terminal are available on a shared use basis. The Authority has the right to require each Signatory Airline leasing space in the North Terminal to make a portion of its preferentially leased premises available to other air carriers, subject to certain rules and priorities. In addition, the Authority has the right, under certain circumstances when a Signatory Airline operating in the North Terminal does not meet a specified utilization requirement for its preferential use gates, to recapture one or more gates from such Signatory Airline.

Terminal Rentals. Under the terminal rental rate-making methodology contained in the Airline Agreements, there are two terminal cost centers—the South Terminal Cost Center (includes the McNamara Terminal) and the North Terminal Cost Center. To establish the terminal rental rates to be paid by the Signatory Airlines for each Operating Year, the Authority allocates between the two terminal cost centers all annual terminal-related operation and maintenance expenses ("O&M Expenses") and all annual Debt Service on Bonds issued post-1997 to finance the McNamara Terminal and the North Terminal (excluding apron and airfield costs), net of Debt Service to be paid by passenger facility charges ("PFCs"). The O&M Expenses for each terminal cost center include all direct terminal costs and relate to all space (airline, public, concession, etc.) in the facilities.

The annual rental rate for each terminal is calculated on the basis of dividing the costs allocated to the applicable terminal cost center, net of international facility use fees collected at that terminal and revenue collected for the use of the common use gates and ticket counters and other airline and other space controlled by the Authority, by the total square footage of space in the respective terminal leased to the Signatory Airlines operating in that terminal.

The Authority collects shared use fees per deplaned passenger for the use of the shared use premises in the McNamara Terminal. The Authority collects shared use fees per enplaned passenger for the use of the shared use premises in the North Terminal.

International Facility Use Fees. Under the Airline Agreements, the Authority currently charges the Signatory Airlines a $5 international facility use fee per deplaned international passenger at both the McNamara Terminal and the North Terminal.

Activity Fees. Under the Airline Agreements, the Signatory Airlines also are obligated to pay activity fees which are calculated on an Airport residual basis (the "Activity Fees"). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service paid by PFCs and federal grant funds) and all O&M Expenses for such Operating Year, minus all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

More specifically, each Operating Year each Signatory Airline must pay through Activity Fees its pro rata share for such Operating Year (based on landed weight of aircraft) of the Revenue Requirement, which is the difference between (i) the sum of: (a) direct and indirect operation, maintenance and administration expenses of the Airport for such Operating Year, (b) 125% of the amount of principal and interest due on outstanding airport revenue bonds for such Operating Year, net of PFCS and federal grant funds used in such Operating Year to pay revenue bond Debt Service, (c) required deposits into the Bond Reserve Account, the Operation and Maintenance Reserve Fund and the Renewal and Replacement Fund for such Operating Year, (d) $350,000 for deposit into the Authority Discretionary Fund to be used at the Authority's discretion for airport system purposes, and (e) $5 million (subject to escalation each year, commencing in Operating Year 2002, based on the Producer Price Index), to be deposited in the Authority's Airport Development Fund to be used by the Authority in its discretion for any lawful Airport-system related capital expenditures, and (ii) all Airport revenues for such Operating Year (including Activity Fees paid by non-Signatory Airlines, all terminal rentals, shared use fees and common use fees (including rentals and shared use fees paid by the Signatory Airlines), all international facilities use fees payable with respect to the use of the federal inspection service ("FIS") facilities at the Airport, all concession and parking revenue and all other nonairline revenues); provided that for each Operating Year, item (b) above shall be reduced by amounts on deposit in the Revenue Fund on the last day of the Operating Year preceding such Operating Year.

Payment of Fees and Charges. The Airline Agreements include procedures for charging and payment of airline fees and charges that require the Authority to provide the Signatory Airlines with a projection of rentals and the Activity Fee rate for each Operating Year at least sixty (60) days prior to the beginning of the Operating Year. The Authority also has agreed to revise the projection mid-year, based on actual data available for the Operating Year. Within sixty (60) days after the end of each Operating Year, the Authority is to provide the Signatory Airlines with a preliminary report of rentals and Activity Fees actually chargeable for the prior year. Eighty percent (80%) of any additional amounts owed by the Signatory Airlines to the Authority or any refunds the Authority may owe the Signatory Airlines as a result of an overpayment is to be paid within ninety (90) days after the end of such Operating Year. The Authority has agreed to provide the Signatory Airlines with its annual audit for each Operating Year within 180 days after the end of the year, and the balance of any amounts owed by the Signatory Airlines, or to be refunded by the Authority, is due within thirty (30) days thereafter.

Certain Authority Covenants. The Airline Agreements obligate the Authority (i) to comply with the revenue retention requirements of the Airport and Airway Improvement Act of 1982, (ii) to use competitive bidding procedures for the award of all maintenance and operation and construction contracts for the Airport, (iii) to ensure that all senior appointed Airport officials shall have professional qualifications commensurate with their responsibilities, and (iv) to operate Willow Run Airport only as a reliever Airport for the Airport with no scheduled air carrier or public charter passenger service.

Weighted Majority Approval. The Airline Agreements provide that a Weighted Majority of the Signatory Airlines can approve additional capital projects for which airport revenue bonds may be issued to pay the costs. A Weighted Majority is defined as either Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available or all but one of the Signatory Airlines regardless of landed weight.

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of certain PFC-eligible projects at the Airport. These projects include the construction of both the McNamara Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

Operation and Maintenance of McNamara Terminal. Delta serves as the Authority's agent for the performance of certain operation and maintenance functions for the McNamara Terminal. In this capacity, Delta has agreed to operate and maintain all of its leased space in the McNamara Terminal, all common use and public use space in the terminal and all building-wide services (*e.g.*, heating, lighting, and electrical) and to maintain and repair the interior and exterior floors, walls, ceilings and the roof. The Authority maintains responsibility for overseeing the gate allocation and utilization of the shared use space, including the FIS facilities in accordance with an agreed upon protocol, the selection of concessionaires and for police and building security functions in the McNamara Terminal.

Operation and Maintenance of North Terminal. Pursuant to an agreement with a consortium of the Signatory Airlines operating in the North Terminal known as the Detroit Airlines North Terminal Consortium Airport ("DANTeC"), DANTeC is responsible for performing certain operation and maintenance activities in the North Terminal, including janitorial services for all non-public areas of the terminal, operation and maintenance of certain systems (baggage handling system, common use passenger processing system, multi-user flight information display system, building management system, paging system) and operation and maintenance of certain airline equipment (passenger boarding bridges, preconditioned air units, ground power units, moving walkways, elevators, escalators, automatic doors, triturator, GSE fuel load rack, potable water cabinets, hydrant fueling carts/trucks). In addition, DANTeC also performs certain ramp services and common use gate scheduling and gate control. The Authority is responsible for performing all other operation and maintenance activities with respect to the North Terminal.

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APPENDIX E

BOOK ENTRY SYSTEM

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BOOK-ENTRY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2011 Refunding Bonds; payment of interest and other payments on the Series 2011 Refunding Bonds to Participants, as defined below, or Beneficial Owners; confirmation and transfer of beneficial ownership interests in the Series 2011 Refunding Bonds; and other bond-related transactions by and between DTC, Participants and Beneficial Owners, is based solely on information furnished by DTC for use in this Official Statement, and the Authority does not take any responsibility for the accuracy or completeness.

The Series 2011 Refunding Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Series 2011 Refunding Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or Owners of the Series 2011 Refunding Bonds under the Series 2010 Refunding Ordinance.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2011 Refunding Bonds. The Series 2011 Refunding 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 Bond certificate will be issued for each maturity of the Series 2011 Refunding Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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. 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 Securities 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2011 Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 Series 2011 Refunding 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 Series 2011 Refunding Bonds, except in the event that use of the book-entry system for the Series 2011 Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011 Refunding 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 Series 2011 Refunding 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 Series 2011 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 Refunding 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. Beneficial Owners of Series 2011 Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2011 Refunding Bonds may wish to ascertain that the nominee holding the Series 2011 Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2011 Refunding Bonds within an issue 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 redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2011 Refunding 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 Authority 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 Series 2011 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Series 2011 Refunding 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 Authority or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the 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 Series 2011 Refunding Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2011 REFUNDING BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE SERIES 2011 REFUNDING BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

$169,430,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Refunding Bonds
(Detroit Metropolitan Wayne County Airport)
Series 2011A and Series 2011B

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Wayne County Airport Authority (the "Authority") in connection with the issuance of its Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A and Series 2011B, in the aggregate principal amount of $169,430,000 (the "Bonds"). The Authority covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the Authority for the benefit of the Bondholders and the Beneficial Owners (hereinafter defined) and in order to assist the Participating Underwriters (hereinafter defined) in complying with subsection (b)(5) of the Rule (hereinafter defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Undertaking unless otherwise defined herein, the following capitalized terms shall have the following meanings.

"Airport" shall mean the Detroit Metropolitan Wayne County Airport.

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date of this Undertaking, the address and telephone numbers of the MSRB are as follows:

CDINet
1900 Duke Street, Suite 600
Alexandria, Virginia 22314
Tel: (703) 797-6600
Fax: (703) 683-1930

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Obligated Person" shall mean the Authority and each airline or other entity at any time using the Airport (i) that is obligated under an Airport Use and Lease Agreement or Amended and Restated Airport Agreement, lease or other agreement having a term of more than one year to pay a portion of the debt service on the Bonds, and (ii) that has provided at least twenty percent (20%) of the Revenues of the Airport for each of the two fiscal years of the Airport immediately preceding the due date of any Annual Report.

"Official Statement" shall mean the final Official Statement for the Bonds dated November 17, 2011.

"Ordinance" means, collectively, this Series 2010 Refunding Ordinance and the Master Bond Ordinance as such terms are defined in the Official Statement.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"SEC" shall mean the Securities and Exchange Commission.

"SEC Reports" means reports and other information required to be filed pursuant to Sections 13(a), 14 or 15(d) of the 1934 Act.

"Securities Counsel" shall mean legal counsel expert in federal securities law, and may include, but is not limited to Bond Counsel or Disclosure Counsel with respect to the Bonds.

"State" shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Authority shall use its best efforts to provide within six (6) months, but in any event, not later than nine (9) months after the first day of the Authority's fiscal year, commencing with the Authority's Annual Report for its fiscal year ended September 30, 2012, to the MSRB through EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Undertaking. The Authority's current fiscal year commenced on October 1, 2011, and will end September 30, 2012. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Undertaking; provided, however, that if the audited financial statements of the Authority are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the Authority shall be included in the Annual Report.

(b) If the Authority is unable to provide to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, an Annual Report by the date required in subsection (a), the Authority shall send a notice, in a timely manner, to the MSRB, through EMMA, in substantially the form attached as Exhibit A.

(c) If the Authority's fiscal year changes, the Authority shall send written notice of such change to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in substantially the form attached as Exhibit B.

(d) Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit C, or such other form as may be prescribed by the SEC from time to time.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Authority for its fiscal year immediately preceding the due date of the Annual Report.

(b) An update of the financial information and operating data relating to the Authority of substantially the same nature as that contained in the Authority's Comprehensive Annual Report for the year ended September 30, 2010 (the "CAFR"), included in the Official Statement as Appendix B, under the section in the CAFR entitled "Continuing Disclosure" and otherwise in the Official Statement as follows: (i) in the tables under the heading "2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER," and (ii) in the following tables in APPENDIX A – 2010 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER: Table IV-7 – Top 20 Domestic O&D Markets. If any information described in this paragraph (b) is published or provided by a third party and is no longer publicly available, the Authority shall include a statement to that effect as part of its Annual Report for the year in which such lack of availability arises.

The Authority's financial statements shall be audited and prepared in accordance with GAAP; provided, however, that the Authority may from time to time, in accordance with GAAP and subject to applicable federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

Any or all of the items listed above may be included by specific reference to other documents that previously have been provided to the MSRB, through EMMA. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Authority covenants to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, within ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of holders of the Bonds, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Authority, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

(13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Authority covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If a Listed Event has occurred, the Authority shall promptly cause a notice of such occurrence to be filed with the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, together with a cover sheet in substantially the form attached as Exhibit C. In connection with providing a notice of the occurrence of a Listed Event described in subsections (a)(8) and (a)(9), the Authority shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Authority acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Undertaking may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Authority is liable.

(e) The Authority acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Authority does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. <u>Termination of Reporting Obligation</u>.

(a) The Authority's obligations under this Undertaking shall terminate upon the legal defeasance of the Ordinance or the prior redemption or payment in full of all of the Bonds. If the Authority's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Undertaking in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Authority (i) receives an opinion of Securities Counsel, addressed to the Authority, to the effect that those portions of the Rule, which require such provisions of this Undertaking, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

SECTION 7. <u>Amendment; Waiver</u>.

(a) Notwithstanding any other provision of this Undertaking, this Undertaking may be amended, and any provision of this Undertaking may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Authority or type of business conducted by the Authority;

(2) this Undertaking, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original

issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Undertaking, the Authority shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Undertaking, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Undertaking, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Authority to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

SECTION 8. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Undertaking 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 Undertaking. If the Authority 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 Undertaking, the Authority shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Failure to Comply. In the event of a failure of the Authority to comply with any provision of this Undertaking, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Authority under this Undertaking, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Undertaking shall not constitute a default with respect to the Bonds or under the Ordinance.

SECTION 10. Beneficiaries. This Undertaking shall inure solely to the benefit of the Authority, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 11. Transmission of Information and Notices; Dissemination Agent. Unless otherwise required by law or this Undertaking, and, in the sole determination of the Authority, subject to technical and economic feasibility, the Authority shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices. Any filing with the MSRB under this Undertaking may be made by transmitting such filing to a dissemination agent.

SECTION 12. Other Obligated Persons. Currently, Delta Air Lines ("Delta") is the only Obligated Person other than the Authority, and Northwest's parent corporation is required by the 1934 Act to file annual financial information in the form of its SEC Reports with the SEC as described in the Official Statement. The Authority assumes no responsibility for the accuracy or completeness of the SEC Reports or other annual financial information disseminated by Delta or any future Obligated Person. The Authority shall report as part of its Annual

Report any change in Obligated Persons and that an Obligated Person's SEC Reports constitute its annual financial information under this Undertaking. Unless no longer required by the Rule, the Authority shall use its best efforts to cause each Obligated Person other than the Authority (to the extent that such party is not required to file SEC Reports) to disseminate annual financial information substantially equivalent to that contained in SEC Reports to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, not later than nine months after the last day of the Obligated Person's fiscal year. The Authority has no obligation to file or disseminate any SEC Reports relating to another Obligated Person.

WAYNE COUNTY AIRPORT AUTHORITY

By: ____________________________________

Name:
Its:

Dated: November __, 2011

EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING

NOTICE TO THE MSRB
OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: Wayne County Airport Authority

Name of Bond Issue: Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A and Series 2011B

Date of Bonds: November __, 2011

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Undertaking with respect to the Bonds. The Authority anticipates that the Annual Report will be filed by ________________________.

WAYNE COUNTY AIRPORT AUTHORITY

By: ______________________________

Its: ___________________________

Dated: _______________

EXHIBIT B TO CONTINUING DISCLOSURE UNDERTAKING

NOTICE TO THE MSRB
OF CHANGE IN AUTHORITY'S FISCAL YEAR

Name of Obligated Person: Wayne County Airport Authority

Name of Bond Issue: Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A and Series 2011B

Date of Bonds: November __, 2011

NOTICE IS HEREBY GIVEN that the fiscal year of the ________________ changed. Previously, the Authority's fiscal year ended on ________________________. It now ends on ___________________.

WAYNE COUNTY AIRPORT AUTHORITY

By: __________________________________

Its: ____________________________

Dated: ___________________

EXHIBIT C TO CONTINUING DISCLOSURE UNDERTAKING

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, pursuant to Securities and Exchange Commission Rule 15c2-12 or any analogous state statute.

***

Authority's and/or Other Obligated Person's name: Wayne County Airport Authority

CUSIP Numbers (attach additional sheet if necessary):

Nine-Digit CUSIP Number(s) to which the information relates:

Information relates to all securities issued by the Authority having the following six-digit number(s):

***

Number of pages of attached information: ____________________

Description of Material Events Notice/Financial Information (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Material non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers or their failure to perform
6. _____ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
7. _____ Material modifications to rights of securities holders
8. _____ Bond calls, if material, or tender offers
9. _____ Defeasances
10. _____ Material release, substitution, or sale of property securing repayment of the bonds
11. _____ Rating changes
12. _____ Bankruptcy, insolvency, receivership or similar event of the Authority
13. _____ The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. _____ Appointment of a successor or additional trustee or the material change of name of a trustee
15. _____ Failure to provide annual financial information as required
16. _____ Other material event notice (specify) ____________________

17.* _____ Financial Information: Please check all appropriate boxes:

CAFR (a) includes does not include Annual Financial Information

(b) Audited? Yes No

Annual Financial Information: Audited? Yes No

Operating Data

Fiscal Period Covered: ____________________

*Financial information **should not** be filed with the MSRB.

I hereby represent that I am authorized by the Authority or its agent to distribute this information publicly:

Signature: ______________________________

Name: ______________________ Title: ______________

Employer: ______________________________

Address: ______________________________

City, State, Zip Code: ______________________________

Voice Telephone Number: (______) ______________

APPENDIX G

FORM OF BOND COUNSEL OPINION

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Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing
Saginaw • Troy
FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York
OHIO: Cincinnati
CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wrocław

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

FORM OF BOND COUNSEL OPINION
SERIES 2011A REFUNDING BONDS

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $152,465,000, designated Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011A (the "Bonds"), for the purpose of refunding a portion of the Authority's previously issued Airport Revenue Bonds and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of ________, 2011, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Issuer contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds have been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of administration, operation and maintenance thereof, and are entitled to the benefits of the Ordinance and Act 94. The statutory lien on the revenues of the Airport is of equal standing and on a parity as to the revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes (except for any period when the Bonds are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended)) and (ii) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds and the interest thereon.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing
Saginaw • Troy

FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York
OHIO: Cincinnati

CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wrocław

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

FORM OF BOND COUNSEL OPINION
SERIES 2011B REFUNDING BONDS

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $16,965,000, designated Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2011B (the "Bonds"), for the purpose of refunding a portion of the Authority's previously issued Airport Revenue Bonds and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of ________, 2011, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Issuer contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds have been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of administration, operation and maintenance thereof, and are entitled to the benefits of the Ordinance and Act 94. The statutory lien on the revenues of the Airport is of equal standing and on a parity as to the revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds and the interest thereon.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

APPENDIX H

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

Form 500NY (5/90)

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WAYNE COUNTY AIRPORT AUTHORITY

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