DALLAS/FORT WORTH INTERNATIONAL AIRPORT

$97,315,000
CITIES OF DALLAS AND FORT WORTH, TEXAS
Dallas/Fort Worth International Airport
Joint Revenue Refunding and Improvement Bonds
Series 2014E

DFW

DALLAS/FORT WORTH
INTERNATIONAL AIRPORT

DFW

DALLAS/FORT WORTH
INTERNATIONAL AIRPORT

OFFICIAL STATEMENT

NEW ISSUE–Book–Entry–Only

Ratings: Fitch "A"
S&P "A+"
KBRA "AA-"
(See "RATINGS" herein)

The delivery of the Bonds is subject to the opinions of Co–Bond Counsel to the effect that, assuming compliance with certain covenants and based on certain representations, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, except as explained under "TAX MATTERS–Opinions on Bonds." See "TAX MATTERS" herein for a discussion of the opinions of Co–Bond Counsel, including a description of alternative minimum tax consequences for corporations.

Cities of Dallas and Fort Worth, Texas
$97,315,000
Dallas/Fort Worth International Airport
Joint Revenue Refunding and Improvement Bonds
Series 2014E
(Non-AMT)

Dated Date: August 1, 2014 **Due: November 1, as shown on the inside cover**
Interest Accrues: Date of Initial Delivery

The Dallas/Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds, Series 2014E (Non-AMT) (the "Bonds") are being issued jointly by the Cities of Dallas and Fort Worth, Texas (the "Cities") for the purpose of (1) funding certain improvements and additions to the Airport, (2) refunding certain outstanding obligations of the Airport (the "Refunded Bonds") (see Schedule I – Schedule of Refunded Bonds), (3) making a deposit to the Debt Service Reserve Fund, and (4) paying the costs associated with the issuance of the Bonds. **The Bonds constitute "Additional Obligations" under the Master Bond Ordinance described herein and are limited obligations of the Cities payable solely from and secured by a pledge of Pledged Revenues and Pledged Funds (as defined in the Master Bond Ordinance) derived from the ownership and operation of the Airport.** For a description of the security for the Bonds, see "SECURITY FOR THE BONDS" herein. Potential investors should carefully consider the investment considerations described herein. See "CERTAIN INVESTMENT CONSIDERATIONS."

The Bonds are subject to redemption prior to maturity as described herein.

Interest will accrue on the Bonds from their date of initial delivery, and will be payable May 1 and November 1 of each year commencing May 1, 2015, until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book Entry Only System described herein. Beneficial ownership may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of Bonds will be made to the purchasers. Principal of and interest on the Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar, to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See "THE BONDS–Book Entry Only System" herein.

See the inside cover page for maturities, principal amounts, interest rates, and prices or yields.

The Bonds are offered when, as, and if issued by the Cities and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, the approval of legality by the Attorney General of the State of Texas, and by Bracewell & Giuliani LLP, Dallas, Texas, McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Newby Davis, PLLC, Fort Worth, Texas, Co–Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas and Mahomes Bolden PC, Dallas, Texas. It is expected that delivery of the Bonds in book–entry form will be made through the facilities of DTC in New York, New York, on or about September 18, 2014.

Jefferies **Siebert Brandford Shank & Co., L.L.C.**

Dated August 27, 2014

MATURITY SCHEDULE

$97,315,000
Dallas/Fort Worth International Airport
Joint Revenue Refunding and Improvement Bonds
Series 2014E
(Non-AMT)

Maturity (November 1)	Amount	Interest Rate	Price	Initial Yield	Cusip No.[1]
2016	$ 5,595,000	4.000%	107.567	0.410%	235036 3G3
2017	6,110,000	5.000	113.178	0.720	235036 3H1
2018	6,415,000	5.000	115.882	1.050	235036 3J7
2019	9,175,000	5.000	117.777	1.390	235036 3K4
2020	9,670,000	5.000	118.844	1.740	235036 3L2
2021	10,145,000	5.000	119.446	2.050	235036 3M0
2022	15,725,000	5.000	119.808	2.310	235036 3N8
2023	11,235,000	5.000	118.507	2.470	235036 3P3
2024	5,485,000	5.000	117.462	2.600	235036 3Q1
2025	5,635,000	5.000	116.586	2.710	235036 3R9
2026	5,915,000	5.000	115.954	2.790	235036 3S7
2027	6,210,000	5.000	115.483	2.850	235036 3T5

(Interest to accrue from Date of Initial Delivery)

[*] Priced to the first optional call date, November 1, 2022.

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. The Underwriters, the Cities and the Co-Financial Advisors are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE 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.

The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Cities or the Board or the other matters described herein since the date hereof. See "CONTINUING DISCLOSURE" for a description of the Cities' undertaking to provide certain information on a continuing basis.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Board. Any statements made in this Official Statement or the appendices hereto 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 opinions or estimates will be realized.

References contained in this Official Statement to the DFW website are for informational purposes, and neither the website nor the information contained on such website shall be deemed incorporated herein by reference.

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 their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized by the Cities or the Board to give any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Cities, the Board, the Underwriters, or any other person. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after such Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including to dealers who may sell the Bonds into investment accounts.

None of the Cities, the Board or the Underwriters makes any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD–LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD–LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD–LOOKING STATEMENTS.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER–ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

Page

DALLAS/FORT WORTH INTERNATIONAL AIRPORT
P.O. Drawer 619428
DFW Airport, Texas 75261-9428
(972) 973-8888

AIRPORT BOARD

	APPOINTED BY:
Lillie M. Biggins, Chair	Fort Worth
Sam Coats, Vice Chair	Dallas
Francisco Hernandez, Secretary	Fort Worth
Mayor Michael S. Rawlings, City of Dallas	Dallas
Mayor Betsy Price, City of Fort Worth	Fort Worth
William Tsao	Dallas
William Meadows	Fort Worth
Curtis Ransom	Dallas
Regina Montoya	Dallas
Forrest Smith	Dallas
Bernice J. Washington	Dallas
Mayor Beth Van Duyne, City of Irving*	Irving

*Non–voting member

AIRPORT STAFF

Sean P. Donohue	Chief Executive Officer
Christopher A. Poinsatte	Executive Vice President–Chief Financial Officer
James A. Crites	Executive Vice President–Operations
Linda Valdez Thompson	Executive Vice President–Administration and Diversity
Kenneth Buchanan	Executive Vice President–Revenue Management
Andy Bell	Vice President–Planning
Jeff Benvegnu	Vice President–Aviation Real Estate
Robert Horton	Vice President–Environmental Affairs
Alan Black	Director–Public Safety
Zenola Campbell	Vice President–Concessions
Armin Cruz	Vice President–Parking Business Unit
Thomas Dallam	Vice President–Human Resources
Robert R. Darby	Director of Audit Services
Norma Essary	Vice President–Risk Management
William L. Flowers, Jr.	Vice President–Information Technology Services
Rusty Hodapp	Vice President–Energy & Transportation Management
Tamela J. Lee	Vice President–Business Diversity and Development
Paul Martinez	Vice President–Operations
Sharon McCloskey	Vice President–Marketing Services
Luis Perez	Vice President–Air Service Development
Michael Phemister	Vice President–Treasury Management
Mary Jo Polidore	Vice President–Public Affairs
Elaine Flud Rodriguez	General Counsel
Perfecto Solis	Vice President–Airport Development & Engineering
Greg Spoon	Vice President–Procurement & Materials Management
John Terrell	Vice President–Commercial Development
Byford Treanor	Vice President–Customer Service
Max Underwood	Vice President–Finance

CO–BOND COUNSEL

Bracewell & Giuliani LLP
McCall, Parkhurst & Horton L.L.P.
Newby Davis PLLC

CO–FINANCIAL ADVISORS

First Southwest Company
Estrada Hinojosa & Company, Inc.

For Information Contact:
Michael Phemister
Vice President–Treasury Management
(972) 973-5447

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT OF
DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD
relating to
Cities of Dallas and Fort Worth, Texas
$97,315,000
Dallas/Fort Worth International Airport
Joint Revenue Refunding and Improvement Bonds
Series 2014E
(Non-AMT)

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, of the DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD (the "Board") is to furnish information with respect to $97,315,000 aggregate principal amount of Dallas/Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds, Series 2014E (Non-AMT) (the "Bonds") being issued jointly by the Cities of Dallas and Fort Worth, Texas (the "Cities"). The Bonds are limited obligations of the Cities and are payable solely from and secured solely by a pledge of Pledged Revenues and Pledged Funds derived from the ownership and operation of the Dallas/Fort Worth International Airport ("DFW" or "Airport"). The Bonds are Additional Obligations under the Master Bond Ordinance adopted by the Cities of Dallas and Fort Worth on September 22, 2010 and September 21, 2010, respectively. Upon the issuance of the Bonds, $6,316,090,000 in aggregate principal amount of Obligations will be Outstanding pursuant to the Master Bond Ordinance. Capitalized terms used herein not otherwise defined shall have the meanings assigned to them in the Master Bond Ordinance. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE" for a summary of certain terms applicable to the Bonds. For the Report of Airport Consultant related to the Bonds see APPENDIX E – "REPORT OF AIRPORT CONSULTANT."

As noted under "SECURITY FOR THE BONDS" herein, the Master Bond Ordinance allows for the issuance of Additional Obligations on a parity with the Bonds and the other Outstanding Obligations and any Parity Credit Agreement Obligations and also allows for the issuance of Subordinate Lien Obligations, Special Revenue Bonds, Net Revenue Obligations and Special Facility Bonds subject to meeting certain tests, if any, under the Master Bond Ordinance. The Airport Consultant will provide a letter to the Board stating that the test for issuing Additional Obligations has been met in connection with the issuance of the Bonds. A Report of Airport Consultant may be required to issue Additional Obligations in the future, as described in APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Additional Obligations."

Prospective purchasers of the Bonds are urged to carefully review "CERTAIN INVESTMENT CONSIDERATIONS." The Airport's ability to generate Pledged Revenues in an amount sufficient to pay debt service on the Bonds depends upon sufficient levels of aviation activity and passenger traffic at the Airport.

PURPOSE AND PLAN OF FINANCING

The Bonds are being issued under the provisions of the Master Bond Ordinance, as supplemented and amended by the Fiftieth Supplemental Concurrent Bond Ordinance and the Officer's Pricing Certificate authorized therein (together, the "Fiftieth Supplement") for the purpose of (1) funding certain improvements and additions to the Airport, (2) refunding certain outstanding obligations of the Airport (the "Refunded Bonds") (see Schedule I - Schedule of Refunded Bonds), (3) making a deposit to the Debt Service Reserve Fund, and (4) paying the costs associated with the issuance of the Bonds.

The principal and interest due on the Refunded Bonds are to be paid on the redemption date of such Refunded Bonds from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Cities and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Ordinances provide that from the proceeds of the sale of the Bonds received from the Underwriters, the Cities will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to redeem the Refunded Bonds on their redemption date. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

By the deposit of the cash with the Escrow Agent pursuant to the Escrow Agreement, the Cities will have effected the defeasance of all of the Refunded Bonds in accordance with the law and the Refunded Bonds will be outstanding only for the purpose of receiving payments from the cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the Cities payable from Pledge Revenues of the Airport.

SOURCES AND USES OF FUNDS

The following Table sets forth the estimated application of the proceeds of the Bonds:

Source of Funds	Amount
Principal Amount of Bonds	$97,315,000.00
Net Original Issue Premium	16,665,085.65
Interest and Sinking Fund Transfer	2,412,387.50
Total	$116,392,473.15

Use of Funds	Amount
Deposit to Project Fund	$ 6,571,199.80
Deposit to Escrow Fund	97,382,387.50
Deposit to Reserve Fund	11,398,008.57
Underwriters' Discount	366,835.74
Costs of Issuance	674,041.54
Total	$116,392,473.15

THE BONDS

Interest Payments

The Bonds will accrue interest from their date of initial delivery, which interest shall be payable on May 1 and November 1 of each year, commencing May 1, 2015, until maturity or prior redemption.

Optional Redemption

The Cities reserve the right, at their option, to redeem the Bonds on November 1, 2022, and any date thereafter, at the principal amount thereof, plus accrued interest, if any, to the date fixed for redemption, without premium.

If less than all of the Bonds are to be redeemed by the Cities, the Cities shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call, by lot, the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

The Cities may condition any election to redeem Bonds upon the receipt of the proceeds of refunding obligations on or before the redemption date or upon any other condition specified by the Cities and provided in the notice of redemption required under the Master Bond Ordinance.

Notice of Redemption

Not less than 30 days prior to any redemption date for the Bonds, the Cities shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each Holder of a Bond to be redeemed, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the time such notice of redemption is mailed, which will be Cede & Co. as long as the Book Entry Only System is in effect. Interest on such Bonds will cease to accrue from and after the redemption date.

With respect to any optional redemption of Bonds, unless the prerequisites to such redemption required by the Master Bond Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Board, be conditional upon the satisfaction of such prerequisites and any other conditions set forth in such notice and receipt of such moneys by the Paying Agent on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Cities shall not redeem such Bonds and the Paying Agent shall notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Book Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. For additional information with respect to DTC see APPENDIX D – "DTC INFORMATION."

In reading this Official Statement it should be understood that while the Bonds are in the Book Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the person for whom the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book Entry Only System, and (ii) except as described above, notices that are to be given to registered owners under the Master Bond Ordinance will be given only to DTC.

Paying Agent/Registrar

The Bank of New York Mellon Trust Company, N.A., is the initial Paying Agent/Registrar. In the Master Bond Ordinance the Cities retain the right to replace the Paying Agent/Registrar. The Cities covenant to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Cities

agree to promptly cause a written notice thereof to be sent to each registered Owner of the Bonds by the United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on any interest payment date shall be the 15th day of the preceding month. In the event of non–payment of interest on the Bonds on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment for such maturity or maturities (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Board. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first class United States mail, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Transfer, Exchange and Registration

The Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the Holder, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds of the same maturity will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the office of the Paying Agent/Registrar, or sent by first class United States mail, postage prepaid, to the new registered Holder or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered Holder or assignee of the Holder in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount of the same series as the Bond or Bonds surrendered for exchange or transfer. Neither the Cities, the Board, nor the Paying Agent/Registrar is required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation is not applicable to an exchange by the Holder of the uncalled principal of a Bond.

SECURITY FOR THE BONDS

Authority

The Cities, pursuant to a certain Contract and Agreement (the "Contract and Agreement"), dated and effective as of April 15, 1968, between the Cities, authorized and directed the Board, acting on behalf of the Cities, to proceed with the development of the Airport. Pursuant to the Contract and Agreement, on November 11 and 12, 1968, the respective Cities adopted the 1968 Ordinance authorizing the issuance of Joint Revenue Bonds for financing of the Airport. The 1968 Ordinance was amended by the Thirtieth Supplement which was adopted by the Cities of Fort Worth and Dallas on February 22 and 23, 2000, respectively. The 1968 Ordinance and the Thirtieth Supplement were amended and restated by the

Master Bond Ordinance which was adopted by the Cities of Fort Worth and Dallas on September 21, 2010 and September 22, 2010, respectively.

The Bonds are being issued pursuant to the Fiftieth Supplement as Additional Obligations under the Master Bond Ordinance. The Fiftieth Supplement, adopted by the Cities of Dallas and Fort Worth on February 26 and March 4, 2014, respectively, authorizes the issuance, pursuant to certain parameters set forth therein, of up to $1.7 billion of Additional Obligations to refund certain Outstanding Obligations and to finance improvements to the Airport. The Bonds are the fourth installment of the $1.7 billion authorization. The Fiftieth Supplement provides for the designation of an "Authorized Officer" to approve the specific terms of such Additional Bonds within the parameters set forth therein and provides that such Additional Bonds are to be issued in multiple series within 12 months of such authorization. Additionally, the Bonds will be issued under provisions of Applicable Law, including Chapter 22 of the Transportation Code, Chapters 1207 and 1371 of the Texas Government Code, as amended, and the provisions of the Master Bond Ordinance.

Pledge

The Bonds are payable solely from and secured by an irrevocable first lien on and pledge of Pledged Revenues and Pledged Funds on parity with all Parity Credit Agreement Obligations and other Obligations issued or to be issued under the Master Bond Ordinance.

Pledged Revenues include as Gross Revenues the revenues received by the Airport from the rentals, fees and charges collected from the Signatory Airlines (as defined herein) and other airlines and from other non-airline sources. See the subcaption "Agreements with Airlines" below and the caption "MANAGEMENT'S DISCUSSION AND ANALYSIS–FINANCIAL OPERATIONS" herein. For the definitions of Pledged Revenues, Pledged Funds, Gross Revenues and Special Revenues see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Selected Definitions."

Funds and Flow of Funds

Funds. The Master Bond Ordinance provides for five funds (the "Funds"), each a part of the Joint Airport Fund originally created pursuant to the 1968 Ordinance. Each of these Funds is governed by the terms of the Master Bond Ordinance:

(i) the Debt Service Fund;

(ii) the Debt Service Reserve Fund;

(iii) the Capital Improvements Fund;

(iv) the Operating Revenue and Expense Fund; and

(v) the Construction Fund.

The Debt Service Fund and the Debt Service Reserve Fund are special trust funds, to be held by the Board for the benefit of the Holders of Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable. All funds and accounts created or confirmed in the Master Bond Ordinance and in any Additional Supplemental Ordinance, and the books and records of account with respect thereto, will be kept and maintained in such manner as will record on a regular basis all deposits therein and the source thereof, withdrawals therefrom and the purposes therefor, and the earnings realized with respect thereto. All moneys on deposit in the special funds described under this caption on the date of delivery of any of the

Bonds will be held therein and thereafter will be maintained, supplemented, invested, and applied as directed in the Master Bond Ordinance and in Additional Supplemental Ordinances, as applicable.

Flow of Funds. All Gross Revenues, when and as received by the Board, will be promptly deposited to the credit of the Operating Revenue and Expense Fund.

Unless made more frequent by an Additional Supplemental Ordinance, the Board will transfer, only to the extent required, all amounts on deposit in the Operating Revenue and Expense Fund monthly on or before the last Business Day of each month to the following Funds and in the following order of priority:

(i) **First**, to the Debt Service Fund, an amount equal to the lesser of (A) all funds available for transfer, or (B) an amount equal to the Accrued Aggregate Debt Service for such monthly period, subject to the provisions under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Adjustments in Transfer Requirements";

(ii) **Second**, if and to the extent required by an Additional Supplemental Ordinance pursuant to which Obligations are issued and/or related Parity Credit Agreements are authorized, to a special account or accounts, such amount as is necessary to pay any Administrative Expenses that are due and payable during the succeeding month;

(iii) **Third**, to the Debt Service Reserve Fund, the lesser of (A) all funds available for transfer, or (B) subject to the alternative funding methods permitted under the Master Bond Ordinance and described herein, up to the amount required to cause the amount on deposit therein to be equal to the lesser of (y) the Debt Service Reserve Requirement, or (z) the amount then required to be on deposit therein, plus any amounts required to restore or replenish any deficiencies in the Debt Service Reserve Fund so that the amounts required by the Master Bond Ordinance are on deposit therein when, as, and in the amounts therein required;

(iv) **Fourth**, to any other fund or account required by any Additional Supplemental Ordinance authorizing Obligations and/or Parity Credit Agreement Obligations, the amounts required to be deposited therein; and

(v) **Fifth**, to a special account or fund, if any, created by the Cities in an Additional Supplemental Ordinance, for the purpose of paying the principal and redemption price of, the interest on, and reserves for Subordinate Lien Obligations, and paying Credit Agreement Obligations that are declared to be on parity therewith.

Unless otherwise directed by an Additional Supplemental Ordinance, during each month, subject to the requirements as described above under this subcaption, the Board is authorized to expend or set aside any money on deposit in the Operating Revenue and Expense Fund for the following purposes, in the following order of priority:

(i) **First**, expending such money for the purpose of paying the Operation and Maintenance Expenses of the Board in accordance with the current annual budget of the Board; and

(ii) **Second**, setting aside into a separate account an amount sufficient to pay Operation and Maintenance Expenses for the ensuing period of ninety (90) days, as estimated by an Authorized Officer.

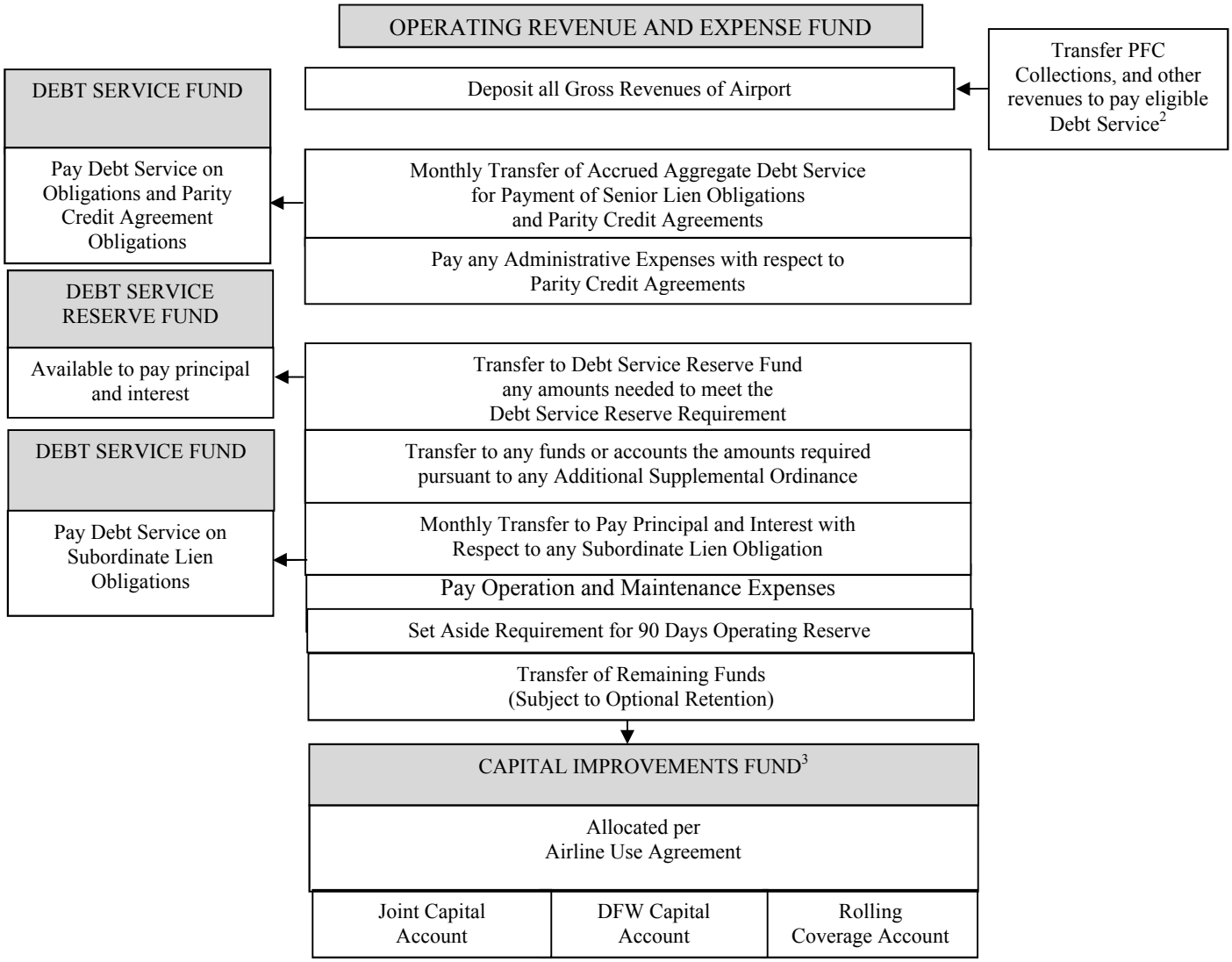
Gross Revenues remaining unexpended at the close of business on the last day of each Fiscal Year, after expending or setting aside the money required for the purposes set forth in the above paragraphs of this subcaption, will be deposited to the credit of the Capital Improvements Fund for use, deposit and application as described under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Capital Improvements Fund"; provided, however, an Authorized Officer may, at such time, elect to keep all or a portion of such unexpended funds in the Operating Revenue and Expense Fund.

Notwithstanding the deposits to the Capital Improvements Fund described immediately above, an Authorized Officer may transfer amounts in the Operating Expense and Revenue Fund to the Capital Improvements Fund at any time and from time to time to the extent it can be certified by an Authorized Officer that: (A) the rate covenants described in the second and third paragraphs under the caption "SECURITY FOR THE BONDS–Rate Covenant" have been met to date and (B) there is no information available that the Board will not satisfy such rate covenants for the remainder of the Fiscal Year.

Notwithstanding the other provisions of this subcaption, Gross Revenues received from or through the United States of America, the State of Texas, or other sources, the use of which is limited, will be used as Gross Revenues in compliance with any requirements placed on the use of such funds.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

FLOW OF FUNDS[1]



[1] This diagram is merely a summary of, and is qualified in all respects by reference to, the provisions contained in the Master Bond Ordinance. See APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE CONTROLLING ORDINANCE–Funds and Flow of Funds."

[2] Although not included as part of Gross Revenues, Passenger Facility Charges and certain payments made by the Public Facility Improvement Corporation pursuant to agreements made with the Airport to pay debt service on certain previously issued Obligations are currently committed to pay debt service on the Airport's Obligations. Upon deposit to the Operating Revenue and Expense Fund such amounts become a part of the Pledged Funds. See "PASSENGER FACILITY CHARGES" and "NON-AIRLINE BUSINESS UNITS INFORMATION-Rental Cars" and "-Public Facility Improvement Corporation."

[3] See APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF MASTER BOND ORDINANCE–Particular Covenants–Sale of Airport or Facilities." Currently, such revenues are deposited to the Joint Capital Account. See also "CAPITAL PROJECTS–Airport Improvement Program (Other Projects)."

Adjustments in Transfer Requirements. The Accrued Aggregate Debt Service required to be transferred to the Debt Service Fund as described in clause (i) of the second paragraph under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Flow of Funds" for the respective monthly period will be reduced by an amount equal to the total of any moneys already on deposit in the Debt Service Fund and in any account created therein, or on deposit in another Pledged

Fund, if any, that is created in an Additional Supplemental Ordinance, and after taking into account investment earnings actually realized and on deposit therein (inclusive of accrued interest and amortization of original issue discount or premium), excess deposits made on account of Variable Rate Obligations and the assumed interest rates thereof and money deposited therein from the proceeds of Obligations as capitalized interest or otherwise. It is provided, however, that the amounts required to be transferred will never be reduced to an amount below the amount necessary to pay all amounts then due and owing on the Obligations and Parity Credit Agreement Obligations when due and payable.

Other than termination payments, in the event the counterparty to a Swap Agreement becomes obligated to make payments to the Board, such amounts will be deposited to the Debt Service Fund.

The Board may at any time increase the amounts of any transfers required under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Flow of Funds" from funds on deposit in the Operating Revenue and Expense Fund, or from any other lawfully available moneys, so long as such transfers do not reduce the amounts required to be transferred to any particular fund or account under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Flow of Funds."

Debt Service Fund. The Board will pay, out of the Debt Service Fund, to the respective Paying Agents for any of the Obligations from time to time Outstanding, or directly to a Credit Provider holding a Parity Credit Agreement Obligation, as applicable (i) on the date specified in the Outstanding Ordinances and in any Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than each Interest Payment Date, the amount (as determined by each Paying Agent or other party designated in each applicable Outstanding Ordinance and Additional Supplemental Ordinance) required for the payment of interest on the Obligations or Parity Credit Agreement Obligations due on such Interest Payment Date, and (ii) on the date specified in the Outstanding Ordinances and Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Obligations or Parity Credit Agreement Obligations to be redeemed or paid unless the payment of such accrued interest is otherwise provided for. Such amounts described in clause (ii) above and paid to Paying Agents will be held and applied by the Paying Agents solely to pay the amounts due and owing on the Obligations with respect to which such transfers were made and upon demand for such payment by a proper Holder.

The Board will pay, out of the Debt Service Fund, to the respective Paying Agents, on the dates specified in the Outstanding Ordinances and each Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Obligations from time to time Outstanding or Parity Credit Agreement Obligations coming due, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment of any Principal Installments and any Redemption Price that are due on Obligations, and similar amounts that are due and payable on Parity Credit Agreement Obligations on such Principal Payment Date and such amounts paid to Paying Agents or Credit Providers shall be held and applied by the Paying Agents or Credit Providers as directed in each Outstanding Ordinance and in each Additional Supplemental Ordinance.

The amount accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by an Additional Supplemental Ordinance shall, be applied prior to a day preceding the due date of such Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

(i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not

exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Additional Supplemental Ordinance, or

(ii) the redemption of Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations or Parity Credit Agreement Obligations, is not a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date will be deemed to be the next succeeding Business Day and no interest will accrue between the stated day and the applicable succeeding Business Day.

Capital Improvements Fund. Moneys transferred to the Capital Improvements Fund will be:

(i) used for any purpose permitted by Applicable Law related to the Airport.

(ii) Notwithstanding the provision described in (i) immediately above, moneys on deposit in the Capital Improvements Fund shall be used to prevent a default in the payment of any Obligations or Parity Credit Agreement Obligations.

Current Disposition of Capital Improvements Fund Amounts. The Airport has entered an agreement with certain airlines called "Signatory Airlines," regarding use, operation, and charges of the Airport. These agreements are collectively referred to herein as "Use Agreements." The Use Agreements provide for the creation of three accounts within the Capital Improvements Fund: DFW Capital Account, Joint Capital Account and Rolling Coverage Account. Funds in the DFW Capital Account may be used for any lawful purpose related to the Airport to fund costs and projects. The DFW Capital Account will be funded with amounts deposited in the Capital Improvements Fund related to the DFW Cost Center, which consists of revenues and expenses allocated to activities other than certain terminal and airfield revenues and expenses. It will also be funded from interest income earned on the DFW Capital Account, and amounts representing reimbursable PFCs and grants. For Fiscal Year 2014, amounts to be deposited into the DFW Capital Account have a lower threshold of $42.9 million and an upper threshold of $64.3 million. Any amount in excess of the $64.3 million upper threshold will be deposited such that 75% of such excess will be used to offset landing fees in either Fiscal Year 2014 or in the next Fiscal Year. The balance of all amounts in excess of the upper threshold will be deposited into the DFW Capital Account at the end of Fiscal Year 2014. At the end of the Fiscal Year, if the actual amount deposited into the DFW Capital Account is less than $42.9 million, then an incremental landing fee charge will be added in the following Fiscal Year so that the shortfall is recovered. If the amount of cash unassigned to projects in the DFW Capital Account exceeds $107.2 million, then 50% of such excess will be used to offset landing fees for the next succeeding fiscal year and 50% will be deposited into the Joint Capital Account. All such dollar amounts shall be adjusted annually by the consumer price index. The funds in the DFW Capital Account may be used by the Airport for capital projects and other costs of the Airport without any majority-in-interest approval by the Signatory Airlines.

The Joint Capital Account is funded primarily with: proceeds from the sale of natural gas and interest in real property, subject to the limitations set forth in the Master Bond Ordinance (see APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF MASTER BOND ORDINANCE–Particular Covenants–Sale of Airport or Facilities"); interest income earned from the Joint Capital Account; amounts representing reimbursable PFCs and grants; and amounts deposited thereto as set forth in the immediately preceding paragraph. Funds in the Joint Capital Account may be used for any lawful

purpose that is approved by a majority-in-interest of the Signatory Airlines and the Airport. The Signatory Airlines have pre-approved spending from this Account as part of the Use Agreements including the Terminal Renewal and Improvement Program, certain elements of the Airport Improvement Program, and certain types of projects as defined in the Use Agreements.

The Rolling Coverage Account was initially funded from existing funds. At the beginning of each Fiscal Year, the Airport is required to transfer the amounts in the Rolling Coverage Account to the Operating Revenue and Expense Fund as Gross Revenues to be included in the calculation of its rate covenants. Each Fiscal Year, the Airport will determine the amount to be deposited to the Rolling Coverage Account, plus any incremental coverage collected during the Fiscal Year.

Restoration of Deficiencies. Should the Debt Service Fund or the Debt Service Reserve Fund, or any other fund or account of any of the types described in the second paragraph under the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Flow of Funds," contain less than the amount required to be on deposit therein, then such deficiency will be restored from Pledged Revenues over a period not longer than sixty (60) months, and further transfers to the Capital Improvements Fund as described in the next to last paragraph of the subcaption "SECURITY FOR THE BONDS–Funds and Flow of Funds–Flow of Funds" will be suspended until such deficiency has been restored.

Reserves Established for Outstanding Obligations

The Master Bond Ordinance provides for the establishment of a Debt Service Reserve Fund for Obligations in the amount of the Debt Service Reserve Requirement. The amount of the Debt Service Reserve Requirement to be deposited and maintained in the Debt Service Reserve Fund on account of the Outstanding Obligations is an amount equal to the average annual Debt Service on and with respect to the Outstanding Obligations from time to time. The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded on account of the Bonds and Outstanding Obligations, including any Additional Obligations, will be established and funded, or funding will be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, but will be in an amount that is not less than the average annual Debt Service that will be required to be paid on or with respect to all Outstanding Obligations from time to time, except that no increase in the Debt Service Reserve Requirement is required on account of any series of Interim Obligations that are secured, guaranteed, or insured by a Credit Provider. Under the Master Bond Ordinance the Debt Service Reserve Requirement may be satisfied in whole or in part by one or more Credit Agreements, such as surety bonds.

As of November 1, 2014, the Debt Service Reserve Requirement will be $324,527,323. In accordance with the Master Bond Ordinance, the Board has funded the Debt Service Reserve Requirement for the Outstanding Obligations with a combination of cash and other Investment Securities. Upon the issuance of the Bonds, the reserve fund balance will be $324,527,323.

For a complete discussion of the Debt Service Reserve Fund and the Debt Service Reserve Requirement, see APPENDIX B–"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund."

Rate Covenant

The Cities have covenanted that the Board will fix and place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and related services (collectively, the "Airport Rates") which is reasonably estimated to produce the amounts set forth in the following two

paragraphs (the "Rate Covenant"). From time to time and as often as it appears necessary, the Authorized Officers (as defined in the Master Bond Ordinance) will make recommendations to the Board as to the revision of the Airport Rates. Upon receiving such recommendations, the Board will revise, insofar as it may legally do so, the Airport Rates for the use, operation and occupancy of the Airport, its Facilities, and related services in order to continually fulfill the requirements set forth in the Master Bond Ordinance. This Rate Covenant is not to be construed to require adjustment or revision in long–term agreements which by their terms are not subject to adjustment or revision.

The schedule of rentals, rates, fees and charges required above shall be at least sufficient to produce in each Fiscal Year Gross Revenues sufficient to pay (i) the Operation and Maintenance Expenses, plus (ii) 1.25 times the amount of Accrued Aggregate Debt Service, as adjusted by taking into consideration certain investment earnings accruing during each Fiscal Year, respectively, plus (iii) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (iv) any additional amounts required by the terms of an Additional Supplemental Ordinance.

Additionally, such schedule shall be at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (i), (iii) and (iv) of the paragraph immediately above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

The Board will cause all rentals, fees, rates and charges pertaining to the Airport to be collected when and as due, will prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and will provide methods of collection and penalties to the end that the Gross Revenues and the Current Gross Revenues will be adequate to meet these respective requirements.

A significant portion of Gross Revenues is generated from payments from airlines using the Airport. For a discussion of the current agreements with the Signatory Airlines, see "AIRLINE AGREEMENTS." See also "CERTAIN INVESTMENT CONSIDERATIONS."

Additional Indebtedness

The Cities reserve the right to issue additional debt securities for the purpose of improving, constructing, replacing, or otherwise extending the Airport, or for the purpose of refunding or refinancing any debt or obligation of or relating to the Airport permitted by Applicable Law. The Master Bond Ordinance provides that the Cities may issue five categories of Airport-related debt: Additional Obligations; Subordinate Lien Obligations; Net Revenue Obligations; Special Revenue Bonds; and Special Facility Bonds. In addition, the Cities may enter into various Credit Agreements, including Parity Credit Agreement Obligations, to provide credit support for any series of Obligations, Subordinate Lien Obligations or Net Revenue Obligations. See "OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT" for a discussion of the currently outstanding amounts of Airport–related debt.

Of these types of debt and debt–related securities, only Additional Obligations and Parity Credit Agreement Obligations would be on parity with the Bonds with respect to the pledge of Pledged Revenues and Pledged Funds. The Cities may not issue Additional Obligations unless the Board delivers the following certifications and orders:

(1) an Authorized Officer's certification that all conditions relating to the issuance of the Additional Obligations contained in the Master Bond Ordinance and any Additional Supplemental Ordinances have been satisfied;

(2) an Authorized Officer's certification that no Event of Default has occurred and is then continuing under the Master Bond Ordinance or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Obligations;

(3) an Authorized Officer's written order directing that the Additional Obligations be authenticated, if they are required to be authenticated under the terms of the Additional Supplemental Ordinance; and

(4) an Authorized Officer's certification that the Cities have received at least one of the following:

(i) an Airport Consultant's written report projecting Gross Revenues and Operation and Maintenance Expenses and indicating that (A) the estimated Net Revenues for each of the three consecutive Fiscal Years, beginning with the first Fiscal Year in which Debt Service on the Additional Obligations is due, are equal to at least 125% of the Debt Service that will be due for each of the three consecutive Fiscal Years and (B) the schedule of rentals, rates, fees and charges then in effect meets the requirements of certain provisions of the Master Bond Ordinance's Rate Covenant; or

(ii) a Certificate of the Board's Chief Financial Officer showing that (A) for either the Board's most recent complete Fiscal Year, or for any twelve consecutive months out of the most recent eighteen months, the Net Revenues were equal to at least 125% of the maximum Debt Service scheduled to be paid during the then-current or any future Fiscal Year, taking into consideration the proposed Additional Obligations and (B) the schedule of rentals, rates, fees and charges then in effect meets the requirements of certain provisions of the Master Bond Ordinance's Rate Covenant.

This list provides a summary description of the certificates and orders the Board must deliver in order for the Cities to issue Additional Obligations; the complete text from the Master Bond Ordinance is described in the subcaption "Additional Obligations" in APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness."

Under the Master Bond Ordinance, the Cities may not issue any debt, other than Additional Obligations and Parity Credit Obligations, on parity with the Bonds and the other Outstanding Obligations. Subordinate Lien Obligations are payable from a pledge of Gross Revenues that is subordinate to the pledge of Gross Revenues supporting payment of the Outstanding Obligations. Such debt may also be secured by a pledge of Special Revenues as provided in the documents authorizing their issuance. Special Revenue Bonds are payable in whole or in part from a pledge of Special Revenue, and payments made pursuant to Net Rent Leases secure the payment of Special Facility Bonds. For a more complete description of Subordinate Lien Obligations, Special Revenue Bonds and Special Facility Bonds, and the security for each of them, see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness."

Investment of Funds

Authorized Investments. Available Airport funds are invested as authorized by the Texas Public Funds Investment Act, as amended, and in accordance with investment policies approved by the

Airport Board. Under Texas law, the Airport is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Airport funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments a requirement for settlement of securities purchased on a delivery versus payment basis, procedures to monitor securities rating changes, and the liquidation of investments that fall below the minimum rating required. The Airport's investment policy may further restrict the scope of permitted investments from those allowed by current State law. All Airport funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield. The Airport's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and probable income to be derived."

The Airport utilizes a self-directed security investment program and the Board adopted an investment policy (the "Investment Policy") which became effective on February 1, 2014. The Investment Policy emphasizes the "safety of principal" objective and establishes the Board's Finance and Audit committee as the oversight committee relating to the investment of the Board's funds. The Investment Policy designates the Chief Financial Officer, the Vice President of Treasury Management and Cash and Investment Manager as the "Investment Officers" and allows investment in securities consistent with State law, and diversifies investment maturities. The Airport directs investments utilizing projected cash flow needs as the foundation of its investment strategy. Investment maturities are targeted to provide available cash for the operating requirements of the Airport and to enhance interest earnings. The Cash and Investment Manager analyzes specific fund balances and cash flow needs to tailor individual security purchases and overall portfolio structure to achieve the Airport's investment objectives in accordance with the Investment Policy.

The Airport is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (5) bonds issued, assumed or guaranteed by the State of Israel; (6) certificates of deposit and share certificates meeting the requirements of the Public Funds Investment Act; (7) fully collateralized repurchase agreements that have a defined termination date and otherwise meet the requirements of the Public Funds Investment Act; (8) securities lending programs if the loan under the program meets the requirements of the Public Funds Investment Act; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A1 or P1 or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least A1 or P1 or the equivalent by two nationally recognized ratings agencies; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission (the "SEC") that have a dollar weighted average stated maturity of 90 days or less; and (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations

described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent.

Investments may be made in such obligations directly or through a particular government investment pool pre-approved by the Board that invests solely in such obligations provided that the pool is rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service.

The Airport Board may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years.

Current Investments. As of June 30, 2014, the Airport's funds were invested in the following categories of investments:

Dallas/Fort Worth International Airport
as of June 30, 2014

Type of Investment	Percentage of Portfolio	Book Value ($ in millions)	Market Value ($ in millions)
U.S. Treasuries	0%	$ 0	$ 0
Money Market Funds	33%	876	876
Commercial Paper	8%	212	212
Agencies	53%	1,408	1,408
Municipals	6%	159	159
Guaranteed Investment Contracts	0%	0	0
Certificates of Deposit	0%	0	0
Total	100%	$2,655	$2,655

Source: Dallas Fort Worth International Airport treasury records.

As of such date, approximately 58% of the Airport's investment portfolio will mature within twelve months and the market value of the investment portfolio was approximately 100% of its book value. The Master Bond Ordinance does not require market valuations for required fund investments, except for those held in the Debt Service Reserve Fund. No funds of the Airport are invested in (i) derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index of commodity or (ii) leveraged investments.

Agreements with Airlines

The Use Agreements provide that each Signatory Airline will pay rentals, rates, fees and charges for its use, operation (or right to operate) and occupancy of the Airport premises and facilities, and services appertaining thereto. The Use Agreements also provide for the setting of landing fees sufficient, after taking into consideration other revenues, to satisfy the Rate Covenant each Fiscal Year. The Use Agreements establish cost centers and contain formulas and methodologies to develop rates and charges for various services.

Under the Use Agreements, at the end of each Fiscal Year, the Board will cause an audit to be accomplished by an independent certified public accountant to determine actual cost for certain cost

centers versus budgeted cost. Any deficiency or excess related to such cost center will result in a corresponding adjustment in rates and fees during the following Fiscal Year. For a further discussion of the Use Agreements, see "AIRLINE AGREEMENTS." See also "CERTAIN INVESTMENT CONSIDERATIONS."

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Master Bond Ordinance and the Fiftieth Supplement. These remedies, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Master Bond Ordinance and the Fiftieth Supplement may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The security interest in the Pledged Revenues granted pursuant to the Master Bond Ordinance and the Fiftieth Supplement may be subordinated to the interest and claims of others in certain circumstances. The application of federal bankruptcy laws may have an adverse effect on the ability of the Holders to enforce their claim to the Pledged Revenues. Federal bankruptcy law permits adoption of a reorganization plan, even if such plan has not been accepted by the Holders of a majority in aggregate principal amount of the Bonds, if, inter alia, the Holders (i) retain their original lien and receive, on account of their claims, deferred cash payments totaling at least the amount of such claim determined by the value of the collateral securing such claim or (ii) are provided with the "indubitable equivalent." In addition, if a bankruptcy court concludes that the Holders have "adequate protection," it may under certain circumstances substitute other security for that provided by the Master Bond Ordinance and the Fiftieth Supplement and may subordinate the security interest of the Holders to claims by persons supplying goods and services after the bankruptcy and the administrative expenses of the bankruptcy proceeding. In the event of the bankruptcy of the Airport or any of its Signatory Airlines, the amount realized by the Holders might depend, among other factors, on the bankruptcy court's interpretation of various legal doctrines under the then-existing circumstances. See "MANAGEMENT'S DISCUSSION AND ANALYSIS–FINANCIAL OPERATIONS–AMR Bankruptcy."

Legal opinions with respect to the enforceability of the Master Bond Ordinance and the Fiftieth Supplement will be expressly subject to a qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and by applicable principles of equity if such remedies are sought.

Under the Fiftieth Supplement, the Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation on the occurrence or continuance of an Event of Default. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE – Events of Default–Remedies for Defaults." Upon the occurrence or continuation of an Event of Default, a Bondholder would only be entitled to principal and interest payments on the Bonds as they come due.

PASSENGER FACILITY CHARGES

Under the Aviation Safety and Capacity Act of 1990 (the "PFC Act"), as modified by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("AIR 21") as amended, the FAA may authorize a public agency to impose a Passenger Facility Charge ("PFC") of $1.00, $2.00, $3.00, $4.00 or $4.50 on each passenger enplaned at any commercial service airport controlled by the public agency, subject to certain limitations. PFCs are available to airports to finance certain projects that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers. PFC applications are approved by the FAA for specific projects. An airport may only impose the

designated PFC until it collects the authorized total amount of that application. Interest earnings on collections are included in the application total. Under certain circumstances, the FAA grants approval to commence collection of PFCs ("impose only" approval) before approval to spend PFCs on approved projects ("use" approval) is granted. Approval to both collect and spend PFCs is referred to as an "impose and use" approval. PFCs may be spent to pay eligible debt service only on approved PFC projects and the terms of the PFC approval do not permit the use of PFC revenue to pay debt service on any new or outstanding bonds issued to finance other than approved PFC projects.

The Airport began collecting PFC revenues in June 1994. PFC collections, at the approved $4.50 level, and interest for the past five Fiscal Years on a cash basis are shown below. These collection amounts differ from the PFC amounts included as non-operating revenues on Table 16 which reflect the amount of PFCs used to pay eligible debt service each year.

PFC Collections and Interest on Cash Basis

Fiscal Year	PFC Revenues (Millions)
2008	$107.1
2009	106.5
2010	105.1
2011	109.3
2012	109.3
2013	115.7
2014*	90.0

*Through 3rd fiscal quarter ended 6/30/2014.

Effective July 1, 2011, PFC Application 11-10-C-00-DFW authorized the Impose and Use of $4,165,097,984 of which $382,902,403 has been collected as of June 30, 2014, for the purpose of paying debt service on 14 approved PFC projects. The Airport expects such collections to occur until approximately 2037. PFC collections are approved at the $4.50 level. PFCs remitted to the Airport by the airlines are deposited into a separate fund and, to the extent funds are available, are transferred monthly to the Operating Revenue and Expense Fund in an amount sufficient to pay eligible debt service on the 14 approved projects. Although not specifically included as a part of Gross Revenues, pursuant to the PFC Application and the Use Agreements with the Signatory Airlines, PFC revenues may be used only for the purpose of paying eligible debt service on approved PFC projects, and upon deposit to the Operating Revenue and Expense Fund, such amounts become a part of the Pledged Funds. Failure to collect PFC revenues in an amount sufficient to pay eligible debt service on the PFC approved projects may lead to increases in other costs at the Airport, such as landing fees and terminal rents.

Although levied by the Airport, PFCs are actually collected from airline passengers by the airlines on behalf of the Airport. In the process of collecting PFCs, each airline is entitled to and does commingle the collected PFCs with other airline funds, with the exception of airlines in bankruptcy. Airlines in bankruptcy must segregate PFC revenue in a designated separate account. See "CERTAIN INVESTMENT CONSIDERATIONS–Passenger Facility Charges." Airlines remit collected PFCs, less any applicable collection fee, to the Airport on a monthly basis. Each airline retains the investment income earned on PFC monies while held by the airline.

No assurance can be given that PFCs will actually be received in the amount or at the time contemplated by the Airport. The amount of actual PFC revenues collected, and the rate of collection, will vary depending on the actual numbers of qualified passenger enplanements at the Airport. In addition, the FAA may terminate the Airport's ability to impose PFCs, subject to informal and formal procedural

safeguards, if (1) the Airport fails to use its PFC revenues for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder, or (2) the Airport otherwise violates the PFC Act or regulations. The Airport's ability to impose a PFC may also be terminated if the Airport violates certain provisions of the Airport Noise and Capacity Act of 1990 and its implementing regulations. Furthermore, no assurance can be given that the Airport's authority to impose a PFC will not be terminated by Congress or the FAA, or that the PFC program may not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Airport. See "CERTAIN INVESTMENT CONSIDERATIONS–Passenger Facility Charges."

Regardless of the amount of PFC revenues collected, the Board will apply such revenues, as available to pay debt service on Outstanding Obligations only to the extent the Board applied such Obligation proceeds to pay the eligible costs of PFC-approved projects described in PFC applications that were authorized by the FAA to pay Debt Service on such Obligations.

OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT

Outstanding Obligations

Upon the issuance of the Bonds, $6,316,090,000 in aggregate principal amount of Obligations will be Outstanding. See "Table 15–Joint Revenue Bonds Debt Service Requirements" for the debt service requirements of all Outstanding Obligations. The Airport does not currently have outstanding any Parity Credit Agreement Obligations.

Any Parity Credit Agreement Obligations issued in the future would be on parity with the Outstanding Obligations.

Subordinate Lien Obligations

No Subordinate Lien Obligations are currently outstanding. In the event that the Cities issue Subordinate Lien Obligations in the future, such Subordinate Lien Obligations will be payable from and secured by a pledge of Gross Revenues that is subordinate to the pledge securing the Bonds and the other Outstanding Obligations. For a description of Subordinate Lien Obligations, see APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Subordinate Lien Obligations."

Special Revenue Bonds

No Special Revenue Bonds are currently outstanding. In the event that the Cities issue Special Revenue Bonds in the future, such Special Revenue Bonds will be payable from and secured by a pledge of Special Revenues to support payment of such Special Revenue Bonds. Unless any portion of such Special Revenues are included as part of Gross Revenues under the provisions of an Additional Supplemental Indenture, none of such Special Revenues would be Gross Revenues and would not secure the Bonds. For a description of Special Revenue Bonds, see APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Special Revenue Bonds."

Special Facilities Bonds

No Special Facilities Bonds are currently outstanding. In the event the Cities issue Special Facilities Bonds in the future, each series of Special Facility Bonds will be payable solely from the rentals received in respect of each Special Facility pursuant to a Net Rent Lease. Any such Special Facility

rentals would not be Gross Revenues and would not secure the Bonds. For a description of Special Facility Bonds, see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Special Facility Bonds."

Facility Improvement Corporation Indebtedness

In 1990, the Cities created the Dallas/Fort Worth International Airport Facility Improvement Corporation (the "FIC") for the purpose of providing conduit financing for the airlines and other users of the Airport. Senior executive staff of the Airport serves as the FIC's Directors. As of the date hereof, bonds issued by the FIC are outstanding in the aggregate principal amount of $144,210,000. Each series of the FIC's bonds is payable solely from payments made pursuant to an agreement between the FIC and the borrower. The payments that are pledged to the FIC's bonds are not part of the Gross Revenues of the Airport and do not secure the Bonds.

Other Indebtedness

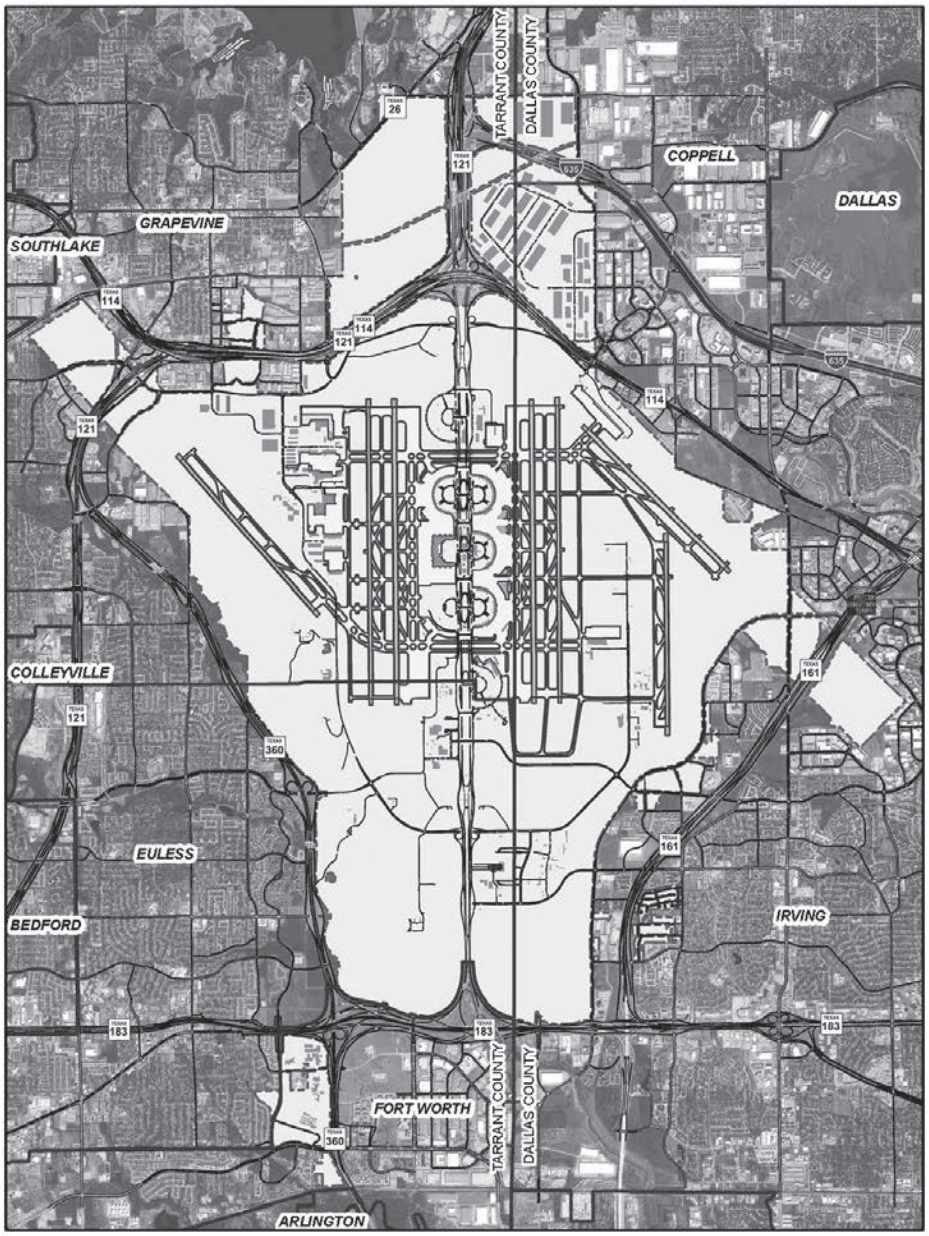
In addition to the FIC, the Cities have the power to create additional Airport facility improvement corporations. Any such additional corporations, if created, may be empowered to issue debt to provide financing for Airport facilities and will have such other powers as may be granted by the Cities. See "NON-AIRLINE BUSINESS UNITS INFORMATION–Public Facility Improvement Corporation."

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

THE AIRPORT

General

The Airport is the principal air carrier facility serving the North Central region of the State of Texas (the "State") and the Dallas/Fort Worth metropolitan area, also referred to as the Metroplex. The Airport is located within a four–hour flight time of 95% of the U.S. population. The primary Airport service region (the "Airport Service Region") includes the 9,500-square mile, 12-county Dallas/Fort Worth Consolidated Metropolitan Statistical Area ("CMSA"). Although owned by the Cities of Dallas and Fort Worth, the Airport sits within the city limits of Coppell, Fort Worth, Grapevine, Euless and Irving, and within Dallas and Tarrant Counties.



Airfield. The Airport has more operational capacity than any airport in the world with seven runways: two diagonals and five north/south parallels. Four of the Airport's runways are 13,400 feet in length. The Airport has the capacity to land, park and gate the A380, currently the largest passenger airliner in the world. The Airport completed construction of the Southeast Quadrant End–Around (perimeter) Taxiway in December 2008 to enhance aircraft operational efficiency, safety and prevent runway incursions. The Airport's designated hourly capacity arrival/departure flow is approximately 186 to 193 aircraft operations per hour under reduced instrument flight conditions and approximately 270 to 279 aircraft operations per hour under optimum visual flight conditions, a condition that prevails approximately 94% of the time. The Airport estimates that it is using approximately 50%–60% of its maximum landing capacity at this time.

Terminals. The Airport has five terminals (A, B, C, D, and E) totaling 6.3 million square feet of building space, including 155 aircraft boarding gates, approximately 358 ticketing positions, including supporting self-service kiosks and 15 security checkpoints, with pre-authorized check-in for domestic passengers at 4 of them. The Airport has sufficient gate capacity to allow for the closure of approximately 19 gates as the Terminal Renewal and Improvement and Improvement Program ("TRIP") construction continues in all four terminals (A, B, C, and E) in 2014 and 2015. Collectively, the airlines averaged seven turns per active gate in Fiscal Year 2013.

American Airlines operates domestic service in Terminals A and C and both domestic and international service in Terminal D. American Eagle operates domestic service in Terminal B and international service in Terminal D. All other airline domestic flights operate from Terminal E. All international flights and charters operate from the Airport's International Terminal D. Terminal D has 2.2 million square feet and 27 gates. All terminal gate leases are preferential and expire September 30, 2020, concurrent with the Use Agreements. (See "AIRLINE AGREEMENTS" for further discussion.) The Airport's Customs and Border Protection ("CBP") facilities are located in Terminal D. The Airport's CBP facility is approximately 406,000 square feet with 60 inspection booths and 8 bag carousels. The CBP has the capacity to handle approximately 2,800 international customers per hour. Pre-authorized check-in for international passengers (Global Entry) has now grown to approximately 60,000 participants in the DFW area, and there are 16 processing kiosks in passport control.

The Airport is responsible for all of the janitorial and facility maintenance services in Terminals B, D and E, and baggage maintenance in Terminals B and E. The Airport outsources most of the maintenance and janitorial functions to third parties. The costs associated with the maintenance of these facilities are included in the Airport's operating budget. American Airlines is responsible for the majority of the facilities maintenance and custodial services in Terminals A and C and all of the baggage maintenance in Terminals A, C and D. The cost of these maintenance activities are paid directly by American Airlines and are not included in the Airport's operating budget or financial statements.

Transit System. The Airport has operated its elevated transit system ("Skylink") since 2005. Skylink is operated and controlled solely by the Airport. Skylink is used to transport members of the general public on the secure side of the terminal. The Airport operates 16 of its 24 fully automated cars on Skylink during normal operations. Skylink cars circle the five terminals in two directions with an average time between terminals of 2 minutes. There are two Skylink stations in each terminal. The average customer ride is estimated to be about 5 minutes.

The Airport also uses buses to transport passengers and employees between terminals, the Grand Hyatt Hotel, parking lots and the consolidated rental car facility. The Airport uses 29 buses to shuttle passengers between the terminals and Grand Hyatt; 59 buses between remote and express parking lots and the terminals; 32 buses between employee parking lots and the terminals, and 54 buses between the terminals and the consolidated rental car facility.

The Airport is currently constructing a light rail station for the Dallas Area Rapid Transit ("DART"), which operates a light rail system through significant portions of the Dallas-Fort Worth area. The light rail station will connect downtown Dallas with Terminal A. The new station is expected to open late summer 2014. The light rail system currently extends to the southeast corner of the Airport, which, in turn, requires passengers to take a shuttle to Terminal A.

Airport Operations Center/Emergency Operations Center (AOC/EOC). The Airport completed its AOC/EOC in April 2006. The AOC/EOC serves as a single point of contact to centralize communications for the Airport's passengers, guests, tenants, employees, and contractors. This includes the 9-1-1 call management of police, fire and emergency medical response teams and 3-1-1 non-emergency services. The AOC and EOC handle an average of 26,400 and 1,950 calls, respectively, each month.

Aircraft Fueling System/Fuel Farm Consortium. A number of the Signatory Airlines have entered into a consortium agreement to provide aircraft fuel on the Airport. The fuel farm sits on 35 acres of land, has a holding capacity of approximately 28.4 million U.S. gallons, and provides single point refueling at all terminal apron gate areas. Actual fuel flowage is approximately 800 million gallons per year. The fuel farm is managed and operated by a third party for the consortium. The Airport does not receive a fueling fee from consortium members, but does receive payments for the ground rent and the fuel farm's share of debt service. The fuel farm agreement with the airlines had an original expiration date of December 31, 2009, but was extended through September 30, 2010 and continues in effect on a month-to-month basis.

The Board

Under the terms of the Contract and Agreement, the Airport is operated by a Board on behalf of the Cities. The Board is authorized to plan, acquire, establish, develop, construct, maintain, equip, operate, lease, regulate and police the Airport and is charged with the responsibility of exercising on behalf of the Cities, the powers of each with respect thereto.

The Board consists of 11 members, 7 from the City of Dallas and 4 from the City of Fort Worth. Both the Mayor of Dallas and the Mayor of Fort Worth sit on the Board. The remaining Board members are appointed by the respective City Councils of the Cities. In addition, the Board has one non–voting member who is selected by the Cities of Coppell, Euless, Grapevine and Irving, Texas, respectively, on a rotating basis. Members of the Board serve without compensation.

Airport Management

The operations of the Airport are administered by a Chief Executive Officer. There are currently four Executive Vice Presidents, 20 Vice President positions, one General Counsel, and a Director of Audit Services. The Airport currently has approximately 1,850 full time employees.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Sean P. Donohue (Chief Executive Officer). In his role as Chief Executive Officer, Mr. Donohue is responsible for the management, operation and future development of the Airport. As the chief executive of the Airport, Mr. Donohue manages an organization comprised of more than 1,700 employees, as well as an annual operating budget of over $650 million and a $3 billion capital improvement program. Under Mr. Donohue's direction, the Airport produces more than $31 billion in annual economic impact for the Dallas/Fort Worth region, and hosts more than 60 million passengers each year. Mr. Donohue joined the Airport in October of 2013, following a distinguished 28-year career in the airline industry. Prior to his arrival at the Airport, Mr. Donohue served for three years as the Chief Operating Officer for Virgin Australia Airlines, where he led day-to-day operations for Australia's second largest air carrier. Prior to that, Mr. Donohue served for 25 years with United Airlines in a variety of executive roles that included operations, sales and commercial startups. Mr. Donohue graduated from Boston College with a Bachelor of Science degree in Marketing and Economics, and is a native of Massachusetts.

Christopher A. Poinsatte (Executive Vice President–Chief Financial Officer). Mr. Poinsatte was appointed Executive Vice President–Chief Financial Officer for the Airport in September 2003. In this position, Mr. Poinsatte is responsible for the business and financial planning, budgeting, accounting, information technology systems, treasury functions and aviation real estate. Mr. Poinsatte has over 30 years of financial experience in the private and public sectors. Before coming to the Airport, Mr. Poinsatte was the Chief Financial Officer of NextJet Technologies, Inc., a start–up transportation management and logistics software company. Prior to that, Mr. Poinsatte served as the Chief Financial Officer for the Dallas Area Rapid Transit ("DART") where he developed DART's $2.9 billion financing plan for expansion of the transit system. Mr. Poinsatte is a graduate of the University of Notre Dame and has been a Certified Public Accountant in Texas since 1981.

Kenneth Buchanan (Executive Vice President–Revenue Management). Mr. Buchanan was appointed Executive Vice President-Revenue Management in August 2005, and is responsible for the Airport's strategic direction to maximize non-aviation revenues and increase customer satisfaction. He oversees and directs the Airport's concession, commercial development, customer service, marketing, and parking business units; also included are two (2) Hyatt Hotels and two (2) 18-hole golf courses on the property. Commercial development handles negotiations of real estate-ground leases and natural gas exploration; and acquisition and property management of the Airport's industrial, office, and air cargo facilities. His responsibility is to continue to grow and enhance non-airline revenue in all aspects of his business units. He is also responsible for implementation of the Corporate Strategic Plan through all business units. During his career Mr. Buchanan has acquired more than 20 years of industry experience in revenue management, sales, merchandising technology, sales planning and marketing. Prior to joining the Airport, he served as the Director of Strategic Initiatives and Sales Planning for Coors, Inc. He has also held executive level positions at Kmart Corp., Pepsi, Information Resources, Inc., and Kroger Corp. Mr. Buchanan attended Memphis State University, earning a B.A. in Business, and earned an MBA from Jackson State University. He has also completed the Airport Management Professional Accreditation Programmer (AMPAP) and received the AIP designation through Joint ACI-ICAO.

James M. Crites (Executive Vice President–Operations). Mr. Crites serves as Executive Vice President for the Operations Division of Dallas/Fort Worth International Airport. He oversees the activities of Operations, Energy and Transportation Management, Asset Management, Airport Development and Engineering, Department of Public Safety, Planning and Environmental Affairs. Mr. Crites joined the staff at Dallas/Fort Worth International Airport on October 30, 1995 to serve as the Director of Planning and Marketing Research. He has provided key leadership in planning for development of facilities, and new business opportunities throughout all aspects of the Airport. Prior to this, Mr. Crites worked in several key management positions at American Airlines, Inc. including Managing Director, Airport Services and Managing Director, Financial Planning. Mr. Crites graduated

from the University of Illinois after earning a Bachelor of Science Degree in Business Administration and subsequently earned a Master's Degree in Operations Research while attending the Naval Postgraduate School, Monterey, California. He is currently serving as a member of: the Transportation Research Board Executive Committee; the University of Texas at Arlington College of Engineering Advisory Board; the U.S. Travel Association Board of Directors; the ACI-NA Technical and Operations Committee; and the Subcommittee of the RTCA NextGen Advisory Committee.

Linda Valdez Thompson (Executive Vice President–Administration and Diversity). Ms. Thompson was appointed to this position when she joined the Airport in February, 2001. Prior to joining the Airport, Ms. Thompson was employed by Fruit of the Loom, Inc. as the Vice President of Human Resources and previously held management positions with companies such as Hasbro, Inc., Levi Strauss & Co. and Baxter Healthcare, Inc. Ms. Thompson has been in the Human Resources field for over 18 years and is a certified Senior Human Resources Professional (SHRP), Certified Benefits Professional (CBP), Certified Compensation Professional (CCP), and Global Remuneration Professional (GRP). Ms. Thompson received her B.B.A. in Business Administration with honors from Midwestern State University in 1982 and her Masters in Organizational Management from the University of Phoenix in 1998.

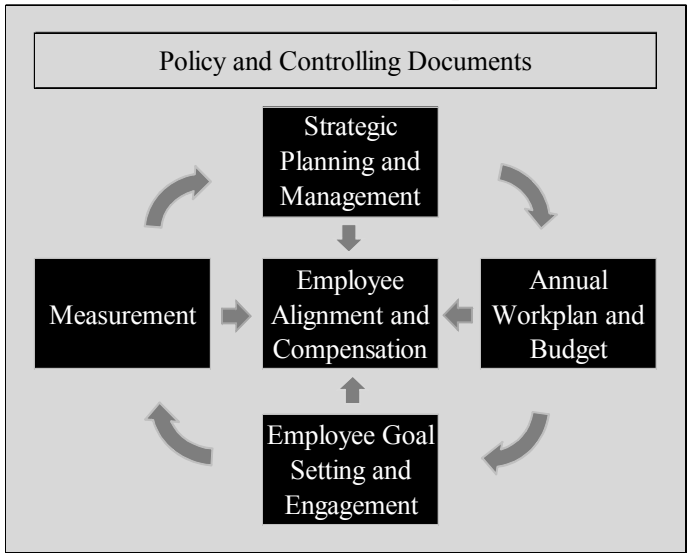
Elaine Flud Rodriguez (General Counsel). Ms. Rodriguez was appointed as an Executive Assistant City Attorney for the City of Dallas and General Counsel for the Airport in August 2011. In this position, Ms. Rodriguez directs and manages all legal functions for the Airport, including management of outside legal counsel. Prior to joining the Airport, Ms. Rodriguez served as Senior Vice President, General Counsel and Secretary of two NASDAQ-listed companies, EF Johnson Technologies, Inc. (from March 2008 to February 2011) and CellStar Corporation (from September 1993 to August 2007). Prior to joining CellStar, she was General Counsel and Secretary of Zoecon Corporation, a wholly-owned subsidiary of Sandoz Ltd. Earlier in her career, she was engaged in the private practice of law with Atlas & Hall and Akin, Gump, Strauss, Hauer & Feld. Ms. Rodriguez earned her bachelor's degree at Loyola University New Orleans and her Juris Doctor from Tulane University School of Law. She is licensed to practice law in the states of Texas and Louisiana.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

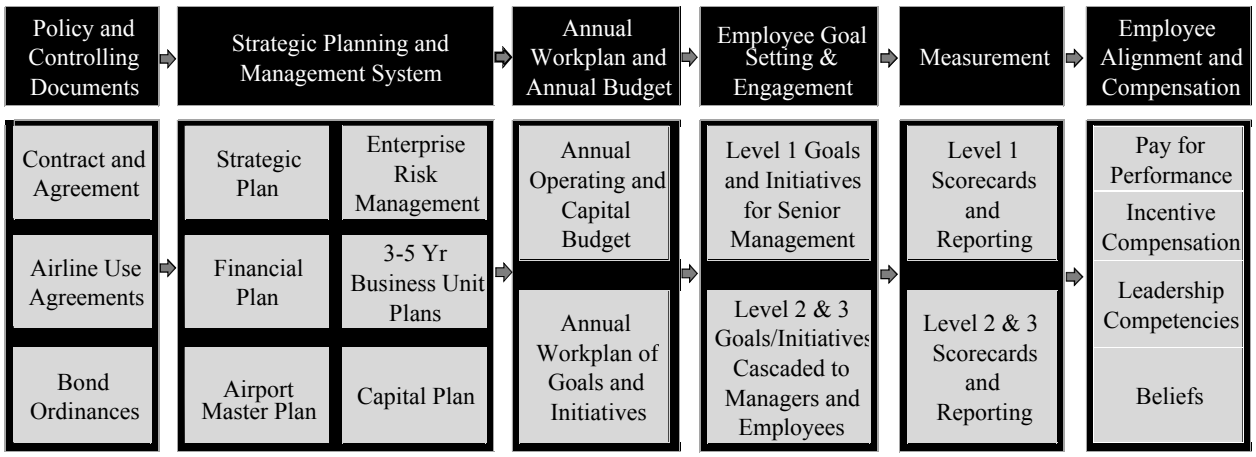
The Airport's Leadership System

The Airport management team has developed and installed a standard methodology for planning and executing its mission (the "Leadership System"). The Leadership System ensures a methodical process for executing and achieving the Airport's goals, objectives and strategies. This methodology is depicted in the following two flow charts. The first highlights the phases and interactive nature of the Airport's Leadership System. The second highlights the key elements within each phase.

Phases of DFW's Leadership System



Phases and Key Elements of DFW's Leadership System



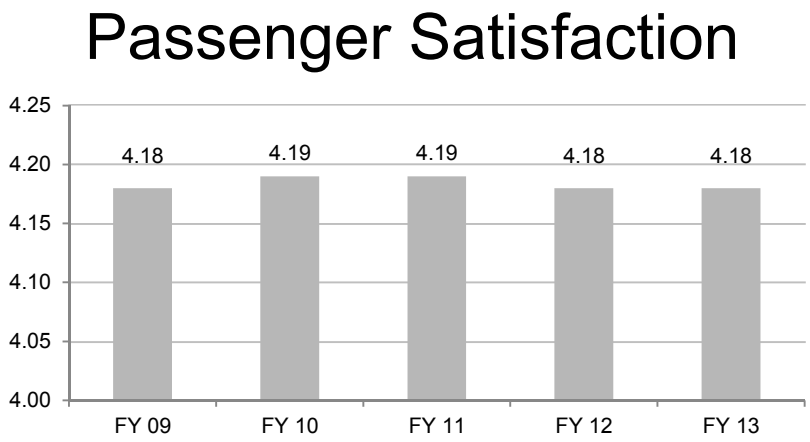
The Airport's Strategic Plan

DFW's Strategic Plan contains the Airport's vision and mission statements and identifies the key strategies and results required to achieve the Primary Business Goal to grow the core business of domestic and international passenger and cargo airline service. The Airport has taken a balanced approach to its strategic plan. Management is focused on being cost competitive, satisfying the customer, and achieving operational excellence through engaged employees. A schematic of the Strategic Plan follows:

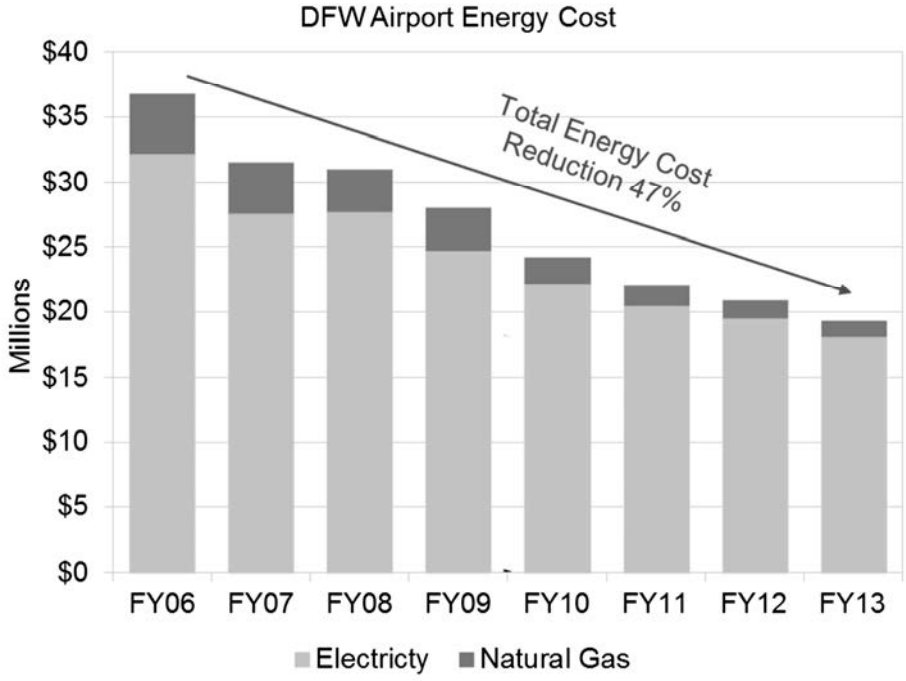
Management updated the DFW Strategic Plan in 2012. The more significant changes in the revised plan include an increased emphasis on the growth of international passenger service, the expansion of DFW brand awareness throughout the world, and an expansion of the customer to include the airlines and tenants as well as the passengers. A copy of DFW's Strategic Plan may be found on the DFW website at www.dfwairport.com/investors.

Although much of this Official Statement is focused on the financial or cost competitive elements of DFW's Strategic Plan, management has been very focused over the past years on a balanced approach that improves passenger satisfaction, operational excellence, and employee engagement. DFW management believes these elements all work together to drive superior performance. The following two charts highlight DFW's performance in these areas.

Passenger Satisfaction. The following chart highlights DFW's Airport Council International passenger satisfaction survey results since 2009. The survey scale has a maximum satisfaction rating of five. Management is very pleased with the Airport's continued progress in this critical area, especially over the past 25 months during the construction of the Terminal Renewal and Improvement Program ("TRIP"). (See "CAPITAL PROJECTS-Terminal Renewal and Improvement Program" herein for a discussion of the TRIP.



Operational Excellence. In addition to safety and security, one of DFW's key operating excellence goals relates to sustainability and reducing the organization's energy footprint. The following chart highlights DFW's 47% reduction in energy costs for electricity and natural gas over the past seven Fiscal Years. Twenty-five percent of this reduction is related to usage and fifteen percent to lower prices.



OPERATIONAL INFORMATION

The following sections provide comparative operational information for the Airport's core business, including passengers, operations, destinations and landed weights. The information in the following tables is unaudited. Some schedules may not correspond or tie due to rounding of numbers and some amounts may vary from prior official statements due to reclassifications. All amounts are in whole numbers unless stated in the title of the table or on a particular row. Data in the following tables, the "MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL OPERATIONS" and Report of the Airport Consultant may differ due to source of information and basis of accounting. Airport staff provides monthly updates to the information in many of the below tables. Readers are directed to http://dfwairport.com/investors for such updates, including the financial results for the nine-month period ending June 30, 2014.

Aircraft Operations

According to the Airports Council International ("ACI") World Traffic Report, as of the 12 months ended December 2013, the Airport was third in operations behind Atlanta Hartsfield-Jackson and Chicago O'Hare. Table 1 highlights total annual aircraft operations at the Airport for each of the past five Fiscal Years ended September 30, 2013, and the nine months ended June 30, 2014, and 2013.

Table 1
Aircraft Operations (Unaudited, in thousands)

	For Nine Months Ended				Fiscal Year Ended, September 30									
	Jun-14		Jun-13		2013		2012		2011		2010		2009	
	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%
Domestic Passenger	429	87%	437	88%	589	87%	565	88%	568	88%	571	88%	557	88%
International Passenger	47	9%	42	8%	59	9%	51	8%	50	8%	48	7%	49	8%
Total Passenger	476	96%	479	96%	648	96%	616	96%	618	96%	619	95%	606	96%
Cargo Aircraft	14	3%	14	3%	19	3%	21	3%	23	3%	22	4%	22	3%
General Aviation Aircraft	6	1%	6	1%	8	1%	7	1%	7	1%	6	1%	5	1%
Total Annual Operations	496		499		675		644		648		647		633	

Source: DFW Airport Finance Department, based on flight activity reports provided by airlines.
*Numbers may not add due to rounding

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Air Service, Destinations and Frequencies

The Airport currently has approximately 900 daily non-stop departures for passenger service to 147 domestic destinations in the United States and 56 international destinations in Europe, Asia, Canada, Mexico, Central America, South America, Australia, the Middle East and the Caribbean. Since 2009 this represents growth in international and domestic destinations of 11%.

AirTran discontinued service at DFW in November 2011 because it was acquired by Southwest Airlines which does not operate from DFW. Cities previously served by AirTran include Atlanta, GA, Orlando, FL and Baltimore, MD. Those cities are currently being served by other carriers at DFW.

DFW's largest international passenger markets by region are Mexico, Europe, Asia, Canada, Caribbean, Central America, South America, Middle East, Africa and Oceania. The Airport offers an air service incentive plan for carriers who provide service to a new international destination or certain new domestic destinations. The incentive plan currently pays for landing fees and some marketing costs for up to two years depending on the destination being served.

The Airport provides service to many cities throughout the United States. Table 2 summarizes the major domestic markets served from the Airport by departing flights and departing seats as of June 30, 2014. (Note: "AA" is American Airlines and American Eagle, "DL" is Delta Airlines, "US" is US Airways and "UA" is United Airlines.)

Table 2
Domestic Markets
(Unaudited)

Monthly Frequencies				Monthly Seats			
Rank	Market	Total Market	Largest Market Carrier	Rank	Market	Total Market	Largest Market Carrier
1	ORD	736	AA	**1**	LAX	111,173	AA
2	LAX	725	AA	**2**	ATL	97,103	DL
3	ATL	674	DL	**3**	ORD	91,086	AA
4	LGA	617	AA	**4**	DEN	78,513	AA
5	DEN	581	AA	**5**	LGA	77,759	AA
6	SFO	512	AA	**6**	SFO	71,860	AA
7	IAH	487	UA	**7**	PHX	66,526	AA
8	PHX	439	AA	**8**	CLT	66,032	US
9	SAT	438	AA	**9**	LAS	61,065	AA
10	MSP	419	DL	**10**	SAT	60,231	AA
11	LAS	417	AA	**11**	AUS	57,152	AA
12	AUS	411	AA	**12**	MIA	54,980	AA
13	CLT	410	US	**13**	MCO	52,027	AA
14	PHL	378	US	**14**	PHL	50,910	AA
15	MCO	345	AA	**15**	BOS	48,839	AA
16	DTW	339	DL	**16**	IAH	48,567	AA
17	BOS	331	AA	**17**	SEA	47,564	AA
18	MIA	326	AA	**18**	MSP	47,441	AA
19	SEA	305	AA	**19**	DCA	43,716	AA
20	DCA	300	AA	**20**	SAN	42,321	AA

Enplaned Passengers

According to ACI, as of the 12 months ended December 31, 2013, the Airport ranks eighth in total passengers, behind Atlanta-Hartsfield, Beijing Capital, London Heathrow, Tokyo Haneda, Chicago O'Hare, Los Angeles LAX, and Paris Charles de' Gaulle. American Airlines (including American Eagle) is the Airport's largest carrier with 82.5% of total passengers for Fiscal Year ended September 30, 2013. The average load factor for all flights departing and arriving at the Airport for the same Fiscal Year was approximately 82%.

Table 3 highlights enplanements categorized by domestic and international service; originating, destination and connecting; and by carrier for each of the past five Fiscal Years ended September 30 and the nine months ended June 30, 2014, and 2013.

Table 3
Total Domestic and International Enplanements Statistics
(Unaudited, in millions)

	Nine Months Ended				Fiscal Year Ended, September 30									
	Jun-14		Jun-13		2013		2012		2011		2010		2009	
	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%
Domestic/International														
Domestic	20.4	89	19.8	89	26.8	89	26.1	90	26.1	90	25.5	90	25.4	91
International	2.5	11	2.4	11	3.3	11	3.0	10	2.8	10	2.7	10	2.5	9
Total Enplanements	22.9	100	22.2	100	30.1	100	29.1	100	28.9	100	28.2	100	27.9	100
O&D/Connecting														
Origination (O)	5.0	22	4.8	22	6.7	22	6.5	22	6.3	22	5.9	21	6.0	22
Destination (D)	4.7	20	4.6	20	6.1	20	6.0	21	5.8	20	5.6	20	5.5	20
Connecting	13.2	58	12.8	58	17.3	58	16.6	57	16.8	58	16.7	59	16.4	58
Total Enplanements	22.9	100	22.2	100	30.1	100	29.1	100	28.9	100	28.2	100	27.9	100
By Airline														
American	16.5	72	15.7	71	21.4	71	21.2	73	21.5	75	21.2	75	20.7	74
American Eagle (Envoy Air)	2.4	10	2.6	11	3.4	11	3.3	11	3.0	10	3.1	11	3.4	12
US Airways	0.7	3	0.7	3	0.9	3	0.8	3	0.9	3	0.8	3	0.7	2
Delta (includes Northwest) [1]	0.9	4	0.8	4	1.4	5	0.9	3	0.8	3	0.8	3	0.8	3
United (includes Continental) [2]	0.6	3	0.6	3	1.0	3	0.5	2	0.5	2	0.5	2	0.6	2
AirTran	-	-	-	-	-	-	-	-	0.3	1	0.3	1	0.3	1
Other less than 1%	1.8	8	1.8	8	2.0	7	2.4	8	1.9	7	1.6	6	1.5	5
Total Enplanements	22.9	100	22.2	100	30.1	100	29.1	100	28.9	100	28.2	100	27.9	100

Source: DFW Airport Finance Department, based on flight activity reports provided by airlines.

[1] As of December 2009, Delta and Northwest Airlines begun operating under a single certificate.

[2] As of November 2011, United and Continental Airlines begun operating under a single certificate.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Table 4 shows monthly enplanements (departures) for each of the past five Fiscal Years and the nine months of Fiscal Year 2014.

Table 4
Total Domestic and International Enplanements
(Unaudited, in thousands)

	2014	2013	2012	2011	2010	2009
October	2,593	2,485	2,497	2,469	2,374	2,389
November	2,353	2,385	2,326	2,312	2,229	2,139
December	2,417	2,435	2,332	2,387	2,313	2,330
January	2,445	2,314	2,173	2,160	2,131	2,078
February	2,214	2,187	2,126	1,939	1,922	1,979
March	2,643	2,555	2,498	2,436	2,401	2,368
April	2,566	2,457	2,321	2,316	2,344	2,305
May	2,760	2,636	2,597	2,438	2,428	2,370
June	2,939	2,766	2,675	2,698	2,605	2,578
July		2,838	2,711	2,775	2,677	2,729
August		2,695	2,583	2,551	2,484	2,488
September		2,375	2,288	2,384	2,280	2,194
Total	22,930	30,128	29,127	28,867	28,188	27,947

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Landed Weights

Table 5 highlights total landed weights by carrier type and airline and cargo tonnage for each of the past five Fiscal Years ended September 30 and the nine months ended June 30, 2014 and 2013. American Airlines (including American Eagle and Executive Airlines) was the Airport's largest carrier representing approximately 74% of total landed weights at the Airport for the Fiscal Year ended September 30, 2013, and the nine months ended June 30, 2014, and 2013.

Table 5
Landed Weights and Cargo Tonnage
(Unaudited, in billions of pounds)

	Nine Months Ended				Fiscal Year Ended, September 30									
	Jun-14		Jun-13		2013		2012		2011		2010		2009	
	Wgt.	%	Wgt.	%	Wgt.	%	Wgt.	%	Wgt.	%	Wgt.	%	Wgt.	%
By Carrier Type														
Domestic Passenger Airlines	25.8	90	25.8	91	35.0	92	32.8	90	32.6	90	32.7	90	32.4	90
International Pass. Airlines	0.6	2	0.4	2	0.6	2	0.6	2	0.7	2	0.7	2	0.7	2
Cargo/Integrator Airlines	2.4	8	2.0	7	2.7	6	3.1	8	3.0	8	2.9	8	3.1	8
Total Landed Weights	28.8	100	28.2	100	38.3	100	36.5	100	36.3	100	36.3	100	36.2	100
By Major Airline														
American	18.8	65	17.8	63	24.5	64	23.6	65	24.4	67	24.5	68	24.0	66
American Eagle (Envoy Air)	2.7	9	2.7	10	4.0	10	3.8	11	3.5	10	3.8	11	4.1	11
US Airways	0.8	3	0.7	3	1.0	3	0.9	3	0.9	3	0.9	2	0.8	2
UPS	0.7	2	0.6	2	0.9	2	0.8	2	0.8	2	0.9	2	1.0	3
Delta (includes Northwest) [1]	1.0	4	1.0	4	1.4	4	0.8	2	0.8	2	0.7	2	0.8	3
Federal Express	0.4	2	0.4	1	0.5	1	0.5	1	0.5	1	0.5	1	0.5	1
United (includes Continental) [2]	0.7	2	0.8	3	1.1	3	0.6	2	0.7	2	0.7	2	0.8	1
AirTran	0.0	0	0.0	0	0.0	0	0.0	0	0.3	1	0.4	1	0.3	1
Other	3.7	12	4.2	14	4.9	13	5.5	15	4.4	12	3.9	11	3.9	12
Total Landed Weights	28.8	100	28.2	100	38.3	100	36.5	100	36.3	100	36.3	100	36.2	100
Cargo Tonnage	511		490		647		660		670		628		626	

Source: DFW Finance Department, based on flight activity reports provided by airlines.

[1] As of December 2009, Delta and Northwest Airlines begun operating under a single certificate.

[2] As of November 2011, United and Continental Airlines begun operating under a single certificate.

RATE SETTING AND FINANCIAL KEY PERFORMANCE INDICATORS

Controlling Documents and Budgetary and Rate Setting Processes

The Cities entered into the Contract and Agreement in 1968 for the purpose of developing and operating the Airport as a joint venture. In addition to the Contract and Agreement, the Airport is governed by several other key documents, including the Master Bond Ordinance and the Use Agreements. Collectively, these documents are called the "Controlling Documents." The Controlling Documents establish the framework for much of DFW's budgeting, rate setting and financial reporting process. See "AIRLINE AGREEMENTS."

Each year, management prepares an annual budget of projected expenditures for the Operating Revenue and Expense Fund (commonly called the "Operating Revenue and Expense"). This budget includes the Airport's projected operating expenses, plus an amount equal to at least 1.25 times the

amount of Accrued Aggregate Debt Service accruing during such Fiscal Year, plus any incremental amount sufficient to maintain a 90-day operating reserve.

The budget also includes airline and tenant revenues (primarily landing fees and terminal rents), non-airline revenues (e.g., parking and concessions) and non-operating revenues (e.g., interest income and PFCs). The revenues and expenses are allocated among three cost centers: Airfield Cost Center, Terminal Cost Center and DFW Cost Center (see "Airline Use Agreement Rate Model" below). Management then uses this information to prepare an annual Schedule of Rates, Fees, and Charges (approved by the Board in September) which is the basis for charging the airlines, tenants, and other airport users for Airport services during the year. For a discussion of the obligations of the Signatory Airlines under the Use Agreements and end of year reconciliations related to overpayments and underpayments by Signatory Airlines see "AIRLINE AGREEMENTS."

Pursuant to the Use Agreements, the Signatory Airlines agree to pay terminal rents and landing fees established pursuant to an allocation formula intended to comply with the Rate Covenant. See "Airline Use Agreement Rate Model" below; "SECURITY FOR THE BONDS–Rate Covenant" and "AIRLINE AGREEMENTS."

The Annual Budget is prepared by management, reviewed with the Signatory Airlines, approved by the Board in August, submitted to the Cities by August 15, and approved by the Cities by September 30 each year. After approval of the Budget, individual budgetary items may be adjusted by Airport management provided the total budget is not exceeded. For additional financial information regarding the Airport please refer to www.dfwairport.com/investors. Information provided by the Airport on its website is not a part of the Cities' continuing disclosure obligations under its Continuing Disclosure Agreement relating to the Bonds. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport's website.

Airline Use Agreement Rate Model

The Use Agreement is a hybrid model whereby the Signatory Airlines pay landing fees and terminal rentals based on the net cost to provide those services, and DFW retains a portion of the net revenues from non-airline business units (e.g., parking) in the DFW Cost Center.

Airline Cost Centers (Airfield and Terminal Cost Centers) – The Airline Cost Centers are "cost recovery" in nature, such that the amount charged to the airlines equals the cost to provide services, after certain adjustments. Landing fees and terminal rental rates are based on the net cost to operate and maintain the airfield and terminals, respectively. DFW charges the direct operating and maintenance costs for the airfield and terminals, plus allocated Department of Public Safety (DPS) and overhead costs, plus debt service, net of Passenger Facility Charges (PFCs), to each cost center; then, subtracts ancillary revenues generated in these cost centers; and credits or charges certain transfers and/or adjustments (see "Reconciliation Adjustments" below). The budgeted landing fee rate is determined by dividing the net cost of the airfield by estimated landed weights. The budgeted average terminal rental rate is determined by dividing the net cost of the Terminal Cost Center by leasable square footage. The Use Agreement requires the Airport to charge an "equalized" terminal rental rate for all five terminals. The amount paid by the airlines for landing fees and terminal rents equals "airline cost," which is a Key Performance Indicator ("KPI") used by DFW Management. Another common industry KPI is "passenger airline cost per enplaned passenger" or CPE. This KPI for passenger airlines is calculated by dividing the amount paid by passenger airlines for landing fees and terminal rents (i.e., airline cost) by the number of enplanements.

DFW Cost Center – All non-airline business units, plus interest income, are included in the DFW Cost Center. The DFW Cost Center is also responsible for all costs associated with the Skylink people mover system per the terms of the Use Agreement. The net revenues from this cost center are transferred to the DFW Capital Account provided the net revenues are not lower than the Lower Threshold or not higher than the Upper Threshold. If either of these occur, then a Threshold or "Reconciliation Adjustment" is required (described below). One of DFW's most important KPIs is Net Revenues from the DFW Cost Center. This measures the profitability of DFW's business units, after adjusting for the cost of Skylink, and drives the amount of cash flow that can be transferred to the DFW Capital Account.

Joint Capital Account - Projects funded from the Joint Capital Account require majority-in-interest (MII) approval by the Signatory Airlines, subject to certain limitations included in the Use Agreement. As part of the Use Agreement, the Signatory Airlines approved $310 million of additional capital projects including $90 million for Terminal D extensions on the north and south end of the terminal and $220 million (net of $52 million of assumed discretionary Airport Improvement Program Grants) of additional projects broken into five categories: airfield; rail, roads and bridges; utilities; parking; and other. Since the Use Agreement was signed, the Signatory Airlines have approved an additional $331 million of capital projects with the most significant being the Terminal A Parking garage. Of the $641 million of non-TRIP projects approved to date, DFW has spent $302.5million (47.1%) and committed an additional $105 million (16.4%) as of December 31, 2013.

The Financial Plan also includes $371 million of projects not yet approved by the Signatory Airlines, the largest of which is two new employee parking garages. Airport management includes these in the Financial Plan because, in their opinion, the Signatory Airlines will ultimately approve them.

Additional projects or increases in project scopes may be added to the Financial Plan in the future. These projects, if approved by the Signatory Airlines, would most likely be funded through the issuance of Additional Obligations.

Coverage Account – The Airport established the Coverage Account as part of the new Use Agreements in order to implement "rolling coverage." It was initially funded from coverage collected in Fiscal Year 2010 (the last year of the old Use Agreement). Each year, the Coverage Account is "rolled" into the Operating Revenue and Expense as a source of revenue, then is transferred back into the Coverage Account as excess revenue at the end of the year. The Coverage Account must equal 25% of aggregate debt service each year. If new debt is issued, each cost center must generate the incremental coverage required to fund 25% of the new debt service. These incremental coverage amounts are collected in the Operating Revenue and Expense through rates and charges during the fiscal year. See "SECURITY FOR THE BONDS–Rate Covenant."

DFW Capital Account – This is DFW's discretionary account and is funded primarily from the Net Revenues of the DFW Cost Center, plus interest income. Supplemental funding for projects paid from the DFW Capital Account comes from grants and the issuance of debt. Funds in this account may be used for any legal purpose without prior airline approval.

Threshold Adjustments – The Use Agreement establishes a Lower Threshold and an Upper Threshold for Net Revenues from the DFW Cost Center. The Upper Threshold limits the amount transferred annually to the DFW Capital Account. The Lower Threshold insures a minimum amount will be transferred to the DFW Capital Account. If DFW Cost Center Net Revenues are budgeted to be less than the Lower Threshold ($42.9 million in Fiscal Year 2014), then an incremental charge (i.e., a Lower Threshold Adjustment) is collected through landing fees in an amount sufficient to achieve the Lower Threshold amount. Conversely, if DFW Cost Center Net Revenues are budgeted to be greater than the Upper Threshold ($64.3 million in Fiscal Year 2014), then 75% of the excess is credited to the Airfield

Cost Center as an Upper Threshold Adjustment. This reduces budgeted landing fees. The remaining 25% may be retained in the DFW Cost Center and transferred to the DFW Capital Account at the end of the Fiscal Year. The benefit of the Lower Threshold Adjustment is that it guarantees that DFW will have a minimum level of cash to transfer to the DFW Capital Account so that DFW can replace assets on a timely basis. Conversely, the Upper Threshold limits the Airport's ability to generate significantly more net revenues and serves to reduce Signatory Airlines' costs as non-airline revenues increase. It also places a limit on DFW's ability to significantly increase its coverage ratios. If the amount of cash unassigned to projects in the DFW Capital Account exceeds the Maximum Threshold ($107.2 million in Fiscal Year 2014) then 50% of such excess will be used to offset landing fees for the next succeeding fiscal year and 50% will be deposited into the Joint Capital Account. The Threshold Amounts are adjusted annually for inflation.

Reconciliation Adjustments – At the end of each Fiscal Year, DFW performs a reconciliation such that the revenues collected equal the actual net cost to operate and maintain the airfield and the terminal. Any difference is either charged or credited to that cost center in the next fiscal year, beginning in January.

Annual Capital Transfer – Per the terms of the Use Agreement, an annual transfer is made from the Joint Capital Account to the Terminal Cost Center to reduce the cost of the terminal to the airlines for a period of years. This transfer was $28 million in Fiscal Year 2011 (first year of new Use Agreement) and $24 million in Fiscal Year 2012. The transfer will be reduced by $4 million each year through Fiscal Year 2017 when it will be eliminated.

DFW Terminal Contribution – Per the terms of the Use Agreement, an annual transfer is made from the DFW Cost Center to the Terminal Cost Center to pay for DFW's share of common use and leasable, but unleased space, in Terminals D and E. This amount was $5.85 million in Fiscal Year 2013.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The following chart is a summary of the current Airline Use Agreement rate model.

Operating Revenue and Expense Fund

Airline Cost Centers

Airfield	Terminal
Expenses	Expenses
Direct Costs	Direct Costs
DPS and Overhead Allocations	DPS and Overhead Allocations
Debt Service (net of PFCs)	Debt Service (net of PFCs)
Less: Misc Airfield Revenues	Less: Misc. Terminal Rentals
General Aviation	Federal Inspection Fees
Fueling Facility Lease	Turn Fees; TSA rentals
	Concessions Reimbursements
+/- Transfers/Adjustments	+/- Transfers/Adjustments
- Lower Threshold Adjustment	+ DFW Terminal Contribution
+ Upper Threshold Adjustment	+ Annual Capital Transfer
+/- True-Up Adjustment	+/- True-Up Adjustment
Net Cost = Landing Fees (KPI)	Net Cost = Terminal Rentals (KPI)

Airline Cost & Airline Cost per Enplanement (KPI)

DFW Cost Centers

DFW
DFW Revenues (Business Units)
Parking, Concessions, RAC, Commercial Development, Employee Transp., Taxis Utilities, and Interest Income
Less: Expenses
Direct Costs
DPS and Overhead Allocations
Debt Service (net of PFCs)
- Transfers/Other
- Skylink Costs
- DFW Terminal Contribution
DFW Cost Center Net Revenues (KPI)
+/- Threshold Adjustments
+/- True-Up Adjustment
Net Revenues to the DFW Capital Account (KPI)

Capital Accounts (Capital Improvement Fund)

Joint Capital Account	Coverage Account	DFW Capital Account
+ Natural Gas Royalties + Sale of Land Proceeds - Annual Capital Transfer to the Terminal Cost Center	Funded from existing coverage, plus coverage from New Debt Service from all three cost centers as debt service increases	Funded annually from DFW CC. Contributions must be higher than "Lower Threshold" and cannot exceed the "Upper Threshold."

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Average Landing Fees and Terminal Rental Rates

Table 6 shows average landing fee rates and average terminal rental rates for the past five fiscal years. An average landing fee rate is used because the Airport makes rate adjustments during the year. Prior to Fiscal Year 2011, the Airport settled annually with the Signatory Airlines as opposed to making interim adjustments.

Terminal rental rates equate to the average cost to operate and maintain the terminals per square foot of leasable space. Under the new Use Agreement, Signatory Airlines that lease space pay a consolidated and equalized terminal rental rate regardless of which terminal they occupy. In the prior Use Agreement, Signatory Airlines paid a myriad of fees and rentals to occupy terminals. Accordingly, there is no comparable cost per square foot for the period Fiscal Year 2010 and prior. However, the new Use Agreement shifted costs from the airfield to the terminals to more closely reflect the cost to maintain and operate these facilities.

Table 6
Average Signatory Landing Fee and Terminal Rentals Rates (Unaudited)

	Fiscal Year Ended September 30				
	2013	2012	2011	2010	2009
Average Landing Fee Rates*					
Final Rates at the True-up	$ 2.72	$ 2.98	$ 2.90	$ 4.49	$ 4.54
Budgeted [(1)]	$ 3.21	$ 3.33	$ 3.11	$ 4.70	$ 4.60
Average Terminal Rental Rates**					
Final Rates at the True-up	$ 115.73	$ 103.30	$ 94.09	n/a	n/a
Budgeted [(1)]	$ 128.13	$ 106.80	$ 94.95	n/a	n/a

* Per 1,000 pounds

** Per square foot, not available prior to Fiscal Year 2011 as terminal costs were calculated differently under old Use Agreement before credits.

Source - DFW Finance Department.

[(1)] For the purposes of Continuing Disclosure, the Budgeted rate is what was formerly called the Interim Rate.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Airline Cost and Passenger Airline Cost Per Enplanement (CPE)

Two of DFW's KPIs are airline cost and passenger airline cost per CPE. Airline cost measures the total payments by the passenger and air cargo carriers primarily for landing fees and terminal rentals. CPE measures the passenger airline (only) payments divided by the number of enplanements. The Airport's goal is to maintain an airline cost and CPE structure competitive with other large major hub airports. The Airport staff provides monthly financial information on its website at www.dfwairport.com/investors. On a quarterly basis, it provides cost per enplanement data. Readers are encouraged to review such information.

Table 7 shows airline cost and CPE on a Final Rate at the True-Up and Interim Rate basis for the last five fiscal years. Airline cost and CPE have been adjusted to reflect rebates paid under the Airport's Air Service Incentive Program ("ASIP") from the DFW Capital Account beginning in Fiscal Year 2011 when DFW began showing these rebates as a reduction in airline cost in the audited financial statements. ASIP payments do not flow through the Operating Revenue and Expense or airline rate base as described above because FAA regulations do not allow ASIP rebates to be included in rate base calculations. ASIP payments prior to Fiscal Year 2011 were not material.

Table 7
Airline Cost and Passenger Airline Cost Per Enplanement (CPE)
(Unaudited)

	Fiscal Year Ended, September 30				
	2013	2012	2011	2010	2009
Airline Cost (millions)*					
Final Rates at the True-up	$ 225.3	$ 200.1	$ 190.5	$ 203.3	$ 213.9
Budgeted [(1)]	$ 243.8	$ 203.4	$ 202.4	$ 216.4	$ 227.6
Cost per Enplanement*					
Final Rates at the True-up	$ 7.20	$ 6.54	$ 6.30	$ 6.74	$ 7.17
Budgeted [(1)]	$ 7.91	$ 6.72	$ 6.73	$ 7.29	$ 7.78

* Includes Air Service Incentive rebates from DFW Capital Account beginning in Fiscal Year 2011.
Source - DFW Finance Department.

[(1)] For the purposes of Continuing Disclosure, the Budgeted Rate is what was formerly called the Interim Rate.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

DFW Cost Center Net Revenues

The DFW Cost Center was created as part of the new Use Agreement. One of the Airport's most important objectives is to grow DFW Cost Center Net Revenues which includes all of the Airport's non-airline business units. The following table provides a summary of the DFW Cost Center for the Fiscal Years ended September 30, 2013, 2012 and 2011 and the nine months ended June 30, 2014 and 2013. The parking, concessions, rental car and commercial development business units are priced to generate net revenues. The remaining business units (grouped as other revenues) include employee transportation, ground transportation, and non-terminal utilities and are priced to break even.

Under the Use Agreement, the DFW Cost Center is also responsible for paying all of the costs associated with the Skylink people mover system and making a contribution to the Terminal Cost Center based on unused leaseable and common use space. The following table highlights the gross margin from the DFW Cost Center before Skylink costs and the Terminal Contribution (see "RATE SETTING AND FINANCIAL KEY PERFORMANCE INDICATORS–Airline Use Agreement Rate Model").

	9 Months Ended 06/30		Fiscal Year Ended		
	2014	2013	30-Sep-13	30-Sep-12	30-Sep-11
Revenues*					
Parking	$ 90.7	$ 85.4	$ 116.1	$ 110.8	$ 107.5
Concessions	51.1	46.9	63.8	56.0	53.1
Rental Car	24.2	22.9	31.4	27.8	27.7
Commercial Development	28.5	26.4	36.6	34.5	36.5
Other Revenues	24.8	22.5	30.0	28.7	25.3
Total Revenues	219.3	204.1	277.8	257.8	250.1
DFW CC Expenditures					
Operating Expenses	(80.9)	(76.2)	(116.6)	(114.8)	(112.5)
Debt Service, net of PFCs	(25.3)	(22.3)	(36.2)	(30.7)	(28.7)
Total Expenditures	(106.2)	(98.5)	(152.8)	(145.5)	(141.2)
Gross Margin - DFW Cost Center	113.1	105.6	125.0	112.3	108.9
Less Transfers and Skylink					
DFW Terminal Contribution	(5.3)	(5.9)	(5.9)	(14.2)	(14.1)
Skylink Costs	(28.1)	(25.5)	(22.4)	(21.4)	(23.0)
Net Revenues from DFW Cost Center	$ 79.7	$ 74.2	$ 96.7	$ 76.7	$ 71.8

* Revenue classifications based on Use Agreement

NON-AIRLINE BUSINESS UNITS INFORMATION

This Section of the Official Statement provides a summary of DFW's most significant revenue producing non-airline business units (i.e., parking, concessions, rental car, commercial development, natural gas, and the Public Facility Improvement Corporation) and their key operating and financial performance metrics. Parking, concessions, rental car, and commercial development are part of the DFW Cost Center and are priced to generate net revenues. The amounts provided in this Section of the Official Statement are unaudited. Airport staff provides monthly updates to the information in many of the below tables. Readers are directed to http://dfwairport.com/investors for such updates.

Parking

The Airport manages its own parking operations. Parking is the largest source of non-airline operating revenue at the Airport totaling $116.1 million or 19.9% of total Gross Revenues in Fiscal Year 2013.

The Table below highlights DFW's parking products, spaces and parking rates.

DFW Parking Space and Rate Summary

Parking Products	No. of Parking Spaces	Spaces Closed for Renovation	Spaces Available	Post TRIP Renovation Spaces*	Daily Parking Rate (includes sales tax)
Terminal lots					$18 toll tag; $20 cash or credit card
A (1 structures)	4,718		4,718	7,700	↓
B (3 structures)	3,524	(860)	2,664	3,524	↓
C (4 structures)	5,781	-	5,781	5,781	↓
D (1 structure)	7,796	(1,300)	6,496	7,796	↓
E (3 structures)	4,050	-	4,050	5,685	↓
Infield (uncovered)	1,842	(1,202)	640	1,605	↓
Total Terminals	27,711	(3,362)	24,349	32,091	↓
Express lots	8,466	-	8,466	8,466	$11 uncovered; $13 covered
Remote lots	4,871	-	4,871	4,871	$9 uncovered
Valet	n/a	n/a	n/a	n/a	$27 (uses existing parking facilities)
Intra-day	n/a	n/a	n/a	n/a	$5 to $7 (2 hours to 6 hours)
Meeter-Greeter	n/a	n/a	n/a	n/a	$1 toll tag; $2 cash (30 minutes-2 hours)
Drop-off	n/a	n/a	n/a	n/a	$1 toll tag; $2 cash (8-30 minutes)
Pass-throughs	n/a	n/a	n/a	n/a	$1 toll tag; $2 cash (0-8 minutes)
Total Public Spaces	41,048	(3,362)	37,686	45,428	
Employee Parking	8,784	-	8,784	8,784	

* Included in FY 2012 Financial Plan

The Airport is closing and renovating sections of the parking garages as it implements TRIP. One section of the parking garages in Terminal A, B and E will be closed at one time through Fiscal Year 2015. Airport management believes that there is sufficient remaining terminal, express, and valet capacity to maintain parking revenues despite these closures.

The Airport's Financial Plan includes two major parking garage reconstruction projects to meet projected future parking demand. The first is the Terminal A parking garage which has three structures. Each structure will be demolished and rebuilt into one new structure concurrent with the terminal Section renovations in TRIP. The estimated cost of this new parking garage is approximately

$199 million. It will have a capacity of approximately 7,700 spaces and includes various customer service enhancements such as elevators and a parking guidance system. The second parking project is the Terminal E parking garage at an estimated cost of $160 million for two sections sequenced with the Terminal E TRIP construction. The Terminal E parking garage will have a capacity of approximately 5,700 spaces and will include various customer service enhancements including elevators and a parking guidance system. Other minor parking expansion projects include the expansion of more than 3,000 covered revenue parking spaces at the North Express Parking lot. This North Express covered parking expansion is currently in process and will be completed in two additional phases as demand warrants. All three phases are estimated to cost approximately $37.6 million. Additionally, there are plans to expand employee surface parking for approximately $37.6 million. The Terminal E parking garage reconstruction, the two outer year phases of the North Express Parking expansion, and the employee surface parking structure projects would require approval by the Signatory Airlines.

Table 8 highlights key parking financial and operational information for the past five fiscal years and the nine months ended June 30, 2014 and 2013.

Table 8
Dallas/Fort Worth International Airport
Summary of Key Parking Financial and Operational Information (Unaudited)

	Nine Months Ended		Fiscal Year Ended, September 30				
	Jun-14	Jun-13	2013	2012	2011	2010	2009
Parking Revenues (Ms)							
Terminal/Infield	$ 53.8	$ 52.6	$ 71.7	$ 69.6	$ 71.2	$ 64.8	$ 63.1
Express/Remote	20.8	18.8	26.0	22.9	21.8	20.7	18.1
Drop Off/Meeter-Greeter	8.9	6.4	8.6	8.6	8.6	8.3	8.4
Pass-Through	1.8	1.7	2.3	4.0	3.4	2.6	2.3
Other	5.4	5.9	7.5	5.7	2.2	1.1	0.8
Total Revenues	$ 90.7	$ 85.4	$ 116.1	$ 110.8	$ 107.2	$ 97.3	$ 92.7
Parking Transactions (Ms)							
Terminal/Infield	1.38	1.57	2.04	1.80	1.97	1.88	1.92
Express/Remote	0.50	0.44	0.64	0.65	0.63	0.61	0.56
Drop Off/Meeter-Greeter	6.24	5.34	6.69	7.58	7.57	6.94	6.97
Pass-Through	1.44	1.44	1.68	3.23	3.08	2.41	2.19
Total Transactions	9.56	8.80	11.06	13.26	13.25	11.84	11.64
Average Length of Stay (Days)							
Terminal	2.09	1.75	1.83	2.09	1.93	2.03	1.95
Infield	-	-	-	-	-	-	1.98
Express	3.91	4.16	4.19	3.60	3.64	3.69	4.28
Remote	4.26	4.44	4.07	4.00	3.81	3.70	3.76
Weighted Average	2.61	2.31	2.38	2.50	2.37	2.44	2.40
Parking Rev/Originating Pax*	$ 8.92	$ 8.68	$ 7.98	$ 7.75	$ 8.02	$ 7.91	$ 7.46

* Does not include Pass-throughs

Source: DFW Finance and Parking Departments

The increase in parking revenues for Fiscal Year 2013 compared to the same period in Fiscal Year 2012 was primarily due to higher transaction volumes in the Valet, Terminal and Express products.

In addition to revenues from on-airport parking, there are nine off-airport parking providers (six self-park and three dedicated valets) which pay a 10% fee to the Airport for access to the Airport. The off-

airport operators report their gross revenues to the Airport on a monthly basis. Total off-airport sales volume, including off-airport valet providers, was approximately $29.6 million in Fiscal Year 2013.

Terminal Concessions

Terminal concessions primarily consist of food and beverage, retail and duty free, advertising, and customer service/amenities. Concessions agreements generally are for a term of 5 to 10 years and include a minimum annual guarantee ("MAG") and percentage rent. The Airport occasionally combines several concessions locations into one concessions package. As of December 31, 2013, the Airport had 223 total locations. The number of concession locations will vary over the next few years as concessions are closed and opened in conjunction with TRIP construction.

Table 9 highlights key terminal concessions financial and operational data for the past five fiscal years and the nine months ended June 30, 2014 and 2013.

Table 9
Dallas/Fort Worth International Airport
Summary of Key Terminal and Non-Terminal Concessions
Financial and Operational Information
(Unaudited)

	Nine Months Ended		Fiscal Year Ended, September 30				
	Jun-14	Jun-13	2013	2012	2011	2010	2009
Number of concessions locations	218	201	226	207	243	214	214
Leased sq. ft. EOY (000s)	225	226	254	223	241	231	229
Concessions Sales-Terminal (Ms):							
Food and beverage	$ 149.6	$ 136.7	$ 184.6	$ 171.4	$ 165.9	$ 150.2	$ 141.5
Retail and duty free	81.8	81.5	111.0	103.8	101.1	92.1	88.8
Other In Terminal	17.8	16.8	23.3	19.7	28.3	25.3	22.8
Total concessions sales	$ 249.2	$ 235.0	$ 318.9	$ 294.9	$ 295.3	$ 267.6	$ 253.1
Concessions sales/enplanement	$ 10.87	$ 10.58	$ 10.59	$ 10.12	$ 10.23	$ 9.49	$ 9.06
Concession sales/sq. ft.	$ 1,479	$ 1,388	$ 1,254	$ 1,320	$ 1,224	$ 1,159	$ 1,105
Concessions Income to DFW-Terminal (Ms):							
Food and beverage	$ 19.0	$ 17.7	$ 24.0	$ 21.5	$ 20.6	$ 19.6	$ 17.8
Retail and duty free	13.5	13.4	17.8	17.2	17.2	15.1	15.0
Other In Terminal	17.3	14.8	20.4	20.7	13.8	13.9	13.4
Income-Terminal Subtotal	$ 49.9	$ 45.9	$ 62.2	$ 59.4	$ 51.6	$ 48.6	$ 46.2
Concessions income/enplanement	$ 2.18	$ 3.29	$ 2.07	$ 2.04	$ 1.79	$ 1.73	$ 1.65
Concessions income/sq. ft.	$ 296	$ 271	$ 245	$ 266	$ 214	$ 211	$ 202
Concessions - Not In Terminal*	4.5	4.3	6.0	6.3	5.9	2.6	2.6
Total Concessions income to DFW	$ 54.4	$ 50.2	$ 68.2	$ 65.7	$ 57.5	$ 51.2	$ 48.8

Source: DFW Finance and Concessions Departments, from concessionaire on-line reporting.

* Non-passenger/non-terminal income. Includes reimbursable services. Not included in ratios.

The overall trend of increasing concessions sales per enplanement is primarily due to the Airport's use of market and industry research to identify customer preferences and patterns, thereby improving the mix of food and beverage, retail, and service options for passengers. The Airport has also been successful in increasing advertising revenue by introducing additional advertising opportunities, such as large format and attended advertising displays.

Additionally, as part of the TRIP construction phasing, the Airport is redesigning concessions spaces and locating them into strategic zones, such as near gate lounges and security checkpoints. To date, the Airport has selected new concessions packages for all of Terminal A and approximately 67% of Terminals B and E. Beginning in Fiscal Year 2011 and extending through Fiscal Year 2012, DFW closed approximately one-third of Terminal A for TRIP construction. The net impact on concession sales and income was positive due to the ability of existing operators to absorb the increased demand. Management does not expect there to be a negative impact on concessions revenues as a result of upcoming TRIP construction phasing based on the Terminal A model and because new concessions will open with concepts that better match customer profiles and preferences.

Rental Cars

The consolidated rental car facility located at the airport ("RAC") covers 145 acres and includes a common rental building with individual counters and back office space for each rental car company, a parking garage for ready and return car spaces, a bus maintenance facility, maintenance bays and fueling systems. The Airport collects ground lease, percentage rent, and O&M expenses from the rental car companies, all of which have historically exceeded the operating costs of the RAC.

There are six (6) rental car companies with eleven (11) brands operating from the RAC, with a total available inventory of approximately 25,000 cars. The largest three rental car companies and their market share are Hertz (37%), Avis (30%), and Vanguard (30%) as of September 30, 2013. There are no major off-airport rental car companies competing with the Airport.

Table 10 highlights key terminal rental car financial and operational data for the past five fiscal years and the nine months ended June 30, 2014 and 2013. The shifts in rental car sales are the result of changes in the overall United States economy and destination passengers.

Table 10
Dallas/Fort Worth International Airport
Summary of Key Rental Car Financial and Operational Information (Unaudited)

	Nine Months Ended		Fiscal Year Ended, September 30				
	Jun-14	Jun-13	2013	2012	2011	2010	2009
Transaction days (millions)	3.9	3.8	5.0	4.9	4.9	4.2	4.1
Rental car sales (millions)	$ 203.0	$ 193.6	$ 256.9	$ 240.5	$ 236.9	$ 217.1	$ 217.5
Income to DFW (millions)	$ 24.2	$ 22.9	$ 31.4	$ 27.7	$ 27.7	$ 25.7	$ 25.7
Income/destination passenger	$ 2.56	$ 2.52	$ 2.56	$ 2.32	$ 2.37	$ 2.31	$ 2.31

Source: DFW Finance and Concessions Departments, from rental car companies self reporting.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Commercial Development

The Airport has a total landmass of 17,207 acres. As of September 30, 2013, 8,179 acres have been developed and are being used for runways, taxiways, terminals, roads, and commercially developed property. Management estimates that approximately 4,839 acres of additional land is available for future development. A commercial development land use plan has been completed and approved by the Board. The Airport focuses primarily on developing land that has airport synergy such as logistics and warehousing.

Commercial Development revenues include ground leases, foreign trade zone tariff, facility rents generated from non-terminal Airport facilities, as well as property and surface use fees resulting from natural gas drilling and compensation related to appraised damages to remaining property and improvements when conveying land interests. Multi-year lease agreements are negotiated with tenants on a square foot or acre basis. Some leases such as the Hyatt Regency Hotel and Bear Creek Golf Course also have percentage rent components based on revenues.

The Airport has a 2,500-acre Foreign Trade Zone ("FTZ") permitting companies with facilities thereon to avoid or defer payment of custom duties.

Table 11 highlights key commercial development financial and operational information for the past five fiscal years and the nine months ended June 30, 2014 and 2013. The Airport currently has revenue-producing ground leases with 69 tenants for 1,247 acres of land. Approximately 40% of this land is leased under negotiated terms with the remainder being (primarily those with airfield access) leased at the Airport Services Rate ("ASR"). The calculation of the ASR is defined in the Use Agreements. The calculation in the Use Agreements prior to October 1, 2010, was total airport service costs (e.g., administrative costs, police, and fire) divided by developed acres. Thus, when the Airport reduced its airport service cost budget or the number of developed acres increased (e.g., for the Southeast perimeter taxiway), the ASR decreased. The ASR was changed in the new Use Agreements to be $25,000 per acre in Fiscal Year 2011 with annual inflation adjustments thereafter. The largest three Airport tenants from a revenue perspective are: American Airlines (32%), GTE Realty Corporation (8%), and UPS (7%).

Table 11
Summary of Key Commercial Development Financial and Operational Information
(Unaudited)

	Nine Months Ended		Fiscal Year Ended, September 30				
	Jun-14	Jun-13	2013	2012	2011	2010	2009
Ground Lease Revs. (millions)	$ 26.7	$25.8	$ 34.3	$ 33.5	$ 33.2	$ 28.0	$ 26.1
Acres Leased (end of period)	1,284	1,229	1,247	1,166	1,166	1,165	1,152
Average Lease Rate per Acre	-	-	$ 27,502	$ 28,737	$ 28,494	$ 24,032	$ 22,672

Source: DFW Finance and Commercial Development Departments.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Natural Gas

On October 6, 2006, the Board signed an agreement (the "Lease") with Chesapeake Energy Company ("Chesapeake") to begin natural gas exploration and extraction at the Airport. The Lease required payment of an upfront fee ("bonus") and a percentage of revenue ("royalty") for the right to explore and extract natural gas at the Airport. Chesapeake paid a bonus of $185.6 million to the Airport which was recognized for accounting purposes in Fiscal Year 2007 and Fiscal Year 2008. The Lease requires Chesapeake to pay an ongoing royalty fee of 25% of gross natural gas revenues.

Bonuses and royalty payments are not Gross Revenues of the Airport. They are treated as proceeds from the sale of Airport property and are deposited into the Capital Improvements Fund. Chesapeake also pays surface use and other fees to the Airport on an ongoing basis to manage the extraction and transportation of natural gas on and through the Airport. Such surface use and other fees are classified as Gross Revenues of the Airport.

Table 12 highlights key natural gas financial and operational information for the past five fiscal years and the nine months ended June 30, 2014 and 2013. Natural gas revenues have declined over the last four years primarily due to lower market prices for natural gas and declining production at existing wells (which is normal without refracking). The lower prices have caused Chesapeake to stop drilling new wells at this time. It is uncertain when or if new wells will be drilled in the future.

Table 12
Dallas/Fort Worth International Airport
Summary of Key Natural Gas Financial and Operational Information
(Unaudited)

	Nine Months Ended		Fiscal Year Ended, September 30				
	Jun-14	Jun-13	2013	2012	2011	2010	2009
Revenues (millions)							
Royalties	$ 4.8	$ 4.7	$ 6.2	$ 7.7	$ 16.2	$ 23.8	$ 23.4
Surface use and other revenues	1.8	0.6	2.3	1.0	3.9	1.7	2.8
Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Natural Gas Revenues	$ 6.6	$ 5.3	$ 8.5	$ 8.7	$ 20.1	$ 25.5	$ 26.2
Operational Information							
Wells in production	98	98	98	98	102	102	101
Production (MMcf)	5.1	6.0	7.8	9.8	12.5	23.2	24.7
Average price paid to DFW	$ 3.83	$ 3.15	$ 3.19	$ 2.10	$ 3.82	$ 4.01	$ 3.57

Source: DFW Finance and Commercial Development Departments, production data from Chesapeake Energy.

The Airport obtained an appraisal from DeGolyer and MacNaughton as of July 31, 2010, of the extent and value of the proved and probable natural gas reserves of royalty interests in the Airport property. Estimates of the possible gas reserves were also included. The proved, probable, and possible reserves presented by DeGolyer and MacNaughton were prepared in accordance with the Petroleum Resources Management System ("PRMS") as approved March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. The appraisal identified 61,533 MMcf of proved reserves, 13,935 MMcf of probable reserves, and 51,526 MMcf of possible reserves. The valuation of these reserves is dependent on the market price at the time the gas is produced.

Public Facility Improvement Corporation

The Public Facility Improvement Corporation ("PFIC") was created in 2001 for the purpose of financing, planning, constructing, equipping, owning, renovating, repairing, improving, maintaining and/or operating one or more facilities within the boundaries of the Airport. The revenues and costs of PFIC projects are separate from the DFW Cost Center and the Airport's Operating Revenue and Expense, and therefore, not shared with the Airlines. Except as described below, the revenues of the PFIC are not Gross Revenues of the Airport. There are currently three approved PFIC projects: the Grand Hyatt Hotel, the Rental Car Facility and a proposed Hyatt Place Hotel. Management expects that the Airport will request the Cities to approve additional projects for the PFIC in the future.

Grand Hyatt Hotel. The Grand Hyatt Hotel is a 298-room hotel located in Terminal D that opened in Fiscal Year 2005. The hotel is owned by the Airport and leased to the PFIC which is responsible for hotel management. The PFIC has signed an agreement with the Hyatt International Corporation to provide the day-to-day management of hotel operations.

The PFIC issued approximately $70 million Public Facility Improvement Corporation Airport Hotel Revenue Bonds, Series 2001 to construct the Grand Hyatt Hotel. Since the opening of the hotel, Grand Hyatt net revenues have been used to pay debt service on these bonds and for capital improvements to the Hotel. In 2012, the Series 2001 Bonds were refunded by the Dallas/Fort Worth International Airport Joint Revenue Refunding and Refunding Bonds, Series 2012C. In consideration for the Board issuing the Series 2012C Bonds, the PFIC entered into a Financing Agreement whereby the PFIC will deposit, to the extent available, an amount sufficient to pay that portion of the debt service and coverage requirement attributable to the refunding of the Series 2001 Bonds. Although the net revenues of the Grand Hyatt are not Gross Revenues of the Airport and are not pledged to the payment of debt service on the Bonds, amounts transferred to the Board to pay for debt service and coverage, once received by the Board and deposited to the Operating Revenue and Expense Fund become part of the Pledged Funds of the Airport.

Rental Car Facility ("RAC"): In 1998 and 1999, DFW's Facility Improvement Corporation ("FIC") issued approximately $160 million of taxable bonds (the "FIC Bonds") to construct a consolidated rental car facility, referred to as the "RAC." The FIC Bonds were secured by the collection of a Customer Facility Charge (the "CFC") by the rental car companies. The FIC Bonds were defeased with the proceeds of the Dallas/Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011A. In consideration for the Board issuing the Series 2011A Bonds, the FIC entered into a Financing Agreement whereby the FIC will deposit, to the extent available, an amount sufficient to pay that portion of the debt service and Coverage attributable to the 2011A Bonds. The CFC is currently $4.00 per transaction day and may be changed at any time as necessary to ensure the payment of debt service. The CFC is also used to make capital facility improvements to the RAC and to purchase buses.

During Fiscal Year 2012 the Cities authorized the assignment of the FIC's assets, obligations and responsibilities, with respect to the RAC to the PFIC. Although the revenues from the CFC are not Gross Revenues of the Airport and are not pledged to the payment of debt service on the Bonds, amounts transferred to the Board to pay for debt service and coverage on the 2011A Bonds, once received by the Board and deposited to the Operating Revenue and Expense Fund, become part of the Pledged Funds of the Airport.

Hyatt Place Hotel. During 2012 the Cities authorized the Hyatt Place Hotel as an approved PFIC project. A feasibility study has been completed on the Hyatt Place Hotel and the Board has approved a development agreement to begin the hotel's construction. The current estimated cost for construction of the Hyatt Place Hotel is approximately $23 million, which management anticipates funding from

available and unrestricted cash in the PFIC. The Hyatt Place Hotel is expected to be completed in mid to late 2015. The net revenues of the Hyatt Place Hotel are not Gross Revenues of the Airport and are not pledged to the payment of debt service on the Bonds.

As of March 31, 2014, the PFIC had unrestricted available cash and investments of approximately $68 million.

Table 13 highlights the combined cash flows from operations and debt service coverage for the Grand Hyatt and RAC business assuming both entities were part of the PFIC in Fiscal Year 2013.

Table 13
Actual/Proforma PFIC Cash Flows and Coverage
Fiscal Year Ended September 30, 2013
(Unaudited)

	Grand Hyatt	RAC - CFC	Total
Revenues	$ 31.0	$ 20.2	$ 51.2
Less:			
Expenses	21.9	-	21.9
Net Available for Debt Service	9.1	20.2	29.3
Debt Service	$ 4.0	$ 15.6	$ 19.6
Coverage Ratio	2.27	1.29	1.48

CAPITAL PROJECTS

Terminal Renewal and Improvement Program (TRIP)

DFW's most significant current capital project is TRIP which renovates and updates DFW's four older terminals (A, B, C and E) between 2011 and 2020. The planning, programming, and schematic design of the TRIP was developed jointly by the Airport and the Signatory Airlines. The Signatory Airlines preapproved the $1.92 billion TRIP budget and the bond financing of the project as part of the Use Agreement that became effective October 1, 2010. Approximately two-thirds of the TRIP budget replaces aging terminal building systems such as electrical, plumbing, heating and cooling, security, fire safety, conveyances, telecommunications, lighting, and information technology systems. The majority of the remaining budget upgrades ticket halls, reconfigures TSA security checkpoints, replaces certain baggage systems, and develops concessions villages. The TRIP also includes modest improvements to the terminal exteriors, entrances and parking structures.

Renovation of each terminal will be completed in phases (i.e., each terminal has three or four major phases with sub-phases to ensure on-going flight activity) with renovation of each phase lasting approximately 12-18 months (see construction schedule below). The Airport currently has sufficient terminal capacity to renovate up to one section of three different terminals at one time without adversely impacting flight operations activity. However, only one section of Terminals A and C may be closed at one time to accommodate American Airlines projected flight activity.

Any portion of the TRIP described below may be expanded, modified, reduced or eliminated, at the discretion of the Airport or the Signatory Airlines, with approvals from the other party as provided in

the Use Agreements. Subsequent to signing the Use Agreement, the Signatory Airlines approved approximately $123 million of scope additions for projects such as Terminal B baggage handling system, terminal window replacement, terminal vault replacement, and changes to ticketing areas. As a result, of these actions the TRIP budget was increased to $2.045 billion.

In July 2014, Airport Management and the Signatory Airlines reached an agreement on a new TRIP budget. The new budget for the four terminals will be $2.697 billion, an increase of $652 million. This includes $176 million for new scope additions, including $100 million to add back four gates in Terminal C that were planned to be demolished. It also includes $476 million to cover a two year schedule extension for the full project, increased construction costs due to DFW market conditions, asbestos abatement, and incremental design and construction management costs. These increases will be financed with the issuance of Additional Obligations. Financing for $269 million of the cost increases for Terminals A, B and E was included in the accompanying Report of Airport Consultant; however, the remaining $383 million in cost increases have not been included in the Report of Airport Consultant.

The following table sets out the current TRIP Budget, including the increases described above:

Terminal Renewal and Improvement Program (TRIP)
Level 1 Budget - in Millions

	Prior Budget	Budget Modifications	Revised Budget	Incurred to Date	Future Spend
Terminal A	$ 519.0	$ 130.6	$ 649.6	$ 382.9	$ 266.7
Terminal B	451.0	100.4	551.4	223.3	328.1
Terminal C	519.0	291.4	810.4	57.2	753.2
Terminal D	556.4	129.1	685.5	232.3	453.2
Total	$ 2,045.4	$ 651.5	$2,696.9	$ 895.7	$ 1,801.2

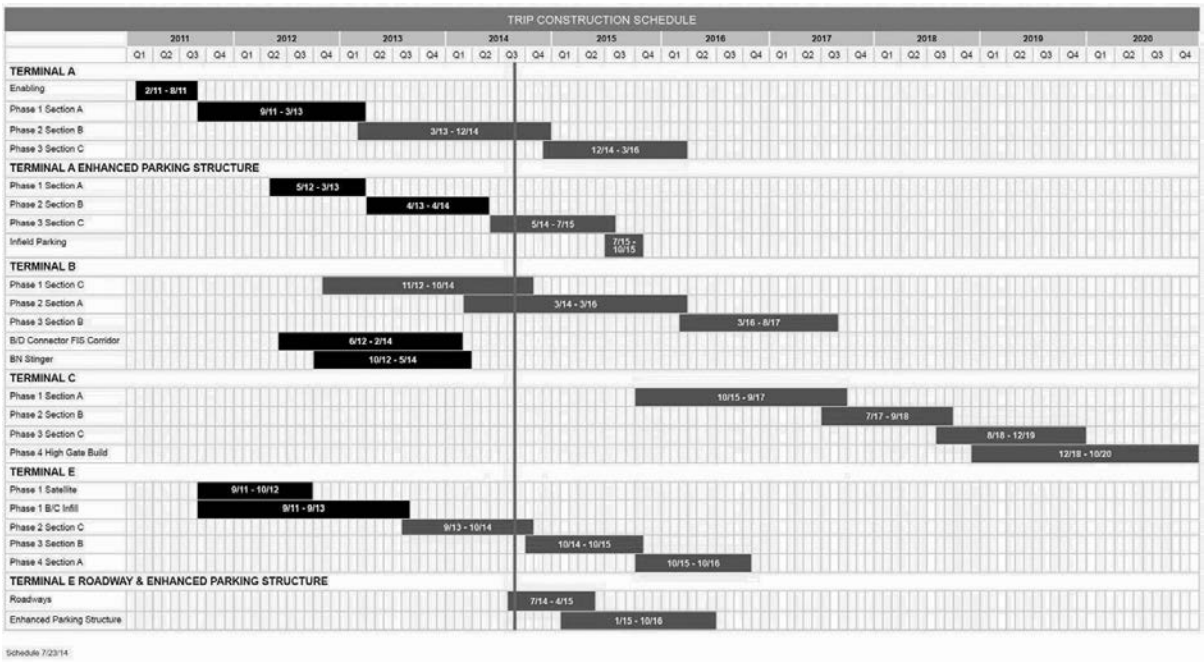
Although it is the current belief of Airport Management and the Signatory Airlines that TRIP as currently scoped can be completed within the revised budget and within the new schedule (which generally extends the completion dates two years from the original projections), there can be no assurance that the Signatory Airlines will not request additional scope be added to the project or that construction market conditions will remain at levels estimated in the revised budget. American Airlines has decided to defer any decision on the Terminal C garage into the future.

Airport management and the Board receive regular reports regarding the present status of the TRIP budget and schedule from the Airport's Vice President-Airport Development, who oversees and receives regular reports from each of the managers for the various TRIP components and other large capital projects such as parking garages. These reports detail the current status of each component of the TRIP and include such information as costs to date, percentages of completion, estimates to complete, and contingency used and available.

Projecting the cost of a long-term capital improvement program such as the TRIP is subject to many variables, and inevitably, any budget for such a program must be updated periodically to reflect current conditions. As described above, the budget for the TRIP has been updated to reflect projected increases in cost, which information is posted periodically to the Airport's web site. In view of the foregoing, unless the TRIP budget experiences an increase or decrease that, in the opinion of Airport

management will materially affect the Airport's operations or financial condition, budget updates will be reported only on a periodic basis on the Airport's web site: http://www.dfwairport.com/investors.

Due to the complexity of the renovation work, unforeseen site conditions, and the need to keep airline gates operational due to the growth of air service, the TRIP schedule is subject to change and updated on a regular basis. The following table reflects the current schedule for completion of the TRIP:



Airport Improvement Program (Other Projects, Excluding TRIP)

Fiscal Year 214 Financial Plan - DFW publishes a long-term Financial Plan on an annual basis, usually in January. The Financial Plan includes a detailed list of capital projects that were planned at that time to be funded from either the Joint Capital Account or the DFW Capital Account through Fiscal Year 2020. A copy of the 2014 Financial Plan may be review on the Airport's website: www.dfwairport.com/investors.

Joint Capital Account - Projects funded from the Joint Capital Account require majority-in-interest ("MII") approval by the Signatory Airlines, subject to certain limitations included in the Use Agreement. As part of the Use Agreement, the Signatory Airlines approved $310 million of additional capital projects including $90 million for Terminal D extensions on the north and south end of the terminal and $220 million (net of $52 million of assumed discretionary Airport Improvement Program Grants) of additional projects broken into five categories: airfield; rail, roads and bridges; utilities; parking; and other. Since the Use Agreement was signed, the Signatory Airlines have approved an additional $388 million of capital projects with the most significant being the Terminal A Parking garage. Of the $698 million of non-TRIP projects approved to date, DFW has spent $386 million (55.3%) and committed an additional $244 million (35%) as of June 30, 2014.

The Financial Plan also includes $371 million of projects not yet approved by the Signatory Airlines, the largest of which is two new employee parking garages. Airport management includes these in the Financial Plan because, in their opinion, the Signatory Airlines will ultimately approve them.

DFW Management and the Signatory Airlines are continuously looking into the future to identify projects that may be necessary for the Airport. Accordingly, additional projects or increases in project scopes may be added in the future including additional parking or terminal facilities. These projects, if approved by the Signatory Airlines, would most likely be funded through the issuance of Additional Obligations.

DFW Capital Account - The Use Agreement provides that net revenues from the DFW Cost Center be deposited into the DFW Capital Account. (See "SECURITY FOR THE BONDS–Funds and Flow of Funds–Current Disposition of Capital Improvements Fund Amounts" for a discussion on the limitations of the amount of net revenues that may flow into the DFW Capital Account). Per the Fiscal Year 2014 Financial Plan, the DFW Cost Center will generate net revenues sufficient to transfer between $70 and $100 million of net revenues annually to the DFW Capital Account through Fiscal Year 2020. These proceeds are expected to be used to fund non-TRIP renewal and replacement projects on the Airport; however, the proceeds of the DFW Capital Account may be used for any lawful purpose, subject to limitations defined in the Use Agreement. The Airport plans to use the funds for program renewals and replacements annually as part of its budget process. These projects will be funded primarily from existing cash balances and incremental proceeds from the DFW Cost Center.

The Use Agreement provides the Airport the right to issue bonds to finance certain DFW Cost Center projects, provided the cost of the debt service is repaid by the DFW Cost Center. The Financial Plan includes the assumption that DFW will issue up to approximately $179 million of Additional Obligations to finance projects that will allow further commercial development and a new two-Section parking garage in Terminal E.

DFW has entered into an agreement with American Airlines as part of its assumption of its leases of nonresidential real estate, including the Use Agreement in its Chapter 11 bankruptcy proceeding in 2012, to make up to approximately $63 million in improvements to facilities and hangers leased by American Airlines. These projects will be funded with Additional Obligations which will be primarily repaid through incremental lease rates over time.

CASH AND DEBT FINANCING

Unrestricted and Restricted Cash and Investment Balances

The Airport's Master Bond Ordinance requires the Airport to reserve certain funds for designated purposes. These funds are classified as restricted. The remaining cash and investments are available for any legal purpose (including repayment of debt) and are classified as unrestricted. Table 14 reflects restricted and unrestricted cash balances by primary source and the number of days of unrestricted cash available to pay operating expenses as of the end of each of the last five fiscal years and the nine months ended June 30, 2014 and 2013.

Table 14
Dallas/Fort Worth International Airport
Cash and Investment Balances (Unaudited, in millions)

	As of June 30		As of September 30 (fiscal year end)				
	2014	2013	2013	2012	2011	2010	2009
Unrestricted Cash and Investments							
Operating revenue and expense fund	$268	$266	$214	$202	$191	$164	$188
Capital improvement fund	364	352	407	400	353	400	432
PFIC	72	62	66	59	29	-	-
Total unrestricted cash/investments	704	680	686	661	573	564	620
Restricted Cash and Investments							
Passenger facility charges	17	14	11	32	61	84	95
Bond/construction funds	1,521	1,548	1,631	593	199	6	18
Debt Service Fund	104	107	186	145	122	113	103
Debt Service Reserve Fund	301	273	287	170	167	167	168
PFIC	12	13	9	12	37	80	87
Other	4	4	5	10	3	5	7
Total restricted cash/investments	1,959	1,958	2,128	962	588	455	478
Total DFW cash/investments	2,663	2,638	2,815	1,623	1,161	1,019	1,098
Operating Expenses	$ 275	$ 261	$ 410	$ 363	$ 352	$ 333	$ 342
Unrestricted Cash/Ops Exps - Days	700	711	611	663	594	619	662

Source: DFW Airport Finance Department records.

Unrestricted Cash. The cash and investments (collectively called "cash" in this subsection) in the Operating Revenue and Expense Fund includes a 90-day operating reserve, the rolling coverage amount (equal to 25% of Accrued Aggregate Debt Service), plus any positive cash flow from operations and balance sheet management. The Capital Improvements Fund ("CIF") consists of the Joint Capital Account, Rolling Coverage Account and the DFW Capital Account. The cash in these funds is classified as unrestricted because it can be used for any lawful purpose. PFIC cash relates to unrestricted cash and investments included in the PFIC from the Grand Hyatt Hotel and Customer Facility Charge ("CFC") collections for the Rental Car Facility. Prior to Fiscal Year 2012, PFIC cash was classified as restricted due to trust indentures relating to outstanding debt. Since the PFIC and FIC debt has been refunded, unreserved PFIC cash is classified as unrestricted. (See "NON-AIRLINE BUSINESS UNITS–Public Facility Improvement Corporation" and "–Restricted Cash" discussion below).

Restricted Cash. Restricted cash includes the Passenger Facility Charge ("PFC") Fund, Bond/Construction Fund, Debt Service and Debt Service Reserve Funds, and certain PFIC/FIC cash accounts. PFCs are restricted to the stated use per the terms of the respective PFC application (see "PASSENGER FACILITY CHARGES"). Bond/Construction Funds are reserved for projects listed in the bond documents. Debt Service and Debt Service Reserve Funds are restricted to the repayment and/or security of outstanding debt (see "SECURITY FOR THE BONDS-Funds and Flow of Funds"). PFIC/FIC cash was restricted prior to Fiscal Year 2012 due to the trust indentures related to outstanding debt. Beginning in Fiscal Year 2012, restricted PFIC cash relates to required reserves for the Grand Hyatt Hotel and RAC Customer Transportation Charges collected but unspent. The FIC no longer has cash because the cash was transferred to the PFIC during Fiscal Year 2012 (see "NON-AIRLINE BUSINESS UNITS–Public Facility Improvement Corporation").

Joint Revenue Bond Debt Service Requirement

Table 15 is a summary of debt service requirements for all Outstanding Obligations including the Bonds.

Table 15
Joint Revenue Debt Service Requirements[1]

12 Months Ending	Series 2014E Bonds Principal	Series 2014E Bonds Interest	Series 2014E Bonds Total	Outstanding Obligations	Capitalized Interest	Total Debt Service Outstanding
11/1/2014				$ 234,859,379	$ (46,549,968)	$ 188,309,411
11/1/2015	$ -	$ 5,384,304	$ 5,384,304	388,420,325	(66,834,285)	326,970,343
11/1/2016	5,595,000	4,809,800	10,404,800	395,656,974	(23,749,840)	382,311,933
11/1/2017	6,110,000	4,586,000	10,696,000	403,144,266	(539,833)	413,300,433
11/1/2018	6,415,000	4,280,500	10,695,500	413,763,316		424,458,816
11/1/2019	9,175,000	3,959,750	13,134,750	414,028,595		427,163,345
11/1/2020	9,670,000	3,501,000	13,171,000	416,750,285		429,921,285
11/1/2021	10,145,000	3,017,500	13,162,500	421,451,737		434,614,237
11/1/2022	15,725,000	2,510,250	18,235,250	407,148,538		425,383,788
11/1/2023	11,235,000	1,724,000	12,959,000	415,253,275		428,212,275
11/1/2024	5,485,000	1,162,250	6,647,250	424,259,313		430,906,563
11/1/2025	5,635,000	888,000	6,523,000	410,200,888		416,723,888
11/1/2026	5,915,000	606,250	6,521,250	404,765,438		411,286,688
11/1/2027	6,210,000	310,500	6,520,500	402,959,788		409,480,288
11/1/2028			-	414,913,082		414,913,082
11/1/2029			-	417,923,094		417,923,094
11/1/2030			-	422,439,007		422,439,007
11/1/2031			-	427,875,069		427,875,069
11/1/2032			-	426,550,244		426,550,244
11/1/2033			-	431,516,488		431,516,488
11/1/2034			-	438,398,150		438,398,150
11/1/2035			-	445,932,588		445,932,588
11/1/2036			-	281,600,244		281,600,244
11/1/2037			-	281,626,882		281,626,882
11/1/2038			-	286,606,913		286,606,913
11/1/2039			-	295,424,038		295,424,038
11/1/2040			-	296,278,344		296,278,344
11/1/2041			-	295,997,344		295,997,344
11/1/2042			-	295,983,794		295,983,794
11/1/2043			-	286,887,056		286,887,056
11/1/2044			-	274,108,688		274,108,688
11/1/2045			-	274,094,975		274,094,975
11/1/2046			-	6,031,250		6,031,250
11/1/2047			-	5,825,000		5,825,000
11/1/2048			-	5,618,750		5,618,750
11/1/2049			-	5,412,500		5,412,500
11/1/2050	-	-	-	5,206,250	-	5,206,250
Totals	$ 97,315,000	$ 36,740,104	$ 134,055,104	$11,874,911,864	$ (137,673,927)	$11,871,293,041

[1] May not add due to rounding.

Debt Service Coverage

The Airport's Master Bond Ordinance (see "SECURITY FOR THE BONDS–Rate Covenant") requires that the Airport establish rates and charges which are reasonably estimated to achieve the two debt service coverage ratio s defined below. The Airport has added an additional coverage calculation for information purposes that includes net cash flows from sources that are not Gross Revenues. The computation of these ratios is summarized in Table 16.

Gross Revenues – The Master Bond Ordinance requires that the Airport set rates at levels to produce Gross Revenues sufficient to pay the operating expenses plus 1.25 times Accrued Aggregate Debt Service. This calculation includes the Rolling Coverage amount which is a Gross Revenue of the Airport. Per Table 16, the Gross Revenue ratio was always 1.25 under the "Original" Use Agreement (prior to Fiscal Year 2011) because the Airport was fully residual and settled with the Signatory Airlines each year, such that Gross Revenues always equaled operating expense plus 1.25 times Accrued Aggregate Debt Service. The increase in Fiscal Year 2011 was due to the transfer of net revenues to the DFW Capital Account under the new Use Agreement.

Current Gross Revenues - The Master Bond Ordinance obligates the Airport to set rates at levels sufficient to produce Current Gross Revenues sufficient to pay operating expenses plus 1.0 times Accrued Aggregate Debt Service. Current Gross Revenues differ from Gross Revenues in that they exclude transfers from the Capital Improvements Fund such as Rolling Coverage and the Annual Capital Transfer (see "RATE SETTING AND FINANCIAL KEY PERFORMANCE INDICATORS–Airline Use Agreement Rate Model"). In other words, Current Gross Revenues only include operating revenues from rates and charges, Special Revenues, plus interest income. The new Use Agreement limits the Airport's ability to significantly improve the Current Gross Revenue coverage ratio because it must use 75% of DFW Cost Center Net Revenues in excess of the Upper Threshold to reduce landing fees. (See "RATE SETTING AND FINANCIAL KEY PERFORMANCE INDICATORS–Airline Use Agreement Rate Model").

All Sources – This coverage ratio adds other available net revenues not classified as Gross Revenues (e.g., PFIC/FIC net revenues and proceeds from natural gas royalties and the sale of land) to the Gross Revenue calculations. The ratio computation is presented both with and without Capital Improvements Fund transfers.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Table 16
Dallas/Fort Worth International Airport
Debt Service Coverage
(Unaudited, in millions)

	Fiscal Year Ended September 30				
	2013	2012	2011	2010	2009
Coverage Calculation - Gross Revenues					
Operating Revenues					
Airfield cost center	$ 140.1	$ 131.0	$ 124.4	$ 203.3	$ 213.4
Terminal cost center	164.3	138.2	128.4	-	-
DFW cost center (non-airline revenues)	252.7	246.5	241.2	242.4	233.7
Total Operating Revenues	$ 557.1	$ 515.7	$ 494.0	$ 445.7	$ 447.1
Non-operating Revenues*	156.7	144.4	135.0	143.5	171.9
Rolling coverage	70.2	61.8	57.0	-	-
Total Gross Revenues	$ 784.0	$ 721.9	$ 686.0	$ 589.3	$ 619.0
Less Operating Expenses	(352.9)	(344.0)	(332.5)	(328.2)	(323.4)
Gross Revenues available for debt service	$ 431.1	$ 377.9	$ 353.5	$ 261.0	$ 295.6
Debt Service	$ 280.9	$ 247.2	$ 233.4	$ 208.8	$ 236.5
Coverage ratio - Gross Revenues	1.53	1.52	1.51	1.25	1.25
Coverage Calculation - Current Gross Revenues					
Gross Revenues available for debt service	$ 431.1	$ 377.9	$ 353.5	$ 261.0	$ 295.6
Less: Transfers and Rolling Coverage	(90.2)	(85.8)	(85.0)	(29.6)	(39.6)
Current Gross Revenues available for debt service	$ 340.9	$ 292.1	$ 268.5	$ 231.4	$ 256.0
Debt Service	$ 280.9	$ 247.2	$ 233.4	$ 208.8	$ 236.5
Coverage ratio - Current Gross Revenues	1.21	1.18	1.15	1.11	1.08
Coverage Calculation - All Revenues Sources					
Current Gross Revenues available for debt service	$ 340.9	$ 292.1	$ 268.5	$ 231.4	$ 256.0
Natural Gas Royalties, Land Sales, Interest Income	13.7	9.9	59.3	24.0	37.3
PFIC	20.8	21.2	22.0	n/a	n/a
All Current Revenues available for debt service	$ 375.4	$ 323.2	$ 349.8	$ 255.4	$ 293.3
Debt Service	$ 280.9	$ 247.2	$ 233.4	$ 208.8	$ 236.5
Coverage ratio - All Current Revenues	1.34	1.31	1.50	1.22	1.24
Coverage ratio - All Current Revenues plus Capital Transfers and Rolling Coverage	1.66	1.65	1.86	1.36	1.41

* Non-operating revenues include Passenger Facilities Charges and certain amounts from Public Facility Improvement Corporation transferred to the Operating Revenue and Expense Fund.

RETIREMENT PLANS AND RISK MANAGEMENT

Retirement Plans–Defined Benefit Plan

The Airport has two fiduciary defined-benefit pension plans covering substantially all Airport employees: the employees of Dallas/Fort Worth International Airport Retirement Plans and the Department of Public Safety (DPS) Retirement Plans ("Retirement Plans," collectively). Both plans are single-employer public employee retirement system plans in which the assets are held in an investment trust. Employees vest after five years of service and are eligible for early retirement at ages 55-61 and full retirement benefits at age 62 and after. Pension benefits increase by a cost of living adjustment each January 1. The fiscal year-end for the Retirement Plans is December 31. The Airport has actuarial reviews performed annually effective January 1 of each year.

Employee Plan - All regular employees hired prior to January 1, 2010, other than DPS officers, are covered by the Employee Plan. Benefits vest after five years of service. Airport employees who retire are entitled to an annual retirement benefit, payable monthly for life in an amount equal to a percentage of final average monthly compensation times credited service plus an annual cost of living adjustment (as defined by the Employee Plan). Employees can also elect a limited lump-sum distribution. The Employee Plan also provides early retirement, death, and disability benefits. As of January 1, 2010, the Employee Plan was closed to new employees. New employees are hired under a 401A plan.

DPS Plan - The DPS Plan was established effective October 1, 1999, when the assets and liabilities accrued by public safety officers eligible for the DPS Plan prior to October 1, 1999, were transferred from the Employee Plan to the DPS Plan in compliance with the requirements of IRS Code Section 414(1). DPS officers contribute 7% of their salary to the Plan. The public safety officers who retired or terminated employment prior to October 1, 1999, were not eligible for the DPS Plan and will continue to receive their benefits, if any, from the Employee Plan.

The DPS Plan permits early retirement at ages 55 to 61, or upon satisfaction of the "Rule of 80." The "Rule of 80" is the attainment of age 50 and the completion of the number of years of benefit service that when added to the participant's age equals the sum of 80. All Public Safety Officers employed by the Airport are permitted early retirement upon the satisfaction of the "25 Year Rule." The "25 Year Rule" is the attainment of 25 years of service within the Public Safety department.

DPS officers receive pension benefits in the form of a qualified joint and survivor annuity; however, an employee may request optional forms of pension benefit payments upon written request to the Plan Administrator. Other forms of payment of accumulated plan benefits include lump-sum distribution upon retirement or termination or equal monthly payments for life.

The Airport determines each Retirement Plans' funding policy. Historically, the Airport has contributed an amount equal to the actuarially determined pension cost for the year. In some years, however, the Airport funds additional contributions to help retire the unfunded liability sooner. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Both pension plans provide that employees with five or more years of service are entitled to annual pension benefits, beginning at normal retirement age of 62, equal to a certain percentage of their final average monthly compensation for each year of credited service, less a certain percentage of anticipated primary insurance benefits. The final average monthly compensation is determined by utilizing the highest 60 consecutive months of earnings out of the 120 months immediately preceding the date of service termination.

Employer contributions are generally made annually and recognized as additions in the period in which employee services are performed. Employee contributions are required for the DPS Plan, but not permitted for the Employee Plan.

Significant Actuarial Assumptions	Employee Plan	DPS Plan
Valuation date	January 1, 2014	January 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, closed	Level percent, closed
Remaining Amortization period	21 years	21 years
Actuarially assumed investment rate of return	7.25% per annum compounded annually	7.25% per annum compounded annually
Mortality rates for males and females		
a. Non-Disabled	Retirement Plans 2000 Healthy Mortality Table	Retirement Plans 2000 Healthy Mortality Table
b. Disabled	Retirement Plans 2000 Disability Mortality Table	Retirement Plans 2000 Disability Mortality Table
Retirement, disablement and separation rate	Graduated rates based on age (detailed in actuary's report)	Graduated rates based on age (detailed in actuary's report)
Cost of living adjustment	3.0% per annum	3.0% per annum
Projected salary increase	Variable Rate (3.75% to 6.25%) of increase based on years of services which includes inflation rate (3%)	Variable Rate (3.75% to 11.50%) of increase based on years of services which includes inflation rate (3%)
Method used for determining actuarial value of assets	5-year Moving Average	5-year Moving Average
Payroll growth rate	not applicable	3.75% per annum
Employee Contribution Rate	not applicable	7% of compensation

The actuarially determined contribution requirements for the Plans are computed through an actuarial valuation performed as of January 1 each year. The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plans and to analyze changes in the Plans' condition. Significant actuarial assumptions are as follows:

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The Airport's annual required contributions, employer contributions, percent contributed, and net pension asset is as follows:

	Employee Plan (millions)			
DFW Year ended	Annual Pension Cost	Airport Contribution	Percentage Contributed	Net Pension Asset
September 30, 2014[1]	$22.6	$22.6	100%	$38.4
September 30, 2013	22.1	21.4	97%	38.4
September 30, 2012	21.2	20.8	98%	39.1

	DPS Plan (millions)			
DFW Year ended	Annual Pension Cost	Airport Contribution	Percentage Contributed	Net Pension Asset
September 30, 2014[1]	$7.2	$7.2	100%	$15.0
September 30, 2013	6.1	6.2	102%	15.0
September 30, 2012	5.7	5.9	104%	14.8

[1]Projected Year End

As of January 1, 2014, the most recent actuarial valuation date, the funding status of the Plans is as follows:

Defined Benefit Plans - Funding Ratios (millions)

	2014	
	Employee	DPS
Actuarial accrued liabilities	$ 472.2	$ 175.3
Actuarial value of assets	364.0	126.9
(Unfunded) actuarial accrued liability	$ (108.2)	$ (48.4)
Funded ratio	77.1%	72.4%

The schedule of funding progress, presented as Required Supplemental Information ("RSI") following the notes to the Comprehensive Annual Financial Statements in Appendix C, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Net pension assets for the Employee and DPS Plans for the Airport's fiscal year ending September 30, 2013, are as follows:

	September 30, 2013 (in millions)		
	Employees plan	DPS plan	Total
Annual required contribution	$ 21.4	$ 6.2	$ 27.6
Interest on net pension asset	(2.8)	(1.1)	(3.9)
Adjustment to annual required contribution	3.5	1.0	4.5
Annual pension cost	22.1	6.1	28.2
Employer contributions	21.4	6.2	27.6
Increase in net pension (asset)	0.7	(0.1)	0.6
Net pension (asset), beginning of year	(39.1)	(14.8)	(53.9)
Net pension (asset), end of year	$ (38.4)	$ (14.9)	$ (53.3)

Defined Contribution Plan

All regular employees hired after January 1, 2010, are enrolled in a defined contribution plan. DFW has agreed to match employee contributions up to 7%. Employees are required to contribute 1%-3% of their pay based on years of employment. Employees are eligible to contribute more, up to IRS limits.

Other Post-Employment Benefits

In addition to pension benefits, the Airport provides certain other post-employment benefits for retired employees ("OPEB"). Specifically, the Airport allows qualified retired employees to participate in the Airport's health insurance plans and provides a premium subsidy for those employees. These benefits apply only to retired employees ages 65 or younger who meet certain eligibility criteria, and provide a maximum premium benefit per employee of $400 per month. The OPEB plan is administered by the Airport's Executive Vice President of Administration and Diversity and the Vice President of Human Resources. The assets are managed by the Board's Retirement Committee. All assets are held in a Section 115 Trust.

As of January 1, 2013 and 2012, the OPEB plans had total assets of $16.1 million and $13.1 million, respectively. The OPEB plan's unfunded actuarial accrued liability as of January 1, 2012 and 2011 were $9.0 million and $24.3 million, respectively. The annual required contribution for Fiscal Year 2013 is $1.6 million, a decrease of $1.2 million from the prior year. The decrease is mainly due to the adoption of new assumptions. As of September 30, 2013, the OPEB plans' total assets included $2.6 million of prepaid assets due to additional contributions in excess of the annual required contribution.

Risk Management and Insurance

Effective April 9, 2003, the Cities amended Section 9.13 of the 1968 Ordinance relating to casualty insurance. As amended, and as more particularly provided in APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Particular Covenants–Casualty Insurance," the covenant requires the Airport to maintain insurance in amounts and against such losses or

damages as are customarily insured by the owners of similar properties. The Airport will annually determine the type, amount and extent of coverage following consultation with an Independent Insurance Consultant or the Risk Manager.

In accordance with this covenant and as of March 1, 2011, the Airport, with the assistance of an insurance brokerage firm, conducted a review of the Airport's Property Insurance Program. The review concluded that the Airport's total property assets are valued at approximately $5.3 billion. The Airport has procured an "all risks" property policy with FM Global, an A.M. Best A+ rated carrier. The policy protects the Airport from any fortuitous loss with a coverage limit of liability and time element losses of $2 billion per occurrence with a deductible of $250,000. Terrorism is subject to a limit of $2 billion with an average policy deductible of $250,000. The total annual premium for this policy is approximately $2.6 million. The Board conducted a survey and has determined that the amount and scope of the Airport's insurance is comparable to that acquired by similar sized public entities and/or airports.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL OPERATIONS

This section of the Official Statement is Management's Discussion and Analysis of DFW's Revenues, Expenses and Change in Net Assets. The amounts shown in the following section for the Fiscal Years ended September 30, 2013 and 2012 are audited numbers and are presented on a basis that is consistent with Generally Accepted Accounting Principles. The discussions of the changes between Fiscal Years 2013 and 2012 are taken directly from DFW's Comprehensive Annual Financial Report that is included in APPENDIX C. The amounts shown for the nine month period ended June 30, 2014 and 2013 are from the Airport's internal accounting records and are unaudited.

Revenues, Expenses, and Change in Net Assets

The following table is a summary of Revenues, Expenses, Net non-operating expenses, and Increase (Decrease) in Net Position for the years ended September 30, 2013 and 2012, and for the first nine months of Fiscal Year 2014 and Fiscal Year 2013. The decreases in net position for the nine month period ended June 30, 2014 and 2013 are due in large part to higher depreciation charges related to TRIP. The changes in net position in Fiscal Year 2013 and Fiscal Year 2012 are primarily due to additional depreciation related to the change in the accounting estimate of useful life of parking garages, the construction of the Terminal A garage and the change in scope of the Terminal B and E baggage handling systems. Detailed descriptions and variances of the components of revenues, expenses and non-operating revenues are described in the sections below.

	Nine Months Ended		For the Year Ended	
	Jun-14	**Jun-13**	**2013**	**2012***
Net Position (millions)				
Operating revenues	$ 471.0	$ 452.9	$ 577.5	$ 533.6
Operating expenses	(465.7)	(443.9)	(637.5)	(643.1)
Non-operating expenses, net	(83.6)	(70.2)	(79.6)	(61.9)
Capital contributions	6.1	11.7	21.0	24.9
Special item	-	-	(32.3)	-
(Decrease) in Net Position	$ (72.2)	$ (49.5)	$ (150.9)	$ (146.5)

*The cost of Air Service Incentive Program (ASIP) has been reclassified from an Operating Expense to a reduction in Operating Revenue for Fiscal Year 2012 for comparison purposes.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Operating Revenues

The following table highlights the major components of operating revenues for the fiscal years ended September 30, 2013 and 2012, and the nine months ended June 30, 2014 and 2013. Significant variances are explained below.

	Nine Months Ended		For the Year Ended	
	Jun-14	Jun-13	2013	2012*
Operating Revenues (millions)				
Landing fees	$ 79.7	$ 88.4	$ 100.6	$ 105.9
Terminal rent and use fees	104.7	91.8	109.7	81.2
Federal Inspection Services (FIS)	12.8	16.8	21.8	17.7
Other airline	0.0	(0.1)	0.3	(0.2)
Total Airline Revenue	197.2	196.9	232.4	204.6
Parking	90.7	85.4	116.1	110.8
Concessions	54.4	50.2	68.2	65.7
Ground and facility leases	26.7	25.8	34.3	33.5
Rent-A-Car rental	24.2	22.9	31.4	27.7
Grand Hyatt Hotel	26.8	24.6	31.0	28.8
Employee transportation	10.6	9.3	12.3	10.2
Rent-A-Car customer transportation charge	8.6	8.3	11.1	11.7
Natural gas	6.6	5.3	8.5	8.7
Taxi and limo fees	6.7	6.3	8.1	8.2
Other non-airline	18.5	17.9	23.9	23.7
Total Non-Airline Revenue	273.8	256.0	344.9	329.0
Total Operating Revenues	$ 471.0	$ 452.9	$ 577.3	$ 533.6

*The cost of Air Service Incentive Program (ASIP) has been reclassified from an Operating Expense to a reduction in Operating Revenue for Fiscal Year 2012 for comparison purposes.

First nine months, Fiscal Year 2014 Compared to Fiscal Year 2013. Landing fees decreased $8.7 million (-9.8%) from $88.4 million to $79.7 million, primarily due to a decrease in landing rates. Terminal rent and use fees increased $12.9 million (14.6%) from $91.8 million to $104.7 million due to higher per square foot rates necessary to offset increased terminal operating costs. FIS decreased $4.0 million (-23.8%) from $16.8 million to $12.8 million, primarily due to lower per passenger inspection rates and air service incentives paid to the airlines.

Parking increased $5.3 million (6.2%) from $85.4 million to $90.7 million, primarily due to higher activity in the Terminal, Express, Remote and Drop-Off/Meeter-Greeter products. Concessions increased $4.2 million (8.4%) from $50.2 million to $54.4 million, primarily due to higher food and beverage sales, passenger services, and advertising activity. Ground and facility leases increased $0.9 million (3.5%), primarily due to higher lease activity in the International Commerce Park development area. Rent-A-Car rental increased $1.3 million (5.7%) from $22.9 million to $24.2 million, primarily due to higher vehicle rental rates. Grand Hyatt Hotel increased $2.2 million (9.6%) from $24.6 million to $26.8 million, primarily due to higher room rentals and food and beverage sales.

Fiscal Year 2013 Compared to Fiscal Year 2012. Total Airline Revenue consists of fees paid by signatory and non-signatory airlines for the use of the airfield and terminals at DFW based on DFW's cost to provide related facilities. Landing fees for passenger and cargo carriers are assessed per 1,000 pounds of maximum approved landed weight for each specific aircraft as certified by the FAA. Signatory airlines are the airlines that sign a Use Agreement with DFW. Landing fees, including passenger and cargo fees, decreased $5.3 million (5.0%) from $105.9 million in Fiscal Year 2012 to $100.6 million in Fiscal Year 2013, primarily due to a larger transfer from the DFW cost center to the Airfield cost center. This transfer, as defined in the Use Agreement, is based on net non-airline revenue which also increased from Fiscal Year 2012 to Fiscal Year 2013.

Terminal rents and use fees ("Terminal Revenues") include terminal rent from gates leased primarily by signatory airlines and gate use fees from DFW-owned gates. The Controlling Documents require the signatory airlines to pay terminal rent equal to the cost of terminal operations, plus allocated debt service and overhead, minus concessions revenue. Terminal revenues increased $28.5 million (35.1%) from $81.2 million in Fiscal Year 2012 to $109.7 million in Fiscal Year 2013 due to an increase in rates necessary to cover the increased debt service incurred from TRIP.

Federal Inspection Service (FIS) fees per departing international passenger in Terminal D increased $4.1 million (23.2%), from $17.7 million in Fiscal Year 2012 to $21.8 million in Fiscal Year 2013 due to an increase in international passengers combined with a per passenger fee increase from $7.76 to $8.63 related to higher allocated costs to DFW's inspection facilities.

Other airline revenue consists of bad debt and aircraft parking charges. Other airline revenue increased $0.5M due to the recovery of previously recognized bad debt.

Parking fees are charged based on the length of time and parking product. DFW's primary parking products include terminal ($18-20 per day), express ($10-13 per day) and remote ($8 per day). Parking revenues increased $5.3 million (4.8%) from $110.8 million in Fiscal Year 2012 to $116.1 million in Fiscal Year 2013 due to an increase in originating passengers, select rates, and an increase in DFW Valet parkers. Terminal parking revenues accounted for 61.8% and 66.4% of total parking revenues in Fiscal Year 2013 and Fiscal Year 2012, respectively.

Concession revenues increased $2.5 million (3.8%), from $65.7 million in Fiscal Year 2012 to $68.2 million in Fiscal Year 2013, primarily due to an increase in enplaned passengers, and increased food and beverage and advertising sales.

Ground and facility lease revenues consist primarily of ground leases of Airport property, various facility leases, Hyatt Regency Hotel, and other. Ground and facility lease revenue increased $0.8 million (2.4%) from $33.5 million in Fiscal Year 2012 to $34.3 million in Fiscal Year 2013 primarily due to an increase in the average lease rate per acre and additional leased properties.

Rent-A-Car (RAC) lease and rentals revenue consists of ground leases plus a percentage rent based on gross revenues. RAC revenues increased $3.7 million (13.4%), from $27.7 million in Fiscal Year 2012 to $31.4 million in Fiscal Year 2013, primarily due to increased average daily rental rates and an increase in destination passengers. Percentage rent accounted for 85.2% of the total RAC rental revenues in Fiscal Year 2013 and 84.6% in Fiscal Year 2012.

The Grand Hyatt Hotel operations include room rental, food and beverage and other revenues. Revenues increased $2.2 million (7.6%), from $28.8 million in Fiscal Year 2012 to $31.0 million in Fiscal Year 2013 primarily due to higher food and beverage sales and higher average room rates.

Employee transportation revenues are derived primarily from a monthly fee paid by airlines and other tenants to pay for the cost of employee transportation services between remote parking lots and the terminals. Employee transportation revenues increased $2.1 million (20.6%) from $10.2 million in Fiscal Year 2012 to $12.3 million in Fiscal Year 2013 primarily due to an increase in fees required to cover the costs to provide the transportation services.

RAC customer transportation revenue is derived from a $2.20 per rental day transaction fee that is used to fund operation and maintenance of the bus fleet to transport passengers between the airport terminals and the RAC. RAC customer transportation revenue decreased $0.6 million (5.1%), from $11.7 million in Fiscal Year 2012 to $11.1 million in Fiscal Year 2013 due to timing differences in collections offsetting slightly higher transaction days.

Taxi and limo fees (Ground Transportation) revenues represent the access, decal, and application fees charged to taxicab, limousine, shared ride, and courtesy van companies and providers. These revenues remained relatively flat at $8.1 million in Fiscal Year 2013.

Natural gas revenues include royalties and property and surface use fees resulting from natural gas drilling. Natural gas revenues remained relatively flat at $8.5 million in Fiscal Year 2013.

Other non-airline revenue is comprised of General Aviation fees related to fueling and aircraft service fees; the fuel farm fees paid by the airlines to retire the debt incurred to construct the fueling system and overhead of the fuel farm; non-airline utilities; pass-through and reimbursable revenues from airline and tenants; building code/standard fees; and other miscellaneous revenues offset by non-airline bad debt. Other revenue remained flat at $23.9 million in Fiscal Year 2013 compared to $23.7 million in Fiscal Year 2012.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Operating Expenses

The following table highlights the major components of operating expenses for the fiscal years ended September 30, 2013 and 2012, and the nine months ended June 30, 2014 and 2013. Significant variance explanations follow.

	Nine Months Ended		For the Year Ended	
	Jun-14	Jun-13	2013	2012*
Operating Expenses (millions)				
Salaries, wages and benefits	$ 135.7	$ 127.1	$ 169.6	$ 177.4
Contract services	99.2	94.4	147.9	130.2
Equipment and supplies	16.8	16.2	21.9	21.8
Utilities	18.8	19.5	26.1	27.5
Grand Hyatt Hotel	17.3	16.6	21.9	20.1
Insurance	3.9	3.6	5.2	4.3
General, administrative and other	9.0	7.8	7.2	6.5
Depreciation and amortization	165.0	158.7	237.8	255.3
Total Operating Expenses	$ 465.7	$ 443.9	$ 637.6	$ 643.1

*The cost of Air Service Incentive Program (ASIP) has been reclassified from an Operating Expense to a reduction in Operating Revenue for Fiscal Year 2012 for comparison purposes.

First nine months, Fiscal Year 2014 Compared to Fiscal Year 2013. Salaries, wages, and benefits increased $8.6 million (6.8%) from $127.1 million to $135.7 million, primarily due to higher wage rates, health care costs and retirement contributions. Contract services increased $4.8 million (5.1%) from $94.4 million to $99.2 million, primarily due to increased de-icing, bussing and Customs and Border Patrol operations and marketing services. Equipment and supplies increased $0.6 million (3.7%), primarily due to baggage system maintenance, de-icing operations and higher fuel usage. General, administrative and other increased $1.2 million from $7.8 million to $9.0 million, primarily due to additional operating reserve requirements.

Fiscal Year 2013 Compared to Fiscal Year 2012. Salaries, wages and benefits decreased $7.8 million (4.4%) from $177.4 million in Fiscal Year 2012 to $169.6 million in Fiscal Year 2013 primarily due to lower pension contributions and less employees resulting from the outsourcing of bussing and the early retirement program that was completed in Fiscal Year 2012, an increase in the amount of payroll capitalized for construction activity, and lower health insurance costs. DFW employed 1,755 and 1,856 full time employees as of September 30, 2013 and 2012, respectively.

Contract services include grounds and facility maintenance, busing services, financial and legal services, software and hardware maintenance, advertising, planning, and other professional services. Contract services increased $17.7 million (13.6%), from $130.2 million in Fiscal Year 2012 to $147.9 million in Fiscal Year 2013, primarily due to increased contract busing and marketing costs.

Equipment and supplies primarily consists of non-capitalized equipment, materials, fuel for vehicles, and supplies used to maintain and operate the Airport. Equipment and supplies increased $0.1 million (0.5%), from $21.8 million in Fiscal Year 2012 to $21.9 million in Fiscal Year 2013, primarily due to an increase in operating supplies offset partially by lower fuel costs.

Utilities represent the cost of electricity, natural gas, potable water, trash removal, and telecommunications services. Utilities decreased $1.4 million (5.1%), from $27.5 million in Fiscal Year 2012 to $26.1 million in Fiscal Year 2013, primarily due to lower electrical costs.

Grand Hyatt Hotel operations include room, food and beverage and other expenses. Operating costs increased $1.8 million (9.0%) from $20.1 million in Fiscal Year 2012 to $21.9 million in Fiscal Year 2013. These costs increased to match the increased demand for rooms, food and beverages, and other hotel services.

General, administrative and other charges increased $0.7 million (10.8%), from $6.5 million in Fiscal Year 2012 to $7.2 million in Fiscal Year 2013, primarily due to higher business development and training activities.

Depreciation and amortization decreased $17.5 million (6.9%), from $255.3 million in Fiscal Year 2012 to $237.8 million in Fiscal Year 2013. The decrease is primarily due a reduction in the accelerated depreciation on assets being replaced by TRIP.

Non-Operating Revenues and Expenses

The following table highlights non-operating revenues and expenses for the fiscal years ended September 30, 2013 and 2012, and the nine months ended June 30, 2014 and 2013.

	Nine Months Ended		For the Year Ended	
	Jun-14	Jun-13	2013	2012
Non-Operating Revs (Exps) (millions)				
Passenger facility charges	$ 72.3	$ 67.7	$ 115.6	$ 109.1
Rent-A-Car customer facility charge	15.5	15.0	20.2	19.7
Interest income	5.8	3.7	4.8	6.0
Interest expense on revenue bonds	(184.1)	(157.2)	(225.4)	(200.6)
Other, net	6.8	0.6	5.2	3.8
Total Non-Operating Expenses, net	$ (83.6)	$ (70.2)	$ (79.6)	$ (62.0)

First nine months, Fiscal Year 2014 Compared to Fiscal Year 2013. Passenger facility charges increased $4.6 million (6.8%) due to additional passenger collections. Interest expense on revenue bonds increased $26.9 million (17.1%) due to additional debt.

Fiscal Year 2013 Compared to Fiscal Year 2012. Congress established Passenger Facility Charges (PFCs) in 1990 as part of the Aviation Safety and Capacity Expansion Act of 1990. DFW currently collects a $4.50 Passenger Facility Charge (PFC) from enplaned passengers to pay for the cost to design and construct eligible airport capital projects or to repay debt service issued to build such projects. DFW estimates that 87.4% of all enplaned passengers were required to pay PFCs in Fiscal Year 2013. PFC collections are recorded as revenue when earned and deposited in the 252 PFC Fund, then used to pay eligible debt service costs or eligible pay-as-you-go capital projects. PFC revenues increased $6.5 million (6.0%), from $109.1 million in Fiscal Year 2012 to $115.6 million in Fiscal Year 2013 as a result of more passengers.

RAC customers pay a $4.00 facility charge for each transaction day to pay for the debt service and capital improvements to the RAC facility. RAC customer facility charges (CFCs) increased $0.5 million (2.5%), from $19.7 million in Fiscal Year 2012 to $20.2 million in Fiscal Year 2013 as a result of additional transaction days.

Interest expense on revenue bonds increased $24.8 (12.4%) million from $200.6 million in Fiscal Year 2012 to $225.4 million in Fiscal Year 2013 due to an increase in borrowing associated with TRIP.

Other net non-operating revenues/expenses are comprised primarily of write-offs of capital and other assets, insurance proceeds, and other miscellaneous receipts and payments. This category increased $1.4 million (36.8%) from $3.8 million in Fiscal Year 2012 to $5.2 million in Fiscal Year 2013 primarily due to additional insurance payments for hail damage.

Capital Contributions

The following table highlights capital contributions for the fiscal years ended September 30, 2013 and 2012, and the nine months ended June 30, 2014 and 2013.

	Nine Months Ended		For the Year Ended	
	Jun-14	**Jun-13**	**2013**	**2012**
Capital Contributions (millions)				
Federal and state grant reimbursements	6.1	11.7	21.0	24.9
Total Capital Contributions	$ 6.1	$ 11.7	$ 21.0	$ 24.9

First nine months, Fiscal Year 2014 Compared to Fiscal Year 2013. Capital Contributions decreased $5.6 million from $11.7 million to $6.1 million due to the timing of receipts and smaller program drawdowns.

Fiscal Year 2013 Compared to Fiscal Year 2012. DFW receives Airport Improvement Program (AIP) and other grants through the Federal Aviation Administration (FAA) and other Federal and State agencies. Airport grant reimbursements decreased $3.9 million (15.7%) from $24.9 million in Fiscal Year 2012 to $21.0 million in Fiscal Year 2013 due to smaller program drawdowns resulting from lower available government discretionary funding.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Net Assets

The following table summarizes net assets as of September 30, 2013 and 2012, and as of June 30, 2014.

	As of	For the Year Ended	
	6/30/2014	2013	2012
Net Position (millions)			
Net investment in capital assets	$ 121.1	$ 229.8	$ 371.2
Restricted net position:			
PFIC	15.2	11.4	12.9
Passenger facility charges (PFC)	17.3	28.6	50.0
Public safety and other	2.8	2.9	2.8
Total restricted	35.2	42.9	65.7
Unrestricted net position	721.2	677.0	663.9
Total Net Position	$ 877.5	$ 949.7	$ 1,100.8

Net investment in capital assets decreased $118.7 million for the first nine months ended June 30, 2013, and $141.4 million from Fiscal Year 2012 to Fiscal Year 2013 primarily due to depreciation outpacing bond principal payments and the difference in rate and GAAP treatment for TRIP related asbestos removal.

Restricted net position, PFIC increased $3.8 million in for the nine months ended June 30, 2014 from Fiscal Year 2013 primarily due to an increase in cash reserved for operations, furnitures, fixtures and equipment. Restricted net position, PFIC decreased $1.5 million in Fiscal Year 2013 from Fiscal Year 2012 primarily due to a slightly higher usage of cash.

Restricted net position, PFC represents the cash and investments held from the collection of PFCs that will be used in the future to pay eligible debt service. The PFC balance decreased $11.3 million for the nine months ended June 30, 2014, and $21.4 million from Fiscal Year 2012 to Fiscal Year 2013 due to the use of PFC's outpacing collections.

Restricted net position, public safety and other represents cash obtained during seizures and arrests. These funds may only be used for public safety and security purposes as defined by Federal law. Also represented are funds collected from concessionaires to operate joint marketing programs.

Unrestricted net position at June 30, 2014 was $721.2 million, an increase of $44.2 million in the first nine months ended of Fiscal Year 2014.

Liquidity and Financing

As of June 30, 2014, DFW had total cash and investments of $2.7 billion of which $704 million was unrestricted. Unrestricted cash and investments may be used for any lawful airport purpose; including capital expenditures, the payment of Operation and Maintenance expenses, and the payment of debt service, should the reserves restricted for debt service prove inadequate.

As of June 30, 2014, DFW had $6.4 billion of fixed rate bonds outstanding. Currently, DFW has no SWAPs or variable rate debt. Under the current Use Agreement DFW and the airlines agreed to the

amount of debt service to be paid annually by rates, fees and charges through 2020. DFW issued four refunding series bonds during Fiscal Year 2013 and achieved $105.7 million in net present value savings and $137.0 million in actual savings on future debt service. In Fiscal Year 2014, DFW issued refunding bonds series 2014A resulting in net present value savings of $6.8 million and $13.8 million in actual savings on future debt service.

Through June 30, 2014, DFW issued two improvement bonds in the current fiscal year: series 2013G for $109.6 million for non-TRIP and DFW capital projects, and series 2014B for $222.9 million for TRIP. DFW issued the series 2012H, 2013A, 2013B and 2013C bonds totaling $955.8 million for TRIP and $534.0 million for non-TRIP projects during Fiscal Year 2013. Depending upon contract terms, DFW may be required to identify and have available funds (joint/DFW capital, grants, debt, and PFCs) before it can enter into a contract for capital programs. DFW is currently monitoring the cash flow and contracting requirements for the TRIP and other approved projects, and expects to issue additional bonds in the future to meet capital funding needs.

The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount sufficient to at least pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service and (2) reasonably estimated to at least produce Current Gross Revenues in an amount sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. DFW's Gross Revenues Coverage ratio was 1.53 and 1.52 for the fiscal years September 30, 2013 and September 30, 2012, respectively; while Current Gross Revenues covered debt service improved to 1.21 from 1.18 for the same periods, respectively.

THE AIRLINES

Certain of the airlines (or their respective parent corporations) are subject to the information reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith file reports and other information (collectively, the "SEC Reports") with the Securities and Exchange Commission (the "SEC"). Only companies with securities listed on a national securities exchange or registered under § 12(g) of the Exchange Act, or companies which are required to file with the SEC under § 15(d) of the Exchange Act, are required to file with the SEC pursuant to the information reporting requirements will have information on file. Certain information, including financial information, as of particular dates, concerning each such Airline (or their respective parent corporations) is included in the SEC Reports. The SEC Reports can be inspected in the Public Reference Room of the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549, and at the SEC's regional office at 500 West Madison Street, Suite 1400, Chicago, IL 60661 and copies of such SEC Reports can be obtained from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The SEC maintains a web site at www.sec.gov. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the United States Department of Transportation ("DOT"). Such reports can be inspected at the following location: DOT Dockets Office, Research and Innovative Technology Administration, Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, DC 20590, and copies of such reports can be obtained from DOT at prescribed rates. In addition, further information regarding American Airlines, the predominant carrier servicing the Airport, may be found at its web site: www.aa.com. Foreign flag airlines also provide certain information concerning their operations and financial affairs, which may be obtained from the respective airline.

Any significant financial or operational difficulties incurred by American Airlines, or the elimination or reduction of the Airport's status as a connecting hub for American Airlines, could have a material adverse effect on the Airport. Financial or operational difficulties by any of the other airlines may also, whether directly or indirectly, have an adverse impact on Gross Revenues or Airport operations,

the effect of which may be material. For an examination of the airlines' present situation and the relative presence of each airline at the Airport, see the sources outlined in "THE AIRLINES" above. See also "CERTAIN INVESTMENT CONSIDERATIONS."

AIRLINE AGREEMENTS

The Board entered into new agreements with various air carriers utilizing the Airport. Such agreements are hereinafter collectively referred to as the "Use Agreements." The Use Agreements signed by each Signatory Airline are substantially similar. The following is a summary of certain provisions of the Use Agreements. The summary does not purport to be complete or to follow the exact language of the Use Agreements and is subject in all respects to the detailed provisions of the Use Agreements, copies of which are available for inspection at the office of the Board. The capitalization of any word or phrase which is not defined herein, or not conventionally capitalized, indicates such word or phrase is defined in the Use Agreements.

New Airline Agreements. For over 35 years, the Airport operated under the "original" Use Agreements. The "original" Use Agreements expired on September 30, 2010. The Airport has entered into new Use Agreements with certain airlines. To become a Signatory Airline, an airline must execute the Use Agreement.

Term. The Use Agreement expires September 30, 2020.

Use of Airport. Each Signatory Airline has the right to use the Airport for any lawful, reasonable and appropriate activity in connection with such Airline's business of transportation by aircraft. Such use includes, among other things, terminal structures, aircraft parking ramps, runways and taxiways.

General Commitment. In consideration of its use, occupancy and operation of the Airport, each Signatory Airline agrees to pay rentals, fees and charges based on a methodology in which cost will be allocated to three cost centers: the Airfield Cost Center, the Terminal Cost Center and the DFW Cost Center.

The Airfield Cost Center aggregates costs associated with the airfield. These costs include, but are not limited to, operation and maintenance expenses, allocable overhead, public safety expenses and allocable debt service. Such costs will first be offset by all revenues, other than landing fees, associated with the airfield and any maximum capital threshold adjustments and/or prior period rate adjustment credits. Costs remaining after allocating such costs and revenues will be paid from the setting of landing fees in an amount that will generate revenues equal to cost. Under the Use Agreements, the Signatory Airlines agree that the Airport will adjust landing fees to meet certain minimum capital threshold amounts as described under "SECURITY FOR THE BONDS–Funds and Flow of Funds–Current Disposition of Capital Improvements Funds Amounts."

The Terminal Cost Center aggregates costs associated with the terminals. These costs include, but are not limited to, terminal operation and maintenance expenses, allocable overhead, public safety expenses and allocated debt service. Such costs will be offset by miscellaneous terminal revenues, other than airlines terminal rents, including capital transfers from the Joint Capital Account which total $112 million over the next six (6) years through Fiscal Year 2018 and an annual contribution from the DFW Cost Center of the Airport's share of terminal costs. In addition certain airlines will be credited with certain maintenance costs pursuant to the terms of its Use Agreement. Not all Signatory Airlines enter leases or are subject to the Terminal Cost Center methodology.

The Use Agreements also provide for the DFW Cost Center. The DFW Cost Center includes the direct costs associated with airport parking, concessions, rental car, commercial development (including hotels), employee transportation, ground transportation, miscellaneous revenues, and interest income on certain cash accounts. The Airport also pays for the direct costs of Skylink as this is managed and operated by the Airport. The DFW Cost Center also receives cost allocations for overhead, public safety, debt service and incremental debt service coverage adjustments. Such costs are offset by revenues generated by these business units.

Adjustments to Rates and Charges. If during any Fiscal Year, the Airport anticipates that collected revenues from the Airfield Cost Center and certain sub-cost centers will be insufficient by an amount at least equal to 3% of that projected for the associated cost center or sub-cost center, then the Airport may, without Signatory Airlines approval, increase rates or fees during such Fiscal Year in an amount sufficient to recover the shortfall by the end of such Fiscal Year. Nothing in the Use Agreements is intended to limit the ability of the Airport to adjust rates, fees and charges, including without limitation landing fees, from time to time, in order to meet the requirements of the Master Bond Ordinance, including, without limitation, debt service reserve fund adjustments, the Rate Covenant, and the flow of funds requirements under the Master Bond Ordinance.

Final Audit. At the end of each Fiscal Year, the Board will cause an audit to be accomplished by an independent certified public accountant to reconcile the budgeted and actual revenues and expenses associated with the Airfield Cost Center and the Terminal Cost Center according to the methodologies set forth in the Use Agreements. If the actual cost for the Airfield Cost Center and Terminal Cost Center, respectively, is less than the budgeted cost, the overage will be applied during mid-year of the following fiscal year at as a credit to the respective cost center. If the actual cost for the Airfield Cost Center and Terminal Cost Center, respectively, is greater than the budgeted cost, the underage will be applied during mid-year of the following fiscal year as an incremental charge to the respective cost center.

New Projects. The Use Agreements establish procedures regarding new projects, other than the pre-approved TRIP and non-TRIP projects, at the Airport initiated by the Board and Signatory Airlines, and place restrictions and conditions in respect of such new projects. Before commencing certain projects that are to be funded from the Joint Capital Account or from the proceeds of Obligations, except for the pre-approved projects set forth below, the Board must, subject to certain exceptions, obtain the approval of a majority–in–interest of the Signatory Airlines. Projects funded solely from the DFW Capital Account do not require approval of a majority-in-interest of the Signatory Airlines. The TRIP, certain additional capital projects, and the issuance of Obligations to fund these projects were approved upon execution of the Use Agreement by the Airport and certain airlines (See "CAPITAL PROJECTS–Terminal Renewal And Improvement Program and Airport Improvement Program" for further discussion).

Assignment by Airline. A Signatory Airline may not make an assignment of or sublease under its Use Agreement without the written consent of the Board, which consent will not be unreasonably withheld; provided, however, that so long as the Signatory Airline's obligations under its Use Agreement are assumed by the assignee, such agreement may be assigned without such consent to any successor in interest of the Signatory Airline with or into which the Signatory Airline may merge or consolidate, or which may succeed to the assets of the Signatory Airline or a major portion of its assets related to its air transport system.

Termination by Airline. A Signatory Airline may not terminate its Use Agreement as long as any Joint Revenue Bonds are outstanding. Thereafter, a Signatory Airline may terminate its Use Agreement if the Airline's Certificate of Public Convenience and Necessity is suspended, cancelled or terminated, or if it is prevented from using all or a substantial part of the airfield under various circumstances and for various minimum periods of time ranging from 30 to 90 days, or in the event of an

uncured default by the Board. See "CERTAIN INVESTMENT CONSIDERATIONS–Effect of Bankruptcy on Use Agreement."

Events of Default and Remedies. The Use Agreements set forth certain occurrences or events which constitute events of default thereunder and remedies on default.

FEDERAL REGULATIONS REGARDING RATES AND CHARGES DISPUTES

In August 1994, the President of the United States signed into law the FAA Authorization Act of 1994 (the "1994 Act") which continues the pre–existing federal requirement that airline rates and charges set by airports be "reasonable" and mandates an expedited administrative process by which the Secretary of Transportation (the "Secretary") shall review rates and charges complaints, 49 U.S.C. § 47129. Under 49 U.S.C. § 47129, an affected air carrier may file a written complaint requesting a determination of the Secretary as to reasonableness within 60 days after such carrier receives written notice of the establishment or increase of such fee. During the pendency of the review, the airlines must pay the disputed portion of the fee to the airport under protest, subject to refund to the extent such fees are found to be unreasonable by the Secretary. The airport must obtain a letter of credit, surety bond or other suitable credit facility equal to the amount in dispute unless the airport and the complaining carriers agree otherwise. In January 1995, pursuant to the 1994 Act, the DOT issued a rule which was amended effective December 16, 1996 (the "Final Rule"), outlining the rules of practice for filing complaints and adjudicating complaint matters involving federally assisted airports. This Final Rule is broader in application and covers matters other than just rates and charges complaints. The initial rule was accompanied by a policy statement setting forth the standards DOT would apply to resolving airport fee disputes under 49 U.S.C. § 47129. The initial policy statement was supplemented in September of 1995 and replaced on June 14, 1996, by the "Policy Regarding Airport Rates and Charges." In an August 1, 1997, decision, the U.S. Court of Appeals for the District of Columbia Circuit invalidated that part of the policy that required airports to value their airfield assets at historical costs in calculating airfield use fees. Until DOT promulgates a new policy regarding airfield rates and charges, the guiding principle for determining the validity of rates and charges for use of airfield assets is the requirement of federal law that such charges be "reasonable."

FEDERAL GRANTS–IN–AID

The Airport and Airway Improvement Act of 1982 created the Airport Improvement Grant Program ("AIGP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon enplaned passengers and cargo landing weights and discretionary funds are available at the discretion of the FAA based upon a national priority system. Actual entitlement funds will vary with the actual number of passenger enplanements, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. In addition, pursuant to the PFC Act and AIR 21, an airport's annual federal entitlement grants are reduced by 50% when a $3.00 PFC is imposed, and reduced by 75% when a $4.50 PFC is imposed. For Fiscal Year 2013, the total amount of federal grant funds appropriated for all airports was $3.2 billion. The FAA awarded a total of $3.0 billion. Of this amount, the Airport was awarded 16.6 million in entitlement and discretionary funds. The authorization has been extended to September 30, 2015. No assurances can be given that federal grants in aid will actually be received in the amount or at the time contemplated by the Airport.

THE CONTRACT AND AGREEMENT

The following is a summary of certain provisions of the Contract and Agreement, to which reference is hereby made. Copies of the Contract and Agreement are available upon request from the Co–Financial Advisors or the Office of the Chief Executive Officer.

Powers of the Board. The Board is authorized to plan, acquire, establish, develop, construct, enlarge, improve, maintain, equip, operate, regulate, protect and police the Airport, together with the air navigation facilities, airport hazards and land, and exercises on behalf of the Cities all of the powers of each with respect thereto.

The Board, in operating the Airport, may enter into contracts, leases and other arrangements with any person, association of persons, firms, or public or private entities or corporations for terms not exceeding forty years, granting the privilege of using or improving the Airport, or any portion thereof or space therein for commercial purposes; and may confer the privilege of supplying goods, commodities, things, services or facilities at the Airport or of making available services to be furnished to or by the Board or its agents. The Board also establishes the terms and conditions and fixes the charges, rentals or fees for such privileges or services.

The Board may contract with any person, firm or private or public entity or corporation for the planning, supervision, financing and construction of, or may itself construct or otherwise acquire, all structures or improvements which in its judgment are useful, necessary, desirable or convenient in efficiently operating and maintaining the Airport and its facilities. The Board has full discretion as to the methods employed in construction or acquisition of the Airport and its facilities. It may provide for and enter into any operating agreements or agreements of lease with any person, firm or private or public entity or corporation for the operation or lease of such facilities, or any part thereof. The terms and conditions of such agreements are determined by the Board.

Joint Airport Fund. The Cities created a "Joint Airport Fund" pursuant to the Contract and Agreement and directed that it be held, supervised and maintained by the Board. Within the Joint Airport Fund, the Board is authorized to create, designate and maintain such separate and special accounts and trust funds considered by it proper in the sound business management of its business and affairs. The Joint Airport Fund is treated by the Board and the Cities as the master fund for accounting purposes in which is recorded and listed all properties of any nature initially and at any time thereafter contributed or committed by the Cities to the Airport and at any time thereafter received by the Board from any source. For a description of the funds within the Joint Airport Fund, see "SECURITY FOR THE BONDS–Funds and Flow of Funds."

Distribution of Net Profits. No distribution of net profits of the Airport will ever be made if such action would violate the terms, covenants and provisions of any lawful agreement of the Board or of any ordinance authorizing Obligations or any other airport revenue bonds of either of the Cities. At any other times and to the extent not in violation of any such covenants, the Cities acting jointly may require the distribution of net profits to the Cities, but neither of the Cities acting independently are authorized to require any such distributions.

REPORT OF THE AIRPORT CONSULTANT

As set forth in the report of the Airport Consultant prepared by LeighFisher (the "Airport Consultant") dated May 1, 2014, included herein as APPENDIX E (the "Report of the Airport Consultant"), Gross Revenues for the forecast period (Fiscal Year 2014 through Fiscal Year 2020) are forecast to be sufficient to meet the funding requirements established by the Master Bond Ordinance

pursuant to the terms of the Use Agreements effective October 1, 2010, both under base passenger forecast assumptions and for a stress test with reduced passenger numbers. The following tables, which show forecast Net Revenues, Accrued Aggregate Debt Service requirements, Debt Service coverage, and airline payments per enplaned passenger during the forecast period under the base passenger forecast assumptions, have been extracted from the Report of the Airport Consultant. For data under the above-stated stress test purchasers are directed to APPENDIX E. ***The Report of the Airport Consultant has not been updated from its dated date to reflect events occurring thereafter, including the effect of increases in the costs of the TRIP and the extension of the estimated completion of the TRIP projects***. See "CAPITAL PROJECTS-Terminal Renewal and Improvement Program (TRIP)."

Forecast of Debt Service Coverage

Fiscal Year	Forecast Net Revenues* (In Thousands) (A)	Accrued Aggregate Debt Service Requirements (In Thousands) (B)	Debt Service Coverage Ratio ([A] ÷ [B])
2014	$423,898	$282,130	150%
2015	524,228	364,212	144%
2016	588,751	415,533	142%
2017	628,958	442,709	142%
2018	675,972	479,224	141%
2019	692,089	487,644	142%
2020	699,783	491,437	142%

*Net Revenues are Gross Revenues, PFC revenues and other revenues expected to be used to pay less Operation and Maintenance Expenses.

Forecast of Airline Payments Per Enplaned Passenger

Fiscal Year	Passenger Airline Payments (In Thousands) (C)	Enplaned Passengers (In Thousands) (D)	Payments Per Enplaned Passenger ([C] ÷ [D])
2014	$246,133	30,600	$ 8.04
2015	323,326	30,000	10.78
2016	378,444	30,000	12.61
2017	402,272	30,500	13.19
2018	440,886	31,000	14.22
2019	442,141	31,500	14.04
2020	449,352	32,000	14.04

CERTAIN INVESTMENT CONSIDERATIONS

General

The principal of and interest on the Bonds is payable pursuant to the Master Bond Ordinance solely from the Pledged Revenues and Pledged Funds. The ability to pay debt service on the Bonds will depend on the receipt of sufficient Gross Revenues.

The Airport's ability to generate Gross Revenues depends primarily upon sufficient levels of aviation activity and passenger traffic at the Airport. The achievement of passenger traffic will depend partly on the profitability of the airline industry, including their ability to access capital and the ability of

individual airlines to provide sufficient capacity to meet demand. A weak economy, war, pandemic illness, geophysical event, and the threat of terrorist activity reduce demand. A reduction in passenger traffic would result in a reduction in PFC revenues. Additionally, reductions in connecting passenger traffic would result in lower concessions revenues, and reductions in originating and destination passengers would result in lower concessions, parking and rental car revenues. A decrease in aviation activity at the Airport would likely result in an increase in landing fees and terminal rentals to offset the Airport's cost of providing these services as required by the Use Agreements. As landing fees and terminal rentals rise, airlines could elect to discontinue service at the Airport. A continued reduction in the number of airlines operating at the Airport could have an adverse impact on the Airport's competitiveness.

In considering the matters set forth in this Official Statement, prospective purchasers should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider certain risks associated with the Bonds. There follows a discussion of some, but not necessarily all, of the possible considerations and risks which should be carefully evaluated by prospective purchasers of the Bonds prior to purchasing any Bonds. The Bonds may not be suitable investments for all persons. Prospective purchasers should evaluate the risks and merits of an investment in the Bonds and should confer with their own legal, tax and financial advisors before considering a purchase of the Bonds.

American Airlines' Dominance at Airport (Bankruptcy and Merger)

American Airlines is the dominant carrier operating at the Airport, which serves as a primary hub in American Airlines' route system. For the Fiscal Year 2013, American Airlines, together with its affiliate, American Eagle, accounted for approximately 83% of passenger enplanements at the Airport, and approximately 74% of total landed weights at the Airport. No other airline accounted for more than 3% of passenger enplanements or total landed weights at the Airport for Fiscal Year 2013. See Table 3 – Total Domestic and International Enplanements.

Any significant financial or operational difficulties incurred by American Airlines, or the elimination or reduction in the Airport's status as a connecting hub for American Airlines, could have a material adverse effect on the Gross Revenues of the Airport. See "CERTAIN INVESTMENT CONSIDERATIONS-General." In the event American Airlines discontinues or reduces its operations at the Airport, American Airlines' current level of activity may not be replaced by other carriers resulting in higher airline fees to use the Airport's facilities and lower Gross Revenues primarily from lower PFCs and lower concessions revenue.

On November 29, 2011, American Airlines, together with its parent, AMR Corporation and American Eagle and other subsidiaries (including Executive Airlines) (collectively, "AMR") filed for bankruptcy protection under Chapter 11 of the Federal Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. AMR assumed all unexpired leases for nonresidential real property at the Airport, including the Use Agreement, and paid approximately $11 million to the Airport, curing defaults under such leases relating to pre-petition amounts due and owing under such leases.

On February 14, 2013, AMR announced it had entered an Agreement and Plan of Merger with US Airways Group, Inc., which was subject to approval by the Bankruptcy Court as part of a confirmed plan of reorganization. On September 12, 2013, the Bankruptcy Court confirmed AMR's plan of reorganization, subject to the consummation of the merger in accordance with the terms of the Merger Agreement. On December 9, 2013, AMR's Plan of Reorganization became effective and the merger was consummated.

American Airlines Group Inc. was formed on December 9, 2013, with the closing of the merger between American Airlines and US Airways Group. The company now lists on NASDAQ Global Select Market under the ticker symbol AAL.

Prospective purchasers are warned that the assumptions, explicitly and otherwise, used to make forward-looking statements and assessments could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The Airport expresses no opinion as to the correctness of the assessments stated in the reports. If the assessments regarding the Airport's continued role as a primary hub are incorrect, the Airport's operations and finances will be materially and adversely impacted.

Competition

General

The Cities of Dallas and Fort Worth each own and operate other airports (the "Other Airports") that provide various aviation and air carrier services in the Dallas/Fort Worth metropolitan area. Such Other Airports consist of Dallas Love Field Airport ("Love Field"), Fort Worth Alliance Airport ("Alliance"), Meacham International Airport ("Meacham"), Fort Worth Spinks Airport and Dallas Executive Airport (formerly known as Redbird Airport). The revenues of the Other Airports are not pledged to the payment of or as security for any bonds of any type that are issued in relation to the Airport. In addition, general aviation, business and charter operations are conducted at Addison Airport, owned by the Town of Addison. No commercial passenger air service is currently provided at Fort Worth Alliance Airport, Meacham International Airport, Fort Worth Spinks Airport, Dallas Executive Airport or the Addison Airport.

The Airport also competes with other large airports across the United States to serve as a hub in the routing system for major airlines and as an international gateway for international travel. Some of the factors that impact the Airport's ability to compete with regional, national and international airports are geographic location, airport infrastructure, metropolitan population and costs–per–enplaned–passenger.

There can be no assurance that the Airport will continue to successfully compete with other airports for air passenger service and passenger market share. A significant loss of passengers and/or flights at the Airport could have a material adverse effect on Airport operations. See "CERTAIN INVESTMENT CONSIDERATIONS–General."

Love Field Airport

Scheduled non–stop passenger service is currently provided at Dallas Love Field Airport ("Love Field"), located approximately five miles from downtown Dallas, by Southwest Airlines, Delta Airlines and United Airlines. Love Field is also the base for extensive private, general and corporate aviation activities and aircraft repair and finish-out facilities.

Love Field Airport has one terminal building, and is in the process of a modernization program to upgrade terminal facilities for increased operating efficiencies and customer services. Upon completion Love Field will have a maximum of 20 gates. Currently, 16 gates are leased by Southwest Airlines, two gates are leased by Continental Express Airlines (now operating as United Express), and two gates are leased though not used by American Airlines. As part of American Airlines bankruptcy proceedings it was required to surrender its rights to gates at Love Field. On May 12, 2014, the City of Dallas approved an agreement whereby Virgin American will sublease the two gates from American.

Five-Party Agreement and Wright Amendment Reform Act

Pursuant to the terms of the Five-Party Agreement among Dallas, Fort Worth, Southwest Airlines, American Airlines, and DFW Airport (the "Agreement") the parties sought the repeal of the Wright Amendment, formally known as the International Air Transportation Competition Act of 1979, by 2014, and to cap Love Field Airport at 20 gates. On September 29, 2006, Congress responded by passing the Wright Amendment Reform Act of 2006 (the "Reform Act"), Pub. L. No. 109-352, 120 Stat. 2011 (2006). Under the Agreement and the Reform Act, air carriers could immediately provide through service and ticketing to or from Love Field and any United States or foreign destination through any point in Texas, New Mexico, Oklahoma, Kansas, Arkansas, Louisiana, Mississippi, Missouri or Alabama. Eight years after enactment of the Reform Act (October 2014), all restrictions with respect to domestic air carrier service to or from Love Field will be removed. The Agreement and the Reform Act required the City of Dallas to reduce as soon as practicable the number of gates available for passenger air service at Love Field to no more than 20 gates. Under the Agreement, following a four–year transition period and subject to certain exceptions, Southwest Airlines is entitled to the preferential use of 16 gates; American Airlines the preferential use of 2 gates and Express Jet Airlines (United) the preferential use of 2 gates. As a result of the settlement with the United States Department of Justice regarding the merger of American Airlines and US Airways, American Airlines relinquished its preferential use of the two gates under the Agreement. Under the Agreement the City of Dallas agreed that it would significantly remodel portions of Love Field, including the modernization of the Main Terminal, which is near completion. In addition, pursuant to the Agreement, the City of Dallas has acquired and demolished the gates at the Lemmon Avenue Terminal. The Agreement provides that if Southwest Airlines operates passenger service from another airport within an 80–mile radius of Love Field, then for every gate which Southwest Airlines operates or uses at another airport within such area, Southwest will relinquish control of an equivalent number of gates at Love Field, up to 8 gates, and such gates will be made available to other carriers. No such relinquishment trigger has occurred. A similar penalty applies to operations by American Airlines with respect to operations other than at the Airport or Love Field. The requirements to relinquish gates at Love Field expire in 2025. Both airlines are also required to relinquish gates at Love Field if Congress enacts subsequent legislation to repeal the restriction of the Wright Amendment earlier than the eight years provided in the Reform Act and such airline elects to commence service to or from Love Field to a destination not currently allowed under the Wright Amendment.

As a result of the Reform Act, Southwest has commenced through ticketing to and from Love Field and the nine states permitted by the Reform Act. Southwest Airlines announced it will offer nonstop flights from Love Field to 15 major cities including Chicago, New York and Los Angeles later this year. Southwest Airlines plans to fly nonstop to Baltimore, Denver, Las Vegas, Orlando, Florida; and Chicago Midway from October 13. Service to Atlanta, Washington D.C., Los Angeles, New York LaGuardia, Phoenix and other U.S. cities will begin on November 2. Virgin American has announced that it will serve Chicago O'Hare, Los Angeles, New York LaGuardia, San Francisco and Washington Reagan from Love Field and will discontinue service to Los Angeles and San Francisco from DFW. Since the repeal of all the restrictions of the Wright Amendment, the Shelby Amendment and the 2005 Amendments will not occur until 2014, it is not possible to predict with any accuracy the effect of such repeal and the effects, if any, on air traffic at the Airport.

Alliance Airport and Meacham International Airport

Fort Worth's Alliance Airport ("Alliance") currently serves as an industrial airport located in the City of Fort Worth. Alliance has one 9,600–foot runway and an 8,200–foot parallel runway. Alliance has extended the main runway by 3,400 feet to accommodate certain additional aircraft operations. An aircraft maintenance and engineering center adjacent to Alliance has been completed. The center, which is owned by the City of Fort Worth, was leased to American Airlines for use as a major American

maintenance base, however that maintenance base was closed in conjunction with American's bankruptcy proceeding. Federal Express Corporation has constructed a regional express mail sorting hub at Alliance. Santa Fe Railway operates an intermodal cargo facility located adjacent to Alliance. Currently, Alliance is not certified to provide air carrier passenger service.

Meacham International Airport ("Meacham"), a Fort Worth owned and operated general aviation airport, is certified for passenger service and available for charters. Meacham has one 7,500–foot runway, one 4,000–foot runway and one 3,700–foot runway. No commercial air carriers operate out of Meacham at this time.

Passenger Facility Charges

Application. *No PFCs are pledged to the Bonds.* See "PASSENGER FACILITIES CHARGES." While the Outstanding Obligations, including the Bonds, are not secured by or payable from PFC Revenues, PFC Revenues are required pursuant to PFC Application 10 and the Use Agreements to be used to pay debt service on the Outstanding Obligations. A decrease in the collection of PFC revenues would result in a significant increase in airline cost. See "CERTAIN INVESTMENT CONSIDERATIONS–General" and "PASSENGER FACILITY CHARGES."

Sufficiency. The amount of PFC revenues collected in any given year will vary depending on the actual number of passengers enplaned at the Airport. If the number of enplaned passengers at the Airport falls below certain estimates, the actual PFC revenues will fall short of certain projections (unless the dollar amount of PFCs increases). For a discussion of the possible impact of a decrease in enplaned passengers see "CERTAIN INVESTMENT CONSIDERATIONS–General." There can be no assurance as to what passenger traffic and revenues of the Airport will be in the future.

Availability. The authority to impose and use PFCs is subject to the terms and conditions of the PFC Act, AIR–21 and the related regulations and statutes. Failure to comply with the requirements of applicable law, such as the failure to use PFCs strictly for the approved PFC Eligible Projects, may cause the FAA to terminate or reduce the Board's authority to impose and collect PFCs. In addition, notwithstanding FAA regulations requiring airlines that collect PFCs to account for PFC collections separately and indicating that those PFC collections are to be regarded as funds held in trust by the collecting airline for the beneficial interest of the public agency imposing the PFC, in the event of a bankruptcy proceeding involving a collecting airline, there is the possibility that a bankruptcy court could hold that the PFCs in the airline's custody are not to be treated as trust funds and that the Airport is not entitled to any priority over other creditors of the collecting airline as to such funds. Airport management believes that any uncollected PFCs held by current bankrupt airlines operating at the Airport are not material to the continued operation of the Airport. Also, there is no assurance that the PFC Act or any other relevant legislation or regulation will not be repealed or amended as to adversely affect the Board's ability to collect PFCs or to apply them to pay for the prior capital development program and other projects. The occurrence of any of these events could have an adverse impact on the timely payment of principal of or interest on the Bonds, as noted above. See "CERTAIN INVESTMENT CONSIDERATIONS–General."

Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Gross Revenues available for payment of the Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel

(including the ability of airlines to hedge fuel costs); regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport and competition from other airports for connecting traffic; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, and the economic recession of 2008 and 2009. Other business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at the Airport and could have a more pronounced effect in the future.

Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, international conflicts and threats of terrorism and structural changes in the travel market.

Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. During September 2008, significant and dramatic changes occurred in the U.S. and global financial markets. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore consumer confidence in, and stabilize, the nation's financial markets. Since 2008, the U.S. economy has experienced a recession followed by weak growth. As a result of concerns about the U.S. government's ability to resolve long-term deficits, in August 2011 Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, downgraded the credit rating of the U.S. sovereign debt from "AAA" to "AA+." It is not known at this time whether the high national unemployment rate, or the slow rate of national and global economic growth will persist beyond 2014. There can be no assurances that the prolonged weak economic conditions, the downgrade of the credit rating of the U.S. sovereign debt or other national and global fiscal concerns will not have an adverse effect on the air transportation industry.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to the Air Transport Association, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather.

International Conflict and the Threat of Terrorism. The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Airport cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the likelihood of future air

transportation disruptions or the impact on the Airport or the airlines operating at the Airport from such incidents or disruptions.

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

Uncertainties of the Airline Industry. The Board's ability to derive Gross Revenues from its operation of the Airport depends on many factors, many of which are not subject to the Board's control. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Use Agreements.

The financial strength and stability of airlines serving the Airport are key determinants of future airline traffic. In addition, individual airline decisions regarding level of service, particularly hubbing activity, at the Airport will affect total enplanements. No assurance can be given as to the levels of aviation activity that will be achieved by the Airport. There is no assurance that the Airport, despite a demonstrated level of 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. Future airline traffic of the Airport will be affected by, among other things, the growth or decline in the population and the economy of the Airport Service Region and by national and international economic conditions, acts of war and terrorism, federal regulatory actions, airline service, air fare levels and the operation of the air traffic control system. See "THE AIRLINES."

Effect of Bankruptcy on Use Agreements

When a Signatory Airline seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the Board (1) with regard to non–residential real property leases (including the Use Agreements) by the earlier of (i) 120 days after the date of the order for relief (unless extended by the court for an additional 90 days for cause), or (ii) entry of the order confirming a plan, or (2) prior to the confirmation of a plan of reorganization with respect to any other agreement. In the event of assumption, the airline would be required to cure any defaults and to provide adequate assurance of future performance under the applicable Use Agreement or other agreements. Rejection of a Use Agreement or other agreement or executory contract would give rise to an unsecured claim of the Board for damages, the amount of which in the case of a Use Agreement or other real property lease agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (a) one year of rent or (b) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a Use Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. Except for costs allocated to such airline for

usage and rental of the terminal, concourse and ramps, amounts unpaid as a result of a rejection of a Use Agreement or other agreement in connection with an airline in bankruptcy, such as airfield costs and costs associated with the baggage claim area, would be passed on to the remaining Signatory Airlines under their respective Use Agreements, although there can be no assurance that such remaining airlines would be financially able to absorb the additional cost. Additionally, during the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Board on account of goods and services provided prior to the bankruptcy. Thus, the Board's stream of payments from a debtor airline would be interrupted to the extent of pre–petition goods and services, including accrued rent and landing fees.

Regulations and Restrictions Affecting the Airport

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

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Cities or the Board, or whether such restrictions or legislation or regulations would adversely affect Gross Revenues.

Airport Disruption Due to Construction

As noted under "CAPITAL PROJECTS–Terminal Renewal and Improvement Program ("TRIP")," the Airport will be undergoing significant construction over the next seven years. The TRIP will require scheduling and planning that will manage the disruption to operations at the Airport. The Airport believes that it has sufficient terminal capacity to renovate up to one Section of the three terminals scheduled to be renovated at one time without adversely impacting flight operations activity at the Airport. However only one Section of Terminals A and C may be closed at one time to accommodate American Airlines' projected flight activity. While the Airport does not anticipate a change in flight activity, there can be no assurance that the TRIP will not adversely impact flight activity at the Airport which could lead to a decrease in Gross Revenues, which is the primary source for the payment of debt service on the Bonds.

The Airport cannot predict how the TRIP will impact other activities such as concessions and parking. It is possible that the Airport may see decreases in revenues in parking, concessions and other activities as the construction may alter airport customers' consumption of the goods and services provided at the Airport. Decreases in such business activities would decrease the amount of Gross Revenues available to pay debt service and may increase the cost of airlines to operate at the airport

Limitations on Remedies

The Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation on the occurrence or continuance of an Event of Default. Upon the occurrence or continuation of an Event of Default, a Bondholder would only be entitled to principal and interest payments on the Bonds as they come due. Under certain circumstances, Holders of the Bonds may not be able to pursue certain remedies or enforce covenants contained in the Master Bond Ordinance. See "SECURITY FOR THE BONDS–Matters Relating to Enforceability."

LITIGATION

Litigation and Regulatory Claims

There is no litigation, regulatory action or other claim or proceeding pending or, to the knowledge of the Board or the Cities, threatened, which would have a material, adverse impact on the Airport, the Board, or the Bonds.

RATINGS

Fitch, Inc. ("Fitch"), Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), and Kroll Bond Rating Agency, Inc. ("KBRA") have assigned their municipal bond ratings of "A," "A+," and "AA-," respectively, on the Bonds.

None of the Cities, the Board or the Underwriters makes any representation as to the meanings of such ratings. An explanation of the S&P rating may be obtained from S&P by writing to Standard & Poor's Ratings Services, 55 Water St., New York, New York 10041; an explanation of the Fitch rating may be obtained from Fitch by writing to Fitch, Inc., One State Street Plaza, New York, New York 10004; an explanation of the KBRA rating may be obtained from KBRA by writing to Kroll Bond Rating Agency, Inc., 845 Third Avenue, Fourth Floor, New York, NY 10022. The ratings are not recommendations to buy, sell or hold the Bonds. There is no assurance that such ratings will be maintained for any period of time or that such ratings will not be withdrawn or revised downward by one or more of such rating agencies if, in their judgment, circumstances so warrant. Such actions, if taken, could have an adverse effect on the market price of the Bonds. The Cities and the Board have undertaken no responsibility to ensure the maintenance of the ratings or to oppose any revisions or withdrawals.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

TAX MATTERS

Opinions on Bonds

In the opinion of Bracewell & Giuliani LLP, McCall, Parkhurst & Horton L.L.P. and Newby Davis, PLLC, Co-Bond Counsel, assuming compliance with certain covenants and based on certain representations, interest on the Bonds is excludable from the gross income for federal income tax purposes, under existing statutes, regulations, published rulings and court decisions ("Existing Law"). The interest paid on the Bonds is not treated as a "preference item" in calculating the alternative tax imposed on individuals and corporations under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code").

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include, among other things, limitations on the use of the bond–financed project, limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The Board and the Cities have covenanted in the Fiftieth Supplement that they will comply with these requirements.

Co–Bond Counsel's opinion will assume continuing compliance with the covenants of the Fiftieth Supplement pertaining to those sections of the Code that affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Board, the Cities, the Co–Financial Advisors and the Underwriters with respect to matters solely within the knowledge of the Board, the Cities, the Co–Financial Advisors and the Underwriters, respectively, which Co–Bond Counsel have not independently verified. If the Board or the Cities fail to comply with the covenants in the Fiftieth Supplement or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, acquisition, ownership or disposition of, the Bonds.

Co–Bond Counsel's opinions are based on Existing Law, which is subject to change. Such opinions are further based on Co–Bond Counsel's knowledge of facts as of the date thereof. Co–Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to its attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Co–Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Co–Bond Counsel's legal judgment based upon their review of Existing Law and in reliance upon the representations and covenants referenced above that they deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Cities as the taxpayers and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely.

Additional Federal Income Tax Considerations for the Bonds

Collateral Tax Consequences. Prospective purchasers of the Bonds should be aware that the ownership of tax–exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax–exempt obligations, low-and moderate-income taxpayers qualifying for the health insurance premium credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax–exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns on their federal income tax returns the amount of tax–exempt interest, such as interest on the Bonds, received or accrued during the year.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT, or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Tax-Exempt Bonds, is included in a corporation's

"adjusted current earnings," ownership of the Tax-Exempt Bonds could subject a corporation to alternative minimum tax consequences.

Tax Accounting Treatment of Original Issue Premium. The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount Bonds. The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "Opinions on Bonds" and "Additional Federal Income Tax Considerations for the Bonds–Collateral Tax Consequences" generally apply, and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's–length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. None of the Board, the Cities

or Co–Bond Counsel has made any investigation or offers any assurance that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under Existing Law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six–month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six–month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

State, Local and Foreign Taxes. Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Tax Legislative Changes. Current law may change so as directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future legislation.

AUDITED FINANCIAL STATEMENTS

Deloitte & Touche LLP, the Airport's independent auditor, has not reviewed, commented on, or approved, and is not associated with, this Official Statement. The report of Deloitte & Touche LLP relating to Airport's financial statements for the fiscal year ended September 30, 2013 is included in this Official Statement in APPENDIX C; however, Deloitte & Touche LLP has not performed any procedures on such financial statements since the date of such report, and has not performed any procedures on any other financial information of the Airport, including without limitation any of the information contained in this Official Statement, and has not been asked to consent to the inclusion of its report, or otherwise be associated with this Official Statement.

LEGAL COUNSEL

All legal matters incident to the validity and enforceability of the Bonds, including their authorization, issuance and sale by the Cities, are subject to the approval of Bracewell & Giuliani LLP, Dallas, Texas, McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Newby Davis PLLC, Fort Worth, Texas, Co–Bond Counsel. The delivery of the Bonds is subject to the delivery by Co–Bond Counsel of

their opinions substantially to the effect set forth in the form attached hereto as APPENDIX A. In their capacity as Co–Bond Counsel, such firms have reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Master Bond Ordinance. The legal fees to be paid to Co–Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas, and Mahomes Bolden PC, Dallas, Texas, Co-Counsel for the Underwriters. The legal fees to be paid to such Co-Counsel for services rendered to the Underwriters in connection with their purchase of the Bonds are contingent on the issuance, sale and delivery of the Bonds.

CO–FINANCIAL ADVISORS

First Southwest Company and Estrada Hinojosa & Company, Inc. ("Co–Financial Advisors") have acted as Co-Financial Advisors to the Airport in connection with the issuance and sale of the Bonds. A portion of their fee for such services is contingent upon the sale and issuance of the Bonds. The Co–Financial Advisors also serve in other capacities with the Airport. All fees and other remuneration received in such other capacities are separate and distinct from the fees associated with this Bond issue and are not contingent upon the sale and issuance of the Bonds. First Southwest Company also has a contract with i–Deal LLC pursuant to which electronic official statement dissemination capacity may be provided to municipal finance clients such as the Airport through i–Deal's Prospectus. The Co–Financial Advisors have not independently verified information in this Official Statement for accuracy or completeness (except for the information concerning the Co–Financial Advisors). Investors should not draw any conclusions as to the suitability of the Bonds from, or base any investment decisions upon, the fact that the Co–Financial Advisors have advised the Board with respect to the Bonds.

UNDERWRITING

Jefferies LLC, as senior manager, on behalf of the managers listed on the cover page (collectively, the "Underwriters") has agreed, subject to certain conditions, to purchase the Bonds from the Cities at an aggregate underwriters' discount of $366,835.74 from the initial offering price of the Bonds. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

Siebert Brandford Shank & Co., L.L.C., one of the Underwriters of the Bonds, has entered into a separate agreement with Credit Suisse Securities USA LLC for retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to said agreement, if applicable to the Bonds, Siebert Brandford Shank & Co., L.L.C. will share a portion of its underwriting compensation with respect to the Bonds, with Credit Suisse Securities USA LLC.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Cities for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit

default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Cities.

REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Board assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

CONTINUING DISCLOSURE

In the Fiftieth Supplemental Concurrent Bond Ordinance, the Cities have made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Cities are required to observe the agreement for so long as each remains obligated to advance funds to pay the Bonds. Under the agreement, the Board operates as the Cities' designated agent with respect to the undertakings. The Cities will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB").

Annual Reports

The Board, on behalf of the Cities, will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Airport, as of the end of such Fiscal Year or for such Fiscal Year period, of the general type included in the main text of the Official Statement within the numbered tables only and in APPENDIX C. The Board will update and provide this information as of the end of such Fiscal Year or for the twelve month period then ended within six months after the end of each Fiscal Year ending in or after 2014.

Under the Use Agreement, the Signatory Airlines are contractually obligated to make payments only if and to the extent of the use of the Airport by such Signatory Airlines during any Fiscal Year. Consequently, the Signatory Airlines are not "obligated persons" under the Rule (defined below), and no undertaking is being made by the Airport or any other party with respect to providing continuing disclosure as to any individual airline. For information relating to any individual airline, see "THE AIRLINES" and "AIRLINE AGREEMENTS."

The Cities, or the Board on behalf of the Cities, may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Securities Exchange Act of 1934, as amended, Rule 15c2–12 (the "Rule"). The updated information will include audited financial statements of the Airport, if the Board commissions an audit and it is completed by the required time. If audited financial statements are not provided by that time, the Board will provide unaudited financial statements and audited financial statements of the Airport when and if they become available. Any such financial statements of the Airport will be prepared in accordance with the accounting principles described in APPENDIX C or such other accounting principles as the Airport may be required to employ from time to time pursuant to state law or regulation.

The Airport's current Fiscal Year is October 1 to September 30. Accordingly, it must provide updated information by March 31 in each year, unless the Airport changes its Fiscal Year. If the Airport changes its Fiscal Year, it will notify the MSRB of the change.

Disclosure Event Notices

The Cities will provide notice to the MSRB of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of Bondholders; (3) Bond calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

The Cities will also provide notice to the MSRB of any of the following events with respect to the Bonds without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or 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-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person.[1]

The Cities will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The Cities will also provide timely notice of any failure by the Cities to provide annual financial information in accordance with their agreement described above under "Annual Reports."

Availability of Information from the MSRB

The Cities have agreed to provide the foregoing information to the MSRB.

Limitations and Amendments

The Cities have agreed to update information and to provide notices of certain specified events only as described above. Neither the Cities nor the Board have agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither the Cities nor the Board make any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Cities and the Board disclaim

[1]For the purposes of the event identified in (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the obligated person 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 obligated person, 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 obligated person.

any contractual or tort liability for damages resulting in whole or in part from any breach of the continuing disclosure agreement or from any statement made pursuant to the agreement, although holders of the Bonds may seek a writ of mandamus to compel the Cities to comply with their agreement.

The Cities may amend their continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Airport, if the agreement, as amended, would have permitted an underwriter to purchase or sell the Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the Cities (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. If the Cities amend their agreement, they must include with the next financial information and operating data provided in accordance with their agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

During the last five years, each of the Cities has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12, including continuing disclosure undertakings with respect to the Airport. The Cities have identified instances in which certain segments of the Airport's annual financial information for Fiscal Year 2009 and 2010, which the Cities believe are immaterial to the operations and financial condition of the Airport, were filed through incorporation by reference to Official Statements after the scheduled annual filing date for the respective years. Consolidation of tables and audited financial information in one document filing since Fiscal Year 2012 further assures timely and complete annual filings.

Miscellaneous

In order to provide certain continuing disclosure with respect to the Bonds in accordance with the Rule, the Airport has entered into a Disclosure Dissemination Agent Agreement ("Disclosure Dissemination Agreement") for the benefit of the Holders of the Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the Airport 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 Airport has provided such information to the Disclosure Dissemination Agent as required by this 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 event or voluntary report, or any other information, disclosures or notices provided to it by the Airport and shall not be deemed to be acting in any fiduciary capacity for the Airport, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for the Airport'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 Airport has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Airport at all times.

FORWARD–LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Cities or the Board, that are not purely historical, are forward–looking statements, including statements regarding the Cities or the Board'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 Cities and the Board on the date hereof, and the Cities and the Board assume no obligation to update any such forward–looking statements. It is important to note that the Airport's actual results 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 Cities and the Board. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward–looking statements included in this Official Statement will prove to be accurate.

GENERAL INFORMATION

The financial data and other information contained herein have been obtained from the Board's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Additional financial information and operating data relating to the Airport is available from the MSRB and is hereby incorporated by reference.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

MISCELLANEOUS

The form and content of this Official Statement has been approved by official action of the Board on behalf of and at the direction of the Cities for use in connection with the offering and sale of the Bonds.

DALLAS/FORT WORTH INTERNATIONAL
AIRPORT BOARD

/s/ Sean P. Donohue
Sean P. Donohue
Chief Executive Officer,
Dallas/Fort Worth International Airport Board

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

SCHEDULE I

SCHEDULE OF REFUNDED BONDS

Dallas/Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2004B

Maturity Date	Interest Rate	Par Amount	Redemption Date	Price
11/01/2015	5.750%	$ 755,000	11/01/2014	100%
11/01/2016	5.750%	800,000	11/01/2014	100%
11/01/2017	5.500%	845,000	11/01/2014	100%
11/01/2018	5.500%	890,000	11/01/2014	100%
11/01/2019	5.500%	3,380,000	11/01/2014	100%
11/01/2020	5.500%	3,600,000	11/01/2014	100%
11/01/2021	5.375%	3,795,000	11/01/2014	100%
11/01/2022	5.250%	4,010,000	11/01/2014	100%
11/01/2023	5.250%	4,200,000	11/01/2014	100%
11/01/2024	5.375%	4,515,000	11/01/2014	100%
11/01/2025	5.000%	4,635,000	11/01/2014	100%
11/01/2026	5.000%	4,865,000	11/01/2014	100%
11/01/2027	5.000%	5,110,000	11/01/2014	100%
		$41,400,000		

Dallas/Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2007

Maturity Date	Interest Rate	Par Amount	Redemption Date	Price
11/01/2015	5.000%	$ 1,610,000	11/01/2014	100%
11/01/2016	5.000%	4,905,000	11/01/2014	100%
11/01/2017	5.000%	5,445,000	11/01/2014	100%
11/01/2018	5.000%	5,715,000	11/01/2014	100%
11/01/2019	5.000%	6,000,000	11/01/2014	100%
11/01/2020	5.000%	6,305,000	11/01/2014	100%
11/01/2021	5.000%	6,615,000	11/01/2014	100%
11/01/2022	5.000%	10,845,000	11/01/2014	100%
11/01/2023	4.500%	6,130,000	11/01/2014	100%
		$53,570,000		

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

FORM OF OPINIONS OF CO–BOND COUNSEL

[Letterhead of Co–Bond Counsel]
_____, 2014
CITIES OF DALLAS AND FORT WORTH, TEXAS
DALLAS/FORT WORTH INTERNATIONAL AIRPORT
JOINT REVENUE REFUNDING AND IMPROVEMENT BONDS
SERIES 2014E
(Non-AMT)

WE HAVE EXAMINED the validity of an issue of the Cities of Dallas and Fort Worth, Texas (the "Cities"), entitled Dallas/Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds, Series 2014E (Non-AMT) (the "Bonds"), dated August 1, 2014, aggregating $97,315,000, bearing interest from their date of initial delivery until maturity or earlier redemption at the rates per annum set forth in the pricing certificate authorized by the Fiftieth Supplemental Concurrent Bond Ordinance adopted by the Cities of Dallas and Fort Worth on February 26, 2014 and March 4, 2014, respectively (collectively, the "Fiftieth Supplement") with interest payable on May 1, 2015 and semi-annually thereafter on each November 1 and May 1 and with said Bonds maturing on the dates set forth therein. The Bonds are subject to optional redemption. Terms not defined herein shall have the meanings set forth in the Master Bond Ordinance adopted by the Cities of Dallas and Fort Worth on September 22, 2010 and September 21, 2010, respectively.

WE HAVE REPRESENTED the Cities and the Dallas/Fort Worth International Airport Board (the "Board") as co–bond counsel, for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Bonds under the Constitution and the statutes of the State of Texas. We have not been requested to examine, and have not investigated or verified, any statements, records, material or other matters relating to the financial condition or capabilities of the Board or the Airport, and we express no opinion with respect thereto. Our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

WE HAVE EXAMINED the Constitution and statutes of the State of Texas, particularly Chapter 22 of the Texas Transportation Code, as amended (the "Act"), the Charters of the Cities, certified copies of the proceedings of the City Councils of the Cities and other proofs authorizing and relating to the issuance of the Bonds, including a specimen of the Bonds.

IN OUR OPINION the Bonds have been duly authorized, issued and delivered in accordance with all applicable laws including the Acts and constitute valid and legally binding special obligations of the Cities, and together with the Outstanding Obligations, are ratably secured by a lien on and a joint pledge by the Cities of their respective interests in the "Pledged Revenues" and "Pledged Funds" to be derived from the ownership and operation of the Dallas/Fort Worth International Airport (the "Airport").

"Pledged Revenues," are collectively the Gross Revenues, and such other money, income, revenues or other property as may be specifically included in such term in an Additional Supplemental Ordinance. "Pledged Funds" mean, collectively, (i) amounts on deposit in the Debt Service Fund, (ii) amounts on deposit in the Debt Service Reserve Fund, (iii) any amounts that are due and owing, and any amounts that are paid, under a Credit Agreement executed in lieu of making cash deposits to the Debt Service Reserve Fund, (iv) any Investment Securities or other investments or earnings belonging to either of the funds identified in clauses (i) and (ii), above, and (v) any additional funds, accounts, revenues, or

other moneys or funds of the Cities which hereafter may be, by an Additional Supplemental Ordinance, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding Obligations. The foregoing notwithstanding, the term "Pledged Funds" does not include, unless specifically provided in an Additional Supplemental Ordinance, any amounts deposited to or investments or earnings belonging to a Rebate Fund to the extent necessary to make a payment to the United States of America in accordance with Section 148 of the Code. As provided in the Master Bond Ordinance and the Fiftieth Supplement, the obligations of the Cities to pay money on the Bonds out of Pledged Revenues are joint, and not several, and except as otherwise provided therein no claim, demand, suit or judgment shall ever be asserted, entered or collected against or from one City without the other and no individual liability shall ever exceed in the case of Dallas 7/11ths of the total amount thereof, and in the case of Fort Worth 4/11ths of the total amount thereof; and, except as in the Master Bond Ordinance and the Fiftieth Supplement otherwise provided, such sums shall be payable and collectible solely from the funds in which Pledged Revenues shall from time to time be on deposit. Certain other obligations of the Cities under the Master Bond Ordinance and the Fiftieth Supplement with respect to the Bonds and the Airport are several and not joint, the default of which by one City shall not constitute a default by the other. Reference is hereby made to the Master Bond Ordinance and the Fiftieth Supplement for a full and complete description of the revenues of the Airport pledged to the payment of the Bonds together with a statement of the rights of the Holders of the Bonds, and the rights, duties and obligations of the Cities and the Board with respect thereto. It is further our opinion that the Master Bond Ordinance and the Fiftieth Supplement have been duly and validly authorized and passed and that the Bonds have been duly authorized and issued in accordance with their terms.

Under the terms and conditions provided in the Master Bond Ordinance and in any supplemental ordinances authorizing obligations on parity therewith, and the Bonds of this issue, the Cities reserve the right to issue Additional Obligations secured by a lien on parity with the lien securing this issue of Bonds under the conditions set forth in said Ordinances.

The Holders of the Bonds do not have the right to require the payment thereof out of any funds raised or to be raised by taxation.

The rights of the Holders of the Bonds are subject to the provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

IT IS OUR OPINION THAT:

Interest on the Bonds will be excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion ("Existing Law"). We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code").

In expressing the aforementioned opinions, we are relying on representations to be made by the Cities, the Board, First Southwest Company and Estrada Hinojosa & Company, Inc. (the "Co-Financial Advisors") and the Underwriters named in the Underwriting Agreement with respect to the Bonds (the "Underwriters") with respect to matters solely within the knowledge of the Cities, the Board, the Co-Financial Advisors, and the Underwriters, respectively, which we have not independently verified, and have assumed continuing compliance with the covenants in the Fiftieth Supplement relating to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event such representations are determined to be inaccurate or incomplete or

the Cities or the Board fail to comply with the foregoing covenants of the Fiftieth Supplement, interest on the Bonds could become includable in gross income from the date of delivery regardless of the date on which the event causing such inclusion occurs.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Furthermore we express no opinion as to whether any person treated as the owner of the Bonds under the Fiftieth Supplement is also properly treated as the owner for federal tax purposes.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Cities as the taxpayer. We observe that the Cities and the Board have covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as co–bond counsel for the Cities and the Board and, in that capacity, we have been engaged by the Cities and the Board for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds and the organization of the Cities and the Board under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of the result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the Cities or the Board or to the financial condition or capabilities of the Cities or the Board and we have not assumed any responsibility, and we express no opinions, with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE

The following constitutes a summary of certain portions of the Master Bond Ordinance. This summary is qualified by reference to other provisions of the Master Bond Ordinance referred to elsewhere in this Official Statement, and all summaries pertaining to the Master Bond Ordinance in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Master Bond Ordinance, a copy of which may be obtained from the Board.

Selected Definitions

Accrued Aggregate Debt Service means, for any Debt Service Accrual Period, or other period stated in the Master Bond Ordinance, an amount equal to the sum of the Debt Service with respect to all Outstanding Obligations and Parity Credit Agreement Obligations accruing during that Debt Service Accrual Period.

Accrued Aggregate Interest means that portion of Accrued Aggregate Debt Service applicable to interest on Obligations and Parity Credit Agreement Obligations and accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund pursuant to the Master Bond Ordinance. Such term includes amounts payable to the counterparty under a Swap Agreement to the extent such amounts exceed the applicable amount of interest on the Obligations, but does not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

Accrued Aggregate Principal means that portion of Accrued Aggregate Debt Service applicable to Principal Installments of Obligations and principal amounts owed under Parity Credit Agreement Obligations accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund as described in clause (i) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds."

Acts mean, collectively, chapters 1201, 1207, 1371, and 1503, Government Code, as amended, and chapter 22, Transportation Code, as amended.

Additional Obligations means one or more series of bonds, notes, commercial paper obligations, or other evidences of indebtedness permitted by Applicable Law and issued by the Cities on a parity as to the Pledged Revenues and Pledged Funds with the Prior Obligations and the Initial Obligations for lawful purposes as permitted by the Master Bond Ordinance, and includes specifically the Series 2001A Bonds, the Series 2002A Bonds, the Series 2002B Bonds, the Series 2002C Bonds, the Series 2003A Bonds, the Series 2003C Bonds, the Series 2004A Bonds, the Series 2004B Bonds, the Series 2006A Bonds, the Series 2007 Bonds, the Series 2009A Bonds, Series 2010 Bonds, Series 2011A Bonds, Series 2011C Bonds, Series 2011D Bonds, Series 2011E Bonds, Series 2012A Bonds, Series 2012B Bonds, Series 2012C Bonds, Series 2012D Bonds, Series 2012E Bonds, Series 2012F Bonds, Series 2012G Bonds, Series 2012H Bonds, Series 2013A Bonds, Series 2013B Bonds, Series 2013C, Series 2013D, Series 2013E, Series 2013F, Series 2013G, Series 2014A, Series 2014B, Series 2014C and Series 2014D.

Additional Supplemental Ordinance means any ordinance jointly passed subsequent to the passage of the Master Bond Ordinance by the Cities that supplements the Controlling Ordinances or the Outstanding Ordinances for the purpose of (i) authorizing and providing the terms and provisions of the Initial Obligations, the Additional Obligations, and Parity Credit Agreement Obligations, (ii) authorizing and providing the terms and provisions of Subordinate Lien Obligations, Net Revenue Obligations, and Credit Agreement Obligations related thereto and on a parity therewith if so stated therein, or (iii) for any

of the other purposes permitted under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Amendments."

Administrative Expenses means, to the extent specified in an Additional Supplemental Ordinance, the fees, expenses, and indemnification liabilities payable to the Paying Agent, the Credit Providers, and others, of which the Board has or is given actual notice at least thirty (30) days prior to the due date thereof. Said term does not include Credit Agreement Obligations.

Aggregate Debt Service means, for any period and as of any date of calculation, the sum of the interest and Principal Installments payable with respect to Obligations and the principal amount of and interest on any Parity Credit Agreement Obligations payable, in each case, during such period. The calculation of Principal Installments accruing will be determined as provided in paragraph (2) of the definition of Debt Service below, except that the period for the calculation will be substituted for the Debt Service Accrual Period.

Aircraft means airplanes, helicopters, and every other contrivance now or hereafter used for the navigation of, or flight in, air or space.

Airport means the international airport, presently known as the "Dallas/Fort Worth International Airport" and originally described in the 1968 Ordinance as the "Dallas–Fort Worth Regional Airport," that is owned and operated by the Cities acting jointly under the Contract and Agreement in accordance with Applicable Law, and the term includes all land, structures, and facilities thereof or related thereto of whatever character and wherever situated, and all future improvements, extensions, and equipment appertaining thereto and belonging to the Cities for use in connection therewith, and such term also includes any other airport or airports, the revenues of which are, by official action of the Cities, made a part of Gross Revenues, but excluding all Special Facilities while the Special Facility Bonds secured thereby are outstanding, and, to the extent, but only to the extent, stated in an Additional Supplemental Ordinance, excluding such Facilities as are financed with the proceeds of Special Revenue Bonds while the Special Revenue Bonds secured thereby are outstanding.

Airport Consultant means a professional person, firm or corporation having a wide and favorable repute for skill and experience in the field of planning and determining the feasibility of airports and related facilities and undertakings.

Applicable Law means the Acts, and all other laws or statutes, rules or regulations, and any amendments thereto, of the State or of the United States by which the Cities, the Board, and their powers, securities (including the Obligations), operations and procedures are, or may be, governed or from which such powers may be derived.

Architect means a registered licensed professional architect working as a regular employee of the Board, or working for any firm or joint venture of such architects that has been retained by the Board, having a favorable repute for skill and experience in the fields of architecture and planning who is entitled to practice and practicing as such under the laws of the State of Texas.

Authorized Officer means the Chief Executive Officer, Executive Vice President/Chief Financial Officer, and the Vice President of Treasury Management and any and all successor positions or titles.

Board or Airport Board means the operating Board of the Airport whose powers and duties were continued, expanded and further defined by the Contract and Agreement.

Business Day means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the Cities or in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close.

Certificate means a document signed by an Authorized Officer, either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Master Bond Ordinance or an Additional Supplemental Ordinance.

Cities mean collectively the municipal corporations and political bodies known as the City of Dallas, in the County of Dallas and State of Texas, and the City of Fort Worth, in the County of Tarrant and State of Texas, and such term will also be deemed to include and refer to, in all appropriate ways, any successor political body, authority or subdivision if the Airport is ever transferred thereto.

City Council or **City Councils** mean in each instance the governing body as from time to time constituted of Dallas or Fort Worth or the plural thereof means and refers to the governing bodies of both said Cities.

Code means the Internal Revenue Code of 1986, the regulations and published rulings promulgated or published thereto and the provisions of any applicable Section of a successor federal income tax law.

Contract and **Agreement** means that certain agreement entitled "Contract and Agreement," entered into actually on April 23, 1968, but effective as of April 15, 1968, by and between Dallas and Fort Worth, which by its terms continues, expands, and further defines the powers and duties of the Board, creates the Joint Airport Fund and provides for the construction and operation of the Airport.

Controlling Ordinances means the 1968 Ordinance and the Thirtieth Supplemental Concurrent Bond Ordinance passed by the Cities on February 23, 2000 and February 22, 2000, respectively, and effective February 23, 2000.

Construction Fund means the Fund by that name created as a part of the Joint Airport Fund in the Contract and Agreement.

Costs of the Airport means (i) expenses and costs for labor, payments to contractors, builders, and materialmen in connection with preparing, constructing, otherwise acquiring, equipping, replacing, extending, improving, and/or restoring any part of the Airport; (ii) the costs of machinery, furnishings, and equipment used in connection therewith; (iii) the cost of indemnity and fidelity bonds, if any, to secure the deposits of any moneys in any fund or account of the Cities or the Board relating to the Airport; any costs or expenses relating to litigation of any nature or kind that relates to the Airport; (iv) expenses and costs necessary or incidental to a determination of the feasibility or practicability of constructing or installing any facilities related to the Airport, including the fees and expenses of engineers, architects, and other professionals or consultants; (v) financing costs, including the fees and expenses of financial advisors, attorneys, and other professionals and consultants, the costs, fees, and charges of Credit Providers relating to the execution and delivery of Credit Agreements pertaining to any matters that relate to Obligations, any other fees and expenses related to the issuance and delivery of Obligations, and interest on Obligations that is to be capitalized from the proceeds of Obligations; (vi) expenses of administration properly chargeable to the construction of improvements to the Airport or equipping the same, including legal fees and expenses, costs of audits, and costs necessary to place the

same into operation or service; (vii) and costs and expenses related to the acquisition of land to comprise a part of the Airport; and (viii) any proper expense incurred for any of the foregoing purposes.

Credit Agreement means any agreement of the Cities permitted by Applicable Law that is entered into with a Credit Provider for the purpose of enhancing or supporting the creditworthiness of all or a part of a series of Obligations or Subordinate Lien Obligations, and/or to assure the Cities' financial ability to honor rights of tender of any of such obligations and to hold, sell, market or remarket any of such obligations thus tendered according to the specific terms and features of such obligations as contained and defined in an Additional Supplemental Ordinance, and/or to make deposits to the Debt Service Reserve Fund or other applicable fund in lieu of cash deposits thereto, such as, for example only, municipal bond insurance policies, standby bond purchase agreements, Swap Agreements, revolving credit agreements, hedge agreements, and letters or lines of credit issued or provided by, and notes, surety bonds, reimbursement, purchase and other similar agreements with, banks, insurance companies or other commercial and financial institutions or by and with governmental agencies, entities or departments.

Credit Agreement Obligations means any liability of the Cities to pay any amount of principal, interest, or other payment on any debt or liability created under a Credit Agreement in favor of a Credit Provider that is declared by the terms of an Additional Supplemental Ordinance either (i) to be a Parity Credit Agreement Obligation, or (ii) to be on a parity with Subordinate Lien Obligations.

Credit Provider means the Existing Insurers and includes each party identified and named in an Additional Supplemental Ordinance that provides credit or liquidity support for, or insurance insuring the payment of, any amounts due or owing on Obligations, on Subordinate Lien Obligations, or on other financial undertakings in a Credit Agreement, including a counterparty to the Cities under a Swap Agreement.

Current Gross Revenues means Gross Revenues less any amounts transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund" or in clause (a) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Capital Improvements Fund" or retained as described under the second to last paragraph under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds."

Dallas means the City of Dallas, Texas.

Debt Service means for each Debt Service Accrual Period with respect to a series of Obligations, and related Parity Credit Agreement Obligations, an amount equal to the sum of:

(1) interest accruing on each series of Outstanding Obligations, including as to Interim Obligations and to each series of Variable Interest Rate Obligations, if any, the amount estimated by an Authorized Officer that will accrue during the Debt Service Accrual Period based on the applicable Standard Assumptions, and excluding interest funded or projected by an Authorized Officer to be funded from the proceeds of Additional Obligations; and

(2) that portion of the next maturing Principal Installment for each series of Outstanding Obligations which will accrue during the Debt Service Accrual Period, other than a Principal Installment of or with respect to Interim Obligations that are to be paid either with the proceeds of other Obligations or with funds provided by a Credit Provider, and other than amounts scheduled to be paid by a counter party to a Swap Agreement that is not in default. For the purpose of determining the amount of the next maturing Principal Installment that will accrue during the Debt Service Accrual Period, the Board and the

Paying Agent will assume that the Principal Installment accrues daily in equal amounts from the next preceding Principal Installment due date. If there is no preceding Principal Installment due date with respect to the series of Obligations, the Principal Installments with respect to that series will not begin to accrue until the later of (A) the date which is one year preceding the first Principal Installment due date of that series, or (B) the date of issuance of that series. The Board and the Paying Agent will further assume that no Obligations of the series will cease to be Outstanding except by reason of the payment, through defeasance or otherwise, of each Principal Installment on the due date thereof; and

(3) all amounts due and payable on Parity Credit Agreement Obligations during the Debt Service Accrual Period, including interest amounts payable by the Cities or the Board under a Swap Agreement during the Debt Service Accrual Period above the amount of interest accruing on a series of Obligations during such period, so long as the counterparty to that Swap Agreement is not in default.

Debt Service Requirements will be calculated on the assumption that no Obligations Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installments or Sinking Fund Installments thereon when due, except as provided in the Master Bond Ordinance for Interim Obligations. Such Debt Service requirements will not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

Debt Service Accrual Period means the period commencing, as applicable, on the date of issuance of a series or issue of Obligations or the execution of Parity Credit Agreements or on the day following the most recent Interest Payment Date or Principal Payment Date, and ending on, but including, the last day of the calendar month prior to the next succeeding Interest Payment Date or Principal Payment Date thereafter; provided, however, with respect to provision for the final payment of any one or more of the Obligations or Parity Credit Agreement Obligations, such accrual period with respect to such Obligations or Parity Credit Agreement Obligations may be shortened to a period sufficient to provide for the payment of such Obligations or Parity Credit Agreement Obligations in full when due. The Board may adjust the Debt Service Accrual Period from time to time, by the terms of Additional Supplemental Ordinances or otherwise, in order to assure that all Obligations and Parity Credit Agreement Obligations are paid in full when due.

Debt Service Fund means the fund designated and created as the "Interest and Sinking Fund" in the Contract and Agreement, and confirmed and renamed in the Thirtieth Supplement.

Debt Service Reserve Fund means the fund designated and created as the "Reserve Fund" in the Contract and Agreement, and confirmed and renamed in the Thirtieth Supplement.

Debt Service Reserve Requirement means the total amount required to be on deposit in the Debt Service Reserve Fund as described in clause (b) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund" and/or for which alternative funding is provided as described in clause (c) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund."

Depository Bank means the lawful depository bank of the Board at which the Joint Revenue Fund is to be held pursuant to the Contract and Agreement.

Event of Default means the occurrence of any of the events or circumstances described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Events of Default–Description."

Existing Insurers means the issuers of municipal bond insurance policies insuring a portion of the Prior Obligations.

Facilities means any facilities, buildings or equipment comprising a part of or used in connection with the Airport.

Fiscal Year means the twelve month period commencing on the 1st day of October of any year and ending at midnight on September 30 of the next succeeding year.

Fort Worth means the City of Fort Worth, Texas.

Gross Revenues means all income and revenues derived directly or indirectly by the Board from the operation or ownership of the Airport or any part thereof, whether resulting from improvements, extensions, enlargements, repairs, or betterments to the Airport, additional Facilities, or otherwise, and expressly including (i) all revenues received by the Board or any municipal corporation or entity succeeding to the revenues of the Cities from the Airport, (ii) all rentals, tolls, rates or other charges for the use of the Airport or any Facilities or for the entry upon any part thereof or for any service rendered by the Board or the Cities in the operation thereof, (iii) any funds transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund" or in clause (a) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Capital Improvements Fund," (iv) the rentals payable under Ground Leases, (v) any funds retained in the Operating and Expense Fund as described under the second to last paragraph under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds" and (vi) any net amounts owing to the Cities or the Board under a Swap Agreement, but expressly excluding the following:

(A) rentals or other amounts derived from Net Rent Leases to the extent and for so long as they are pledged as security for Special Facility Bonds and reserves therefor;

(B) any moneys received as grants or gifts from the United States of America, the State of Texas, or other sources, the use of which is limited by the grantor or donor to the construction or acquisition of capital improvements, additions or extensions to the Airport, except to the extent any such moneys are received as payments for the use of the Airport;

(C) all Special Revenues and/or unrestricted federal subsidies, except for such portion thereof as may be included as a part of "Gross Revenues" under the provisions of an Additional Supplemental Ordinance;

(D) the proceeds of any Additional Obligations or Credit Agreements, and the interest or other investment income realized from the investment of the proceeds of Obligations, and all other investment income not required to be deposited to the Operating Revenue and Expense Fund;

(E) the proceeds of insurance other than from insurance policies insuring against the loss of use or business interruption at the Airport;

(F) the money on deposit in the Capital Improvements Fund except for such amounts as are transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service Reserve Fund" or in clause (a) under the caption "SUMMARY OF

CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Capital Improvements Fund";

(G) moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport–owned property within such municipalities; and

(H) any and all money deposited to, or required to be deposited to, a Rebate Fund relating to a Tax–Exempt Obligation.

Ground Lease means the lease of Airport lands required to be executed in connection with the construction of Special Facilities.

Holder means the registered owner of an Obligation according to an Obligation Register.

Independent Insurance Consultant means a firm of independent professional consultants knowledgeable in the ownership and operation of publicly–owned properties, including airports, and having a favorable reputation for skill and experience in the field of insurance consultation.

Interest Payment Date(s) means the date or dates on which interest on Obligations or Parity Credit Agreement Obligations is payable, as said date or dates are specified in an Outstanding Ordinance or in Additional Supplemental Ordinances.

Interim Obligations mean Obligations (i) for or with respect to which no Principal Installments are required to be made other than on the Stated Maturity Date thereof, which date shall be no later than five (5) years from the date of their delivery to their initial purchasers, and (ii) which are authorized by an Additional Supplemental Ordinance which declares the Cities' intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such Stated Maturity Date, including commercial paper, notes, and similar Obligations.

Investment Securities mean any and all of the investments permitted by Applicable Law for the investment of the public funds of the Board, provided that such investments are at the time made included in and authorized by the official investment policy of the Airport as approved by the Board from time to time and are not prohibited by an Additional Supplemental Ordinance.

Joint Airport Fund means the master fund by that name created by the Cities for the purpose of accurately and adequately recording and accounting for the ownership, operations and properties to the joint venture evidenced by the Contract and Agreement, all as described and provided in the Contract and Agreement.

Market Value means the fair market value of Investment Securities calculated as set forth in the Master Bond Ordinance.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Obligations or Parity Credit Agreement Obligations bearing a Variable Interest Rate, a numerical or other statement of the rate of interest, which is set forth in the Additional Supplemental Ordinance authorizing such Obligations, or in a related Credit Agreement with respect to Parity Credit Agreement Obligations, in each case being the maximum rate of interest such Obligations or Parity Credit Agreement Obligations

may bear at a single time or over the period during which they are Outstanding or unpaid, but in no event exceeding the maximum amount or rate of interest permitted by Applicable Law.

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Obligations, or Parity Credit Agreement Obligations, bearing a Variable Interest Rate, a numerical rate of interest which may (but need not) be set forth in the Additional Supplemental Ordinance authorizing such Obligations that is the minimum rate of interest such Obligations will at any time bear.

Net Rent Lease means a lease of Airport property or Facilities entered into by the Board pursuant to which the lessee agrees to pay to the Board a rental during the term thereof in an amount at least equal to the principal, interest and any special reserve requirements contained in the ordinance authorizing the Special Facility Bonds to which such lease relates, as contemplated under Section 8.7A of the 1968 Ordinance and to pay, in addition to such rental, all operation and maintenance expenses applicable to the Special Facilities to be constructed with said bonds, including, without limitation, any insurance premiums applicable to such Special Facilities (as may be required by said lease); any and all ad valorem or other property taxes lawfully levied or assessed against the leasehold interest of the lessee in and to such Special Facilities and to the Airport land upon which the same are to be situated pursuant to the Ground Lease executed in connection therewith (such leasehold interest, irrespective of the term thereof, as distinguished from the remainder or other interest of the Cities therein, being for such purposes the property of such lessee and not the property of the Cities); any and all lawful excise or other types of taxes imposed on or in respect of such properties; and the expenses of upkeep thereof of every kind and character including the repair or ordinary restoration thereof.

Net Revenues mean the amount remaining after deducting Operation and Maintenance Expenses from Gross Revenues.

Newspaper means newspapers printed in the English language, published at least once each calendar week and of general circulation within the Cities.

1968 Ordinance means the "1968 Regional Airport Concurrent Bond Ordinance," passed by the City Councils, respectively, on November 11, 1968, and November 12, 1968, as amended and supplemented by the other Outstanding Ordinances, such ordinance having authorized the initial bonds issued by the Cities for the purpose of financing the Airport and establishing the terms and provisions of and the security for additional bonds to be issued for the purposes of the Airport.

Obligation Register means, as to each series of Obligations, the register or registers maintained pursuant to the Master Bond Ordinance.

Obligations mean the Prior Obligations, the Initial Obligations, and the Additional Obligations.

Operating Revenue and Expense Fund means the Fund by that name established as a part of the Joint Airport Fund in the Contract and Agreement and referred to in the Master Bond Ordinance.

Operation and Maintenance Expenses means all reasonable and necessary current expenses of the Board (paid or accrued) of operating, maintaining, and repairing the Airport. Without limiting the generality of the foregoing, such term shall include insurance premiums, refunds/payments to be made to airlines pursuant to agreements between the Board and such airlines, the reasonable charges of any Paying Agent and any other depository bank appertaining to the Airport, contractual services, professional services required by this Master Bond. Ordinance or by the Board, salaries and administrative expenses, labor and the cost of materials and supplies used for current operation; but. shall not include the costs of

improvements, extensions, enlargements or betterments, which according to standard accounting principles are chargeable as capital replacements or improvements.

Outstanding when used with reference to Obligations, including Obligations acquired by a Credit Provider with the proceeds of a Credit Agreement, means, as of any date, Obligations theretofore or thereupon being authenticated and delivered under the Outstanding Ordinances or an Additional Supplemental Ordinance, except:

(i) Obligations which have been fully paid at or prior to their maturity or on or prior to a redemption date;

(ii) Obligations (or portions thereof) for the payment of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption, will be held by a Paying Agent or a trustee in cash in trust and set aside for payment at maturity or redemption on a redemption date and for which notice of redemption has been given or provision has been made therefor;

(iii) Obligations in lieu of or in substitution for which other Obligations have been authenticated and delivered pursuant to an Additional Supplemental Ordinance; and

(iv) Obligations for which payment has been provided by defeasance as described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Discharge of Ordinance–Discharge by Defeasance."

Outstanding Obligations mean (i) the Prior Obligations while, when, after, to the extent, and for so long as any of the same are Outstanding, and (ii) the Initial Obligations while, when, after, to the extent, and for so long as any of the same are Outstanding, and (iii) any Additional Obligations, while, when, after, to the extent, and for so long as any of the same are Outstanding.

Outstanding Ordinances means the Master Bond Ordinance and the following ordinances that supplement and amend the same, to-wit:

(i) the Thirty-First Supplemental Concurrent Bond Ordinance (the "2000A Ordinance"), effective February 23, 2000;

(ii) the Thirty-Third Supplemental Concurrent Bond Ordinance (the "2001A Ordinance"), effective November 14, 2001;

(iii) the Thirty-Fourth Supplemental Concurrent Bond Ordinance (the "2002A Ordinance"), effective August 14, 2002;

(iv) the Thirty-Fifth Supplemental Concurrent Bond Ordinance (the "2002B Ordinance"), effective August 14, 2002;

(v) the Thirty-Sixth Supplemental Concurrent Bond Ordinance (the "2002C Ordinance"), effective August 14, 2002;

(vi) the Thirty-Seventh Supplemental Concurrent Bond Ordinance (the "2003A Ordinance"), effective April 9, 2003;

(vii) the Concurrent Amending Bond Ordinance (the "Amending Ordinance"), effective April 9, 2003;

(viii) the Thirty-Eighth Concurrent Bond Ordinance (the "2003C Ordinance"), effective April 9, 2003;

(ix) the Fortieth Supplemental Concurrent Bond Ordinance (the "2004B Ordinance"), effective April 28, 2004;

(x) the Forty-Second Supplemental Concurrent Bond Ordinance (the "2007 Ordinance"), effective June 27, 2007; and

(xi) the Forty-Third Supplemental Concurrent Bond Ordinance (the "2009A Ordinance"), effective August 26, 2009.

Parity Credit Agreement Obligation means a Credit Agreement Obligation that is declared by an Additional Supplemental Ordinance to be payable from and secured by a lien on Pledged Revenues and Pledged Funds on a parity with the Outstanding Obligations.

Paying Agent means any paying agent for a series or issue of Obligations appointed pursuant to the Master Bond Ordinance and its successor or successors.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Pledged Funds mean, collectively, (i) amounts on deposit in the Debt Service Fund, (ii) amounts on deposit in the Debt Service Reserve Fund, (iii) any amounts that are due and owing, and any amounts that are paid, under a Credit Agreement executed in lieu of making cash deposits to the Debt Service Reserve Fund, (iv) any Investment Securities or other investments or earnings belonging to either of the funds identified in clauses (i) and (ii), above, and (v) any additional funds, accounts, revenues, or other moneys or funds of the Cities which hereafter may be, by an Additional Supplemental Ordinance, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding Obligations. The foregoing notwithstanding, the term "Pledged Funds" does not include, unless specifically provided in an Additional Supplemental Ordinance, any amounts deposited to or investments or earnings belonging to a Rebate Fund to the extent necessary to make a payment to the United States of America in accordance with Section 148 of the Code.

Pledged Revenues mean collectively (i) Gross Revenues, and (ii) such other money, income, revenues or other property as may be specifically included in such term in an Additional Supplemental Ordinance.

Principal Installment means, with respect to Obligations or Parity Credit Agreement Obligations, any amounts, other than interest payments, including any Sinking Fund Installments, which are stated to be due or required to be made on or with respect to an Obligation or Parity Credit Agreement Obligation, which, when made, would reduce the amount of the Obligation or series of Obligations that remain Outstanding or would retire and pay the same in full, and which are not otherwise paid from other funds of the Airport or from the proceeds of other obligations of the Airport, including Obligations.

Principal Payment Date(s) means the date or dates upon which Principal Installments are due as specified in an Outstanding Ordinance or an Additional Supplemental Ordinance, to and including the Stated Maturity Date of an Obligation.

Prior Obligations - mean the bonds heretofore issued by the Cities, bearing the following titles and series designations, having been authorized and issued under and pursuant to the respective Outstanding Ordinances as identified below, and that are Outstanding on the effective date of this Ordinance, to-wit:

(i) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2000A;

(ii) Dallas/Fort Worth International Airport Joint Revenue Improvement and Refunding Bonds, Series 2001A;

(iii) Dallas/Fort Worth International Airport Joint Revenue Improvement and Refunding Bonds, Series 2002A;

(iv) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2002B;

(v) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2002C;

(vi) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2003C;

(vii) Dallas/Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2003A;

(viii) Dallas/Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2004B;

(x) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2007; and

(xi) Dallas/Fort Worth International Airport Joint Revenue Bonds, Series 2009A.

Project means any addition, improvement, expansion or extension to the Airport to be financed with all or a portion of the proceeds of Obligations, as determined by the Board.

Rebate Fund means any fund established by an Outstanding Ordinance or an Additional Supplemental Ordinance in connection with the issuance of any Obligation that is a Tax–Exempt Obligation, to ensure compliance with the provisions of Section 148 of the Code, including, in particular, Section 148(f) of the Code. For purposes of the foregoing and of the Master Bond Ordinance and the Outstanding Ordinances, the Board and the Cities are permitted to rely on a firm of certified public accountants, Bond Counsel or other persons who specialize in the exemption from federal income taxation of interest payable on Tax–Exempt Obligations, and the Cities may include in Additional Supplemental Ordinances covenants relating to Tax Exempt Obligations, to a Rebate Fund, and to the use and application of money on deposit in the funds created or confirmed in the Master Bond Ordinance or in the funds or accounts created in an Additional Supplemental Ordinance.

Redbird means the airport presently belonging to Dallas and formerly bearing the name "Redbird Airport," now known as the Dallas Executive Airport.

Redemption Price means, with respect to any Obligation, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the terms of such Obligation or its authorizing Outstanding Ordinance or Additional Supplemental Ordinance.

Registrar means any registrar for Obligations appointed pursuant to the Master Bond Ordinance (which may include the Paying Agent and its successors or assigns).

Risk Manager means the insurance risk manager of the Airport in the control and employ of the Board, or such other officer or employee of the Board having the responsibility to acquire and maintain insurance on the Board's behalf.

Sinking Fund Installment means, with respect to any series of Obligations, the portion of the Accrued Aggregate Debt Service required by an Additional Supplemental Ordinance to be deposited to the Debt Service Fund in all events on a future date to be held on deposit or applied, in either case, for the mandatory redemption or retirement, in whole or in part, of any Outstanding Obligations of said series having a stated maturity after said future date. Said future date is deemed to be the date when such Sinking Fund Installment is due and payable.

Special Facilities means hangars, aircraft overhaul, maintenance and repair shops, storage facilities, garages and other buildings, structures, Facilities and appurtenances being a part of or related to the Airport and financed wholly or in part with the proceeds of Special Facility Bonds.

Special Facility Bonds means bonds payable solely from all or a portion of the rentals received from any one or more Net Rent Leases appertaining to Special Facilities.

Special Revenues means any one or all (i) taxes or special charges, other than tolls and charges imposed for entry to the Airport, that are levied or imposed for use of the Airport, or on the price of goods, products, or services sold or provided at the Airport pursuant to Applicable Law, such as, but not limited to, passenger facilities charges imposed pursuant to 49 U.S. Code, Sec. 40117, as amended, or any successor or similar law, sales and/or use taxes received by the Board from any source, hotel occupancy taxes, and special taxes or surcharges imposed on automobile rental or use charges, and (ii) ad valorem taxes received by the Board from any source. Special Revenues will not include moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport–owned property within such municipalities.

Special Revenue Bonds mean bonds, notes or other obligations issued for the purposes of the Airport that are made payable from Special Revenues pursuant to the right to issue the same as described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Special Revenue Bonds."

Standard Assumptions mean, subject to the last sentence of this paragraph, wherever in the Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to Interim Obligations is required by application of the Standard Assumptions, the Debt Service will be computed by assuming that the principal amount of the Interim Obligations will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Obligations has not been capitalized or otherwise funded or provided for, at which time (which will not be beyond the Stated Maturity Date of the Interim Obligations) it will be assumed (A) that the Outstanding principal amount of the series of Interim Obligations will be refinanced with a series of Additional Obligations that will be amortized over a period not to exceed twenty-five (25) years in such manner as

will cause the maximum Debt Service Requirement applicable to such series in any twelve (12) month period not to exceed 110% of the minimum Debt Service Requirements applicable to such series for any other twelve (12) month period, and (B) that the series of Additional Obligations will bear interest at a fixed interest rate estimated by the Board's financial advisor to be the interest rate such series of Additional Obligations would bear if issued on such terms on the date of such estimate. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average rate over the last twelve months plus 50 basis points.

Subject to the last sentence of this paragraph, wherever in the Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to each series of Variable Interest Rate Obligations that are not Interim Obligations is required by application of the Standard Assumptions, the Debt Service will be computed by assuming that such Obligations will bear interest at the highest of (i) the actual rate on the date of calculation, or, if such Obligations are not yet Outstanding, the initial rate, if established and binding, (ii) if the Obligations have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or (iii) (A) if the Obligations are Tax Exempt Obligations, the most recently published "Revenue Bond Index," published by the financial news publication presently known as The Bond Buyer, or comparable index if no longer published, plus fifty basis points, or (B) if the Obligations are not Tax Exempt Obligations, the interest rate on direct obligations of the United States with comparable maturities, plus 50 basis points; provided, however, for the purpose of the verifying prior compliance with the rate covenants, such Obligations will be deemed to bear interest at the actual rate borne during any prior test period. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average rate over the last twelve months plus 50 basis points.

State means the State of Texas.

Stated Maturity Date means the date on which an Obligation matures and the full amount owed thereon is in all events due and payable, as specified in Additional Supplemental Ordinances.

Subordinate Lien Obligations mean bonds, notes or other obligations issued pursuant to and in accordance with the Master Bond Ordinance as described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Additional Indebtedness–Subordinate Lien Obligations."

Swap Agreement means a Credit Agreement with respect to a series of Obligations pursuant to which the Cities or the Board agrees to pay to a qualified counter party an amount of money in exchange for the counter party's promise to pay all or a portion of the actual amount of interest due and payable on such series according to its terms as it becomes due. For the purposes of this definition, a counter party is not qualified unless it holds a current rating for claims–paying ability by at least two nationally recognized rating agencies at least equal to the rating of each such rating agency assigned to the Initial Obligations without reference to any Credit Agreement.

Tax–Exempt Obligation means any Obligation the interest on which is excludable from the gross income of the Holder for federal income tax purposes under Section 103 of the Code.

Thirtieth Supplement means the Dallas–Fort Worth International Airport Thirtieth Supplemental Concurrent Bond Ordinance.

Variable Interest Rate means a variable or adjustable interest rate that varies from time to time based on a formula or reference to specified financial indicators, or by negotiation, auction, or revisions through another method from time to time and to be borne by all or a part of a series of Obligations or Parity Credit Agreement Obligations, all as specified in an Additional Supplemental Ordinance or Credit Agreement.

Variable Interest Rate Obligations mean Obligations or Parity Credit Agreement Obligations which bear a Variable Interest Rate.

Funds and Flow of Funds

Funds. The Master Bond Ordinance (i) confirms and renames the "Interest and Sinking Fund" (created in the 1968 Ordinance) as the "Debt Service Fund," (ii) confirms and renames the "Reserve Fund" (created in the 1968 Ordinance) as the "Debt Service Reserve Fund," and (iii) confirms and continues the "Capital Improvements Fund," the "Operating Revenue and Expense Fund," and the "Construction Fund," and the following special funds, as confirmed and continued within the Joint Airport Fund, are governed by the terms of the Master Bond Ordinance:

(i) the Debt Service Fund;

(ii) the Debt Service Reserve Fund;

(iii) the Capital Improvements Fund;

(iv) the Operating Revenue and Expense Fund; and

(v) the Construction Fund.

The Cities may authorize the creation of special or general accounts within any of such Funds and may prescribe the terms applicable thereto in Additional Supplemental Ordinances; provided, however, the Board may authorize special and general accounts within any such Funds for accounting purposes. The Debt Service Fund and the Debt Service Reserve Fund, and any and all accounts created therein, if any, are special trust funds, to be held by the Board for the benefit of the Holders of Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable. Unless required otherwise by an Additional Supplemental Ordinance, all of such funds not expressly required by the Master Bond Ordinance or an Additional Supplemental Ordinance to be held by a trustee, may be held in any bank or lawful depository of the funds of the Board, including the Treasurer. Any other funds, accounts or moneys required to be created or held under the terms of any Additional Supplemental Ordinance will be held at the place or places specified in such Additional Supplemental Ordinance. All funds and accounts created or confirmed in the Master Bond Ordinance and in any Additional Supplemental Ordinance, and the books and records of account with respect thereto, will be kept and maintained in such manner as will record on a regular basis all deposits therein and the source thereof, withdrawals therefrom and the purposes therefor, and the earnings realized with respect thereto. All moneys on deposit in the special funds described under this caption on the date of delivery of any of the Initial Obligations shall be held therein and thereafter shall be maintained, supplemented, invested, and applied as directed in the Master Bond Ordinance and in Additional Supplemental Ordinances, as applicable.

Flow of Funds. All Gross Revenues, when and as received by the Board, will be promptly deposited to the credit of the Operating Revenue and Expense Fund.

Unless made more frequent by an Additional Supplemental Ordinance, the Board will transfer, only to the extent required, amounts on deposit in the Operating Revenue and Expense Fund monthly on or before the last Business Day of each month to the following Funds and in the following order of priority:

(i) First, to the Debt Service Fund, an amount equal to the lesser of (A) all funds available for transfer, or (B) an amount equal to the Accrued Aggregate Debt Service for such monthly period, subject to the provisions set forth under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Adjustments in Transfer Requirements";

(ii) Second, if and to the extent required by an Additional Supplemental Ordinance pursuant to which Obligations are issued and/or related Parity Credit Agreements are authorized, to a special account or accounts, such amount as is necessary to pay any Administrative Expenses that are due and payable during the succeeding month;

(iii) Third, to the Debt Service Reserve Fund, the lesser of (A) all funds available for transfer, or (B) subject to the alternative funding methods permitted under the Master Bond Ordinance and described herein, up to the amount required to cause the amount on deposit therein to be equal to the lesser of (y) the Debt Service Reserve Requirement, or (z) the amount then required to be on deposit therein according to said sections, plus any amounts required to restore or replenish any deficiencies in the Debt Service Reserve Fund so that the amounts required by the Master Bond Ordinance are on deposit therein when, as, and in the amounts therein required;

(iv) Fourth, to any other fund or account required by any Additional Supplemental Ordinance authorizing Obligations and/or Parity Credit Agreement Obligations, the amounts required to be deposited therein; and

(v) Fifth, to a special account or fund, if any, created by the Cities in an Additional Supplemental Ordinance, for the purpose of paying the principal and redemption price of, the interest on, and reserves for Subordinate Lien Obligations, and paying Credit Agreement Obligations that are declared to be on a parity therewith.

Unless otherwise directed by an Additional Supplemental Ordinance, during each month, subject to the transfers as described above under this subcaption, the Board is authorized to expend or set aside any money on deposit in the Operating Revenue and Expense Fund for the following purposes, in the following order of priority:

(i) First, expending such money for the purpose of paying the Operation and Maintenance Expenses of the Board in accordance with the current annual budget of the Board; and

(ii) Second, setting aside into a separate account an amount sufficient to pay Operation and Maintenance Expenses for the ensuing period of ninety (90) days, as estimated by an Authorized Officer.

Gross Revenues remaining unexpended at the close of business on the last day of each Fiscal Year, after expending or setting aside the money required for the purposes set forth in the above paragraphs of this subcaption, will be deposited to the credit of the Capital Improvements Fund for use, deposit and application as described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Capital Improvements Fund";

provided, however, an Authorized Officer may, at such time, elect to keep all or a portion of such unexpended funds in the Operating Revenue and Expense Fund.

Notwithstanding the other provisions of this subcaption, the Board is not required to set aside or pay any amounts to a Credit Provider or to a Paying Agent in respect of Administrative Expenses except as requested by such Persons and approved by an Authorized Officer. Notwithstanding the other provisions of this subcaption, Gross Revenues received from or through the United States of America, the State of Texas, or other sources, the use of which is limited, shall be used as Gross Revenues in compliance with any requirements placed on the use of such funds.

Adjustments in Transfer Requirements. The Accrued Aggregate Debt Service required to be transferred to the Debt Service Fund by subsection (i) of the second paragraph of the immediately preceding subcaption for such monthly period will be reduced by an amount equal to the total of any moneys already on deposit in the Debt Service Fund and any account created therein, or on deposit in another Pledged Fund, if any, that is created in an Additional Supplemental Ordinance, and after taking into account investment earnings actually realized and on deposit therein (inclusive of accrued interest and amortization of original issue discount or premium), excess deposits made on account of Variable Rate Obligations and the assumed interest rates thereof, and money deposited therein from the proceeds of Obligations as capitalized interest or otherwise. It is provided, however, that the amounts required to be transferred will never be reduced to an amount below the amount necessary to pay all amounts then due and owing on the Obligations as capitalized interest or otherwise and Parity Credit Agreement Obligations when due and payable. In the event the counterparty to a Swap Agreement becomes obligated to make payments to the Board, such amounts will be deposited to the Debt Service Fund. The Board may at any time increase the amounts of any transfers required under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds" from funds on deposit in the Operating Revenue and Expense Fund, or from any other lawfully available moneys, so long as such transfers do not reduce the amounts required to be transferred to any particular fund or account as described under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds."

Debt Service Fund. (a) The Board will pay, out of the Debt Service Fund, to the respective Paying Agents for any of the Obligations from time to time Outstanding, or directly to a Credit Provider holding a Parity Credit Agreement Obligation, as applicable (i) on the date specified in the Outstanding Ordinances and in Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than each Interest Payment Date, the amount (as determined by each Paying Agent or other party designated in each applicable Outstanding Ordinance and Additional Supplemental Ordinance) required for the payment of interest on the Obligations or Parity Credit Agreement Obligations due on such Interest Payment Date, and (ii) on the date specified in the Outstanding Ordinances and Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Obligations or Parity Credit Agreement Obligations to be redeemed or paid unless the payment of such accrued interest is otherwise provided for. Such amounts paid to Paying Agents will be held and applied by the Paying Agents paying the amounts owing on the Obligations with respect to which such transfers were made and upon demand for such payment by a proper Holder.

(b) The Board will pay, out of the Debt Service Fund, to the respective Paying Agents, on the dates specified in the Outstanding Ordinances and each Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Obligations from time to time Outstanding or Parity Credit Agreement Obligations coming due, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment

of any Principal Installments and any Redemption Price that are due on Obligations, and similar amounts that are due and payable on Parity Credit Agreement Obligations on such Principal Payment Date and such amounts paid to Paying Agents or Credit Providers will be held and applied by the Paying Agents or Credit Providers as directed in each Outstanding Ordinance and in each Additional Supplemental Ordinance.

(c) The amount accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by an Additional Supplemental Ordinance shall, be applied prior to a day preceding the due date of such Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

(i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Additional Supplemental Ordinance, or

(ii) the redemption of Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

(d) If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations or Parity Credit Agreement Obligations, is not a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date will be deemed to be the next succeeding Business Day and no interest will accrue between the stated day and the applicable succeeding Business Day.

Debt Service Reserve Fund. (a) Moneys on deposit in or required by a Credit Agreement to be deposited to the Debt Service Reserve Fund shall be used solely and exclusively for the purposes of making transfers to the Debt Service Fund in the event the moneys in the Debt Service Fund are not sufficient to make transfers to the Paying Agents, or payments to Credit Providers for the payment of Parity Credit Agreement Obligations, on the dates and in the full amounts required by the Master Bond Ordinance, by any Additional Supplemental Ordinance, or by any Credit Agreement.

(b) Subject to the rights reserved in the immediately following paragraph (c), the Debt Service Reserve Fund shall be established and maintained in an amount equal to the Debt Service Reserve Requirement, as such amount is determined in accordance with the following paragraphs of this subcaption, to–wit:

(i) The amount of the Debt Service Reserve Requirement to be deposited and maintained in the Debt Service Reserve Fund on account of the Prior Obligations is an amount equal to the average annual Debt Service on and with respect to the Prior Obligations calculated as of November 1 of each year, unless otherwise directed by the Board; and

(ii) The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded in accordance with the immediately following paragraph (c) on account of each respective series of Additional Obligations will be established and funded, or funding will be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, but will be in an amount that is not less than the average annual Debt Service that will be required to be paid on or with respect to

such Additional Obligations that are from time to time Outstanding, except that no increase in the Debt Service Reserve Requirement is required on account of any series of Interim Obligations that are secured, guaranteed, or insured by a Credit Provider.

For the purposes of this paragraph (b), computations with respect to Variable Interest Rate Obligations will be made by applying the applicable Standard Assumptions.

(c) The Debt Service Reserve Requirement required on account of the issuance of each respective series of Additional Obligations will be funded either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) by requiring the required amount to be deposited to the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Initial Obligations or Additional Obligations, respectfully, (iii) by entering into one or more Credit Agreements, such as surety, insurance, other similar contracts, letters of credit and similar arrangements, with an insurance company or companies or a bank or banks, insuring or providing amounts up to the portion of the Debt Service Reserve Requirement applicable to the Obligations being issued, or (iv) by any combination of such methods. Such Credit Agreements must provide for the payment of the principal of and interest on the Obligations when due, and in order to avoid a default thereof, up to an amount equal to the Debt Service Reserve Requirement applicable to the Obligations to which they relate, to the extent cash funds in the Debt Service Reserve Fund do not contain the amount required to be on deposit therein from time to time. The total dollar amount of the insured or guaranteed liability under the Credit Agreement with respect to the payment of such Obligations will be deemed for all purposes of the Master Bond Ordinance to satisfy a corresponding amount of the Debt Service Reserve Requirement. In order for a Credit Agreement to be effective in satisfying in whole or in part the Debt Service Reserve Requirement, the execution of such Credit Agreement must not result in or cause the then underlying credit rating on the Obligations to be lowered or withdrawn by a majority of the credit rating agencies then having a contract credit rating with respect to the Obligations. A determination by the Cities that the terms and provisions of a particular Credit Agreement are in compliance with the requirements of this subcaption is conclusive. To the extent such agreements or contracts are entered into, the Cities may pay the costs thereof from amounts that would otherwise be deposited to the Debt Service Reserve Fund as described in clause (iii) of the second paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds."

If, at any time, a transfer is required from the Debt Service Reserve Fund for the purposes stated in paragraph (a) of this subcaption, the Board will make such transfer on the dates on which transfers are required to be made to the Paying Agents under the Master Bond Ordinance or an Additional Supplemental Ordinance.

Subject to such limitations as may be contained in an Additional Supplemental Ordinance, the Cities have the right and option to apply money in the Debt Service Reserve Fund to redeem Obligations or to pay related Parity Credit Agreement Obligations in advance of their maturity date when and if the same are subject to redemption at the option of the Cities in an amount by which the redemption lowers the Debt Service Reserve Requirement.

Any funds on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement from time to time may be transferred to the Debt Service Fund or, at the discretion of the Board, may be applied to pay Costs of the Airport, or transferred to the Operating Revenue and Expense Fund.

Capital Improvements Fund. (a) Moneys transferred to the Capital Improvements Fund, as described above in the penultimate paragraph under the caption "SUMMARY OF CERTAIN

PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds," shall be used for any purpose permitted by Applicable Law related to the Airport.

(b) Notwithstanding the above provisions of this subcaption, moneys on deposit in the Capital Improvements Fund will be used to prevent a default in the payment of any Obligations or Parity Credit Agreement Obligations.

Restoration of Deficiencies. Should the Debt Service Fund or the Debt Service Reserve Fund, or any other fund or account of any of the types described in the second paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds," contain less than the amount required to be on deposit therein, then such deficiency will be restored from Pledged Revenues over a period not longer than during the ensuing Fiscal Year, and further transfers to the Capital Improvements Fund pursuant to the penultimate paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds" will be suspended until such deficiency has been restored.

Construction Fund. Except as otherwise provided in the Master Bond Ordinance or in an Additional Supplemental Ordinance, moneys deposited in the Construction Fund and the moneys within said Fund shall be used solely for the purpose of defraying a part of the Costs of the Airport. Disbursements from the Construction Fund will be made pursuant to the customary practices of the Airport. All disbursements from the Construction funds shall be accounted for and recorded in the appropriate records of the Airport. When improvements made with Obligation proceeds, will have been completed in accordance with the plans and specifications, and when all amounts due, including all proper incidental expenses, will have been paid, the Authorized Officer shall file with the Board a certificate so stating, and thereupon the Board shall cause the transfer of all moneys remaining in the Construction Fund, if any, to the Capital Improvements Fund.

Investments. Subject to restrictions set forth in a Credit Agreement, if any, amounts in any fund or account may, to the extent permitted by Applicable Law, be invested in Investment Securities. All investments will be made by or upon written instruction of an Authorized Officer in accordance with Applicable Law and the Board's investment policy approved by the Board from time to time. Such investments will mature in such amounts and at such times as may, in the judgment of such Authorized Officer, be necessary to provide funds when needed to make timely payments from such fund or account. In order to avoid loss in the event of a need for funds, the Board may, in lieu of a liquidation of investments in the fund or account needing funds, exchange such investments for investments in another fund or account that may be liquidated at no, or at a reduced, loss.

Except as otherwise provided in the Master Bond Ordinance, obligations purchased as an investment of moneys in any fund or account created in or confirmed by the Master Bond Ordinance will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account. It is provided, however, that earnings may be used as provided in the fifth paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds" and in an Additional Supplemental Ordinance.

In computing the amount in the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at their Market Value annually prior to the adoption of the annual budget for the Airport.

Except as otherwise provided in the Master Bond Ordinance, the Board will sell or cause to be sold at the best price obtainable, or present for redemption or exchange, any Investment Security purchased as an investment pursuant to the Master Bond Ordinance whenever it is necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

To the extent not invested in Investment Securities, funds and accounts shall be fully secured in the same manner as is required for the public funds of the Board.

Effect of Deposits With Paying Agents. (a) Whenever Pledged Revenues are on deposit with a Paying Agent in the amounts required in an Outstanding Ordinance, or in an Additional Supplemental Ordinance, then the Cities and the Board will be released from any further obligations of payment of the interest on or the principal or Redemption Price of Obligations with respect to which the deposits and transfers were made. The Holders of the Obligations with respect to which such moneys are held shall look solely to the appropriate Paying Agents for payment of the interest on or the principal or Redemption Price of the applicable Obligations from such moneys.

(b) Moneys transferred to a Paying Agent will be set aside and continuously held uninvested (unless otherwise provided in an Outstanding Ordinance or in an Additional Supplemental Ordinance) in a special trust fund or account held by the Paying Agent and will be used for the sole and exclusive purpose of paying the amounts due and owing on the Obligations with respect to which such transfers were made and upon demand for such payment by the proper Holders. Any moneys remaining unclaimed for a period specified in any Applicable Law relating to the escheat of property or money will be distributed by the Paying Agent in accordance with such law.

(c) Obligations, for the full payment of the principal amount or Redemption Price of which moneys have been provided to the appropriate Paying Agents as described in this subcaption, will no longer be deemed to be Outstanding from and after the maturity or redemption date thereof and all interest thereon will cease to accrue from and after said date.

(d) Notwithstanding the provisions of paragraphs (a) and (b) of this subcaption, an Additional Supplemental Ordinance may require the payment of amounts deposited with the Paying Agent to be paid to a Credit Provider if offsetting and comparable amounts are deposited by the Credit Provider with the applicable Paying Agent for the purpose of making direct payment to the Holders of the applicable Obligations.

Additional Indebtedness

Additional Obligations. No Additional Obligations will be issued under the Master Bond Ordinance unless the following instruments are executed:

(i) A certificate, dated as of the date of delivery of the Additional Obligations, executed by an Authorized Officer, certifying, in effect, that:

(A) All conditions precedent have been satisfied which are provided for in the Master Bond Ordinance and in each Additional Supplemental Ordinance, the provisions of which relate to or further restrict the issuance of Additional Obligations; and

(B) No Event of Default has occurred and is then continuing under the Master Bond Ordinance or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Obligations; and

(ii) A written order, executed by an Authorized Officer, directing that the Additional Obligations will be authenticated if the same are required to be authenticated under the terms of the Additional Supplemental Ordinance; and

(iii) A Certificate executed by an Authorized Officer certifying that the Cities have received at least one of the following:

(A) An Airport Consultant's written report setting forth projections of Gross Revenues and Operation and Maintenance Expenses, and the report indicates that (I) the estimated Net Revenues for each of three (3) consecutive Fiscal Years beginning with the first Fiscal Year in which Debt Service is due on or with respect to the Additional Obligations proposed to be issued, and for the payment of which provision has not been made as indicated in the report of such Airport Consultant from the proceeds of such Additional Obligations and/or from interest that has been capitalized from the proceeds of previously issued Obligations, are equal to at least 125% of the Debt Service that will be due and owing and scheduled to be paid during each of such three (3) consecutive Fiscal Years, after taking into consideration any additional Debt Service to be paid during such period on or with respect to the Additional Obligations then proposed to be issued and any reduction in Debt Service that may result from the issuance thereof, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations or Variable Interest Rate Obligations and (II) the schedule of rentals, rates and charges then in effect meets the requirements described in clause (iii) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Particular Covenants–Rates, Charges and Free Use of Land"; or

(B) A certificate, executed by the Chief Financial Officer of the Board, showing that (I) for either the Board's most recent complete Fiscal Year, or for any consecutive twelve (12) out of the most recent eighteen (18) months, the Net Revenues were equal to at least 125% of the maximum Debt Service on or with respect to all Outstanding Obligations and Parity Credit Agreement Obligations scheduled to be paid during the then current or any future Fiscal Year after taking into consideration the issuance of the Additional Obligations then proposed to be issued, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations or Variable Interest Rate Obligations and (II) the schedule of rentals, rates and charges then in effect meets the requirements described in clause (iii) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Particular Covenants–Rates, Charges and Free Use of Land."

The Cities will include in each Additional Supplemental Ordinance authorizing the issuance of Initial Obligations and Additional Obligations a requirement that an amount equal to the Debt Service Reserve Requirement will be deposited into or made available for the purposes of the Debt Service Reserve Fund or the Debt Service Fund, either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) by requiring the required amount to be deposited to the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Initial Obligations or Additional Obligations, respectively, (iii) by executing a Credit Agreement with one or more qualified Credit Provider(s) as described in paragraph (c) under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Debt Service

Reserve Fund" by which the Credit Provider(s) agree(s) to make deposits to either the Debt Service Reserve Fund or the Debt Service Fund in an amount equal to or greater than the amount of the Debt Service Reserve Requirement allocable to the Obligations being issued, in either case, if necessary to pay the Obligations and the Parity Credit Agreement Obligations when due, or (iv) any combination of the methods permitted by clauses (i) through (iii).

Subordinate Lien Obligations. The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of further developing, improving, repairing, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into Credit Agreements creating Credit Agreement Obligations in connection therewith, that are, in each case, secured by and payable solely from the money on deposit from time to time in a special fund or account described pursuant to clause (v) under the second paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Flow of Funds," upon and having such terms, conditions, and provisions as the Cities deem appropriate, and, if desired, to additionally pledge Special Revenues thereto.

Subordinate Lien Obligations, and Credit Agreement Obligations created in connection therewith, if any, will be authorized, and their terms and provisions prescribed, in Additional Supplemental Ordinances.

Special Revenue Bonds. The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of paying Costs of the Airport or otherwise further developing, improving, repairing, expanding, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into related credit support agreements having such terms as are permitted by Applicable Law, that are, in each case, exclusively or partially secured by and payable from a first and superior lien on Special Revenues for such purposes, in such form, and having such terms and provisions as are permitted by Applicable Law.

The rights of the Cities described in the paragraph immediately above include, but are not limited to, the right to pledge Special Revenues to the payment of, and as additional security for, Subordinate Lien Obligations.

Special Revenues, when and while they are pledged to secure the payment of Special Revenue Bonds or Subordinate Lien Obligations may be deposited to such funds and accounts of the Board as may be required by Applicable Law or as directed in the documents and agreements authorizing or relating to their issuance.

Special Revenue Bonds may be authorized, and their terms prescribed, in such ordinances, resolutions, indentures, or other proceedings as determined by the Cities.

Parity Credit Agreement Obligations. Parity Credit Agreement Obligations and the rights and obligations of the Credit Providers holding the same will be as specifically provided in Additional Supplemental Ordinances.

Special Facility Bonds. The Cities have the right to enter into contracts, leases or other agreements pursuant to which the Board will agree to construct and pay all costs of construction of Special Facilities to be financed by the issuance by the Cities of Special Facility Bonds. Such Bonds may be issued upon and subject to certain conditions, including the following:

(i) A Net Rent Lease will be entered into between the parties thereto pursuant to which the lessee agrees to the matters specified in the definition of such term and agrees to cause

the payments there required and the rentals therein to be payable over a period not longer than the latest maturity of the Special Facility Bonds.

(ii) A second lease, the "Ground Lease," for at least the same term as the Net Rent Lease, will be entered into between the parties to provide for additional rentals for the ground upon which such Special Facilities are to be located, which Ground Lease will provide for rental payments to the Board payable in periodic installments in amounts not less than as required pursuant to a schedule or schedules for rental of ground space at the Airport as fixed from time to time by the Board, which ground rental payments will constitute a part of Gross Revenues.

(iii) No Special Facility Bonds will ever be payable in whole or in part from Gross Revenues. After such Special Facility Bonds have been fully paid and retired all revenues derived from the leasing or operation or use of such Special Facilities will be a part of Gross Revenues and will be subject to all provisions of the Master Bond Ordinance relating thereto.

Particular Covenants

Rates, Charges and Free Use of Land. The Cities covenant and agree as follows:

(i) The Board will fix, place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and the services appertaining thereto, which is reasonably estimated to produce the amounts provided in paragraphs (ii) and (iii), next below. From time to time and as often as it appears necessary, the Executive Director of the Airport and other Authorized Officers will make recommendations to the Board as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving such recommendations, the Board will revise, insofar as it may legally do so, the rentals, rates, fees and charges for the use, operation and occupancy of the Airport, its Facilities, and the services appertaining thereto in order continually to fulfill the requirements of this covenant. This covenant will not be construed to require adjustment or revision in long–term agreements which by their terms are not subject to adjustment or revision.

(ii) The schedule of rentals, rates, fees and charges required by paragraph (i), next above, will be at least sufficient to produce in each Fiscal Year Gross Revenues sufficient to pay (a) the Operation and Maintenance Expenses, plus (b) 1.25 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively, plus (c) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (d) any additional amounts required by the terms of an Additional Supplemental Ordinance.

(iii) The schedule of rentals, rates, fees and charges required by paragraph (i), next above, will be at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (a), (c) and (d) of paragraph (ii), next above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

(iv) The Board will cause all rentals, fees, rates and charges pertaining to the Airport to be collected when and as due, will prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and will provide methods of collection and penalties to the end that

the Gross Revenues and the Current Gross Revenues will be adequate to meet the respective requirements hereof.

(v) To the full extent lawfully permissible, no free use of the land, public roads and ways comprising a part of the Airport will be allowed or permitted for commercial purposes by private or commercial concerns providing direct service to the traveling public, and no rights–of–way, easements, access or uses on or across said lands or public roads and ways for commercial purposes will be granted except through easements, franchises or permits granted, and for consideration fixed, by the Board.

Budgets and Expenditures. (a) For each Fiscal Year, the Board will, in accordance with the terms, provisions and requirements of the Contract and Agreement, prepare and annually submit to the Cities an annual budget containing estimates of expenditures and anticipated Gross Revenues for the next ensuing Fiscal Year.

(b) All Operation and Maintenance Expenses will be reasonable and the total expenditures for the purchase of services, goods or commodities will not exceed in any year the total expenditures thus set forth in the annual budget except on the express approval of the Board and the Cities in accordance with the Contract and Agreement.

Transfers of Airport or Facilities. So long as any Obligations are outstanding and unpaid, the Cities will not sell, transfer, or in any manner dispose of or otherwise alienate, any part of the property comprising the Airport. It is provided, however, that:

(1) the Cities may acquire additional property as an extension to the Airport additional to that reflected within the preliminary boundaries contained in the Board's overall preliminary plan of the Airport and will be authorized to grant rights of foreclosure in connection with mortgages, pledges, or other encumbrances of the land or revenues thereof fixed in connection with such acquisition and the Special Facilities to be placed therein, such mortgages and pledges being authorized subject to the restrictions applicable to Special Facilities; and

(2) the Cities have the right to sell or otherwise dispose of any property, real or personal, which is no longer necessary, appropriate or required for the use of, profitable to, or for the best interests of the Board in operation of the Airport. The net proceeds of any sale pursuant to this provision will be used for the purpose of replacing properties or equipment at the Airport, if necessary, or will be deposited into the Capital Improvements Fund; except that the proceeds from the sales of surplus land may be distributed to the Cities as a return of capital under the Contract and Agreement.

Notwithstanding the provisions of the first paragraph of this subcaption, the Cities retain, reserve, and have the right and privilege of transferring, selling, leasing or disposing of the entire properties and Facilities constituting the Airport to another political body or political subdivision of the State of Texas which is authorized by law to own and operate airports, subject to the following conditions, to–wit:

(1) The governing body of such political entity by lawfully adopted and effective ordinance, order, resolution or by other appropriate action, expressly and unequivocally assumes each and every, all and singular, the covenants, obligations, duties and responsibilities of the Cities and the Board imposed by the Master Bond Ordinance, the Outstanding Ordinances and all ordinances supplemental thereto or adopted in connection with the issuance of any future issues of Obligations.

(2) If such properties and Facilities comprising the Airport are sold to such political body and such sale is on a deferred–payment basis, such deferred payment will be junior and subordinate to all payments required to be made to or on account of any Obligations from time to time outstanding; or, if the purchase price is to be made in cash at the time of sale, no part thereof shall be or shall have been derived from Gross Revenues.

The Contract and Agreement. The Cities covenant and agree for the benefit of the Holders of the Obligations that they will honor, fulfill, and enforce the Contract and Agreement between themselves, as amended. The Cities reserve the right by mutual agreement to additionally amend or supplement the Contract and Agreement from time to time in such respects as they consider appropriate so long as the effect of such amendment will not be to impair or diminish the rights of the Holders of Obligations; and they have the right to dissolve the Contract and Agreement upon transfer of the Airport in accordance with the Master Bond Ordinance.

Standard of Operation. The Airport will be maintained in an efficient, operating condition; and such improvements, enlargements, extensions, repairs and betterments will be made thereto as are necessary or appropriate in the prudent management thereof to insure its economic and efficient operation at all times, to maintain it in good repair, working order and operating condition; and such standards will be maintained as may be required in order that the same will be approved by all proper and competent agencies of the Federal Government for the landing and taking–off of Aircraft operating in scheduled service, and as a terminal point of the Cities for the receipt and dispatch of passengers, property and mail by Aircraft.

Rules and Regulations. The Board will establish and enforce reasonable rules and regulations for the use and occupancy, management, control, operation, care, repair and maintenance of the Airport. The Board will comply with all valid acts, rules, regulations, orders and directives of any executive, administrative or judicial body applicable to the Airport, unless the same are contested in good faith, all to the end that it will remain operative at all times.

Federal Financial Assistance. The Board will, insofar as it may legally do so, maintain, preserve, keep, and operate the Airport in such manner as will qualify the Airport to receive maximum financial aid from Federal or State sources, which aid may be sought and procured if available on fair and reasonable terms (in the sole opinion of the Board) which are not inconsistent with the provisions of the Master Bond Ordinance and when in the best interests of the overall financial and operating conditions of the Airport and the Joint Airport Fund.

Casualty Insurance. Except to the extent provided by others, the Board will at all times maintain insurance for such of the Facilities, in such amounts (including deductible amounts) and against such losses or damages, as are customarily insured by the owners of publicly–owned properties, including airports, having similar properties and operations as the Airport. All such insurance maintained by the Board will be either obtained from a responsible insurance company or companies authorized to do business in the State, to the extent such insurance is obtainable at commercially reasonable rates, or provided through a program of self–insurance.

The Board will annually determine, following consultation with an Independent Insurance Consultant or the Risk Manager, the Facilities to be insured and the type and amount (including deductible amounts) of insurance to be obtained by the Board.

Use and Occupancy, Liability, and Other Insurance. The Board, subject to the approval of the City Attorneys of the Cities, may carry with a responsible insurance company or companies authorized and qualified under the laws of the State of Texas insurance covering the risk of loss of revenues during

necessary interruptions, total or partial, due to damage or destruction of the Airport, however caused, upon and subject to the following conditions:

(1) Such requirement is only to the extent not provided for in leases and agreements with the Board, and in any event will be in such amount as the Executive Director estimates as being sufficient to provide a full normal income during the period of interruption.

(2) Such insurance covers a reasonable period of reconstruction, as estimated by the Executive Director; and the same may exclude losses sustained by the Cities during the first fourteen (14) days of any total or partial interruption of use.

(3) If at any time the Board is unable to obtain such insurance to the extent above required, at reasonable prices, it will carry such insurance to the extent reasonably obtainable.

In ascertaining a full normal income for such insurance, the Executive Director will give consideration to the expected, as well as current and prior revenues, from the leasing or other operation or use of such facilities or from other sources, and may also make allowances for any probable decrease in operation and maintenance costs while use is interrupted. Any proceeds of such insurance will be deposited to the credit of the Operating Revenue and Expense Fund and will be subject to the uses and applied as provided for moneys in said Fund.

Insurance in the form and amount recommended by the City Attorneys of the Cities will be obtained insuring against liability to any person sustaining death, bodily injury or property damage by reason of material defects or want of repair in or about the Airport, or by reason of the negligence of any employee, and against such other liability to persons and property to the extent attributed to the ownership and operation of the Airport.

Land Title and Rights. No funds from the proceeds of Obligations will be paid for labor or to contractors, builders or materialmen on account of the construction, improvement or enlargement of the Airport unless such improvements or enlargements are located on lands good and marketable title to which is owned or can be acquired by the Cities in fee simple, or over which the Cities have acquired or can acquire easements or rights sufficient for the purposes of such improvements and enlargements. Additionally, no payments will ever be made from the proceeds of any Obligations for the acquisition of real property or any interest therein unless and until the Cities have received an opinion of the City Attorneys of the Cities to the effect that upon acquisition all necessary and good and sufficient title to such property or the interest therein to be acquired, free and clear of encumbrances, will be vested in the Cities and subject to the control and jurisdiction of the Board pursuant to the terms of the Contract and Agreement.

Encumbrances by Cities, Board, or Others. The Cities will not issue any bonds or other obligations payable from the Gross Revenues or Net Revenues and having a lien on a parity with or senior to the Obligations, except as provided in the Master Bond Ordinance, and it is covenanted and agreed that no mortgages or other liens of any kind shall be permitted to be attached or imposed upon any lands constituting a part of the Airport, except as expressly provided otherwise in the Master Bond Ordinance. Additionally the Board shall require the inclusion in all Net Rent Leases and Ground Leases provisions to the effect that the same are taken subject to the terms and provisions of the Master Bond Ordinance; that the lessee shall not enter into any contracts of a nature such that liens of any nature or kind are permitted to become attached to the remainder interests of the Board and the Cities thereunder; that the holders of such leasehold interests, when rendering or otherwise declaring the fair market value thereof, within the taxing jurisdictions in which situated and when required by law, shall render the fair market value of the lessee's interest, irrespective of the term thereof, based upon the value of a comparable facility situated on

private property. All or other interest in the Board as Airport and publicly owned property, including the remainder or other interest, shall be and remain always exempt from and not subject to ad valorem taxation. The holders of such leases shall never suffer or permit to be imposed or attached to any such leasehold interests any liens for taxes. No action or default on the part of such lessees shall be construed to create a lien on the interests of the Cities in such Facilities or land.

Representations as to Pledged Funds and Pledged Revenues. The Cities represent and warrant that they are authorized by Applicable Law to authorize and issue the Obligations and to pledge the Pledged Funds and Pledged Revenues in the manner and to the extent provided in the Master Bond Ordinance, and that the Pledged Funds and Pledged Revenues so pledged are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by the Master Bond Ordinance except as expressly provided for Obligations and Parity Credit Agreement Obligations.

The Obligations and the provisions of the Master Bond Ordinance are and will be the valid and legally enforceable special obligations of the Cities in accordance with their terms and the terms of the Master Bond Ordinance, subject only to any applicable bankruptcy or insolvency laws or to any Applicable Law affecting creditors' rights generally.

The Cities will at all times, to the extent permitted by Applicable Law, defend, preserve and protect the pledge of the Pledged Funds and Pledged Revenues and all the rights of the Holders and the Credit Providers under the Master Bond Ordinance and all Credit Agreements against all claims and demands of all persons whomsoever.

Events of Default

Description. Each of the following occurrences or events for the purposes of the Master Bond Ordinance is an "Event of Default."

(1) The failure to make payment of the Principal Installment of any of the Obligations when the same become due and payable;

(2) The failure to pay any installment of interest on Obligations when the same become due and payable;

(3) The failure to pay when due any amounts, whether principal, interest, or other payment, that are due and owing on any Parity Credit Agreement Obligations and such failure continues for a period of sixty (60) days after the due date thereof;

(4) Default in any covenant, undertaking, or commitment contained in the Contract and Agreement, the failure to perform which materially affects the rights of the Holders, including, but not limited to, their prospect or ability to be repaid in accordance with the terms and provisions of the Master Bond Ordinance, and the continuation thereof for a period of sixty (60) days after written notice of such default by any Holder;

(5) The Cities or the Board discontinue or unreasonably delay or fail to carry out with reasonable dispatch the reconstruction of any part of the Airport which is destroyed or damaged and which materially affects the revenue producing capacity thereof;

(6) An order or decree is entered by a court of competent jurisdiction with the consent and acquiescence of the Cities appointing a receiver or receivers for the Airport or of the

rentals, rates, revenues, fees or charges derived therefrom; or if any order or decree having been entered without the consent and acquiescence of the Cities is not vacated or discharged or stayed on appeal within ninety (90) days after entry; and

(7) The Cities default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Obligations, or a Parity Credit Agreement Obligation, or in the Master Bond Ordinance, or in any of the provisions of the Outstanding Ordinances that are continued, restated, or incorporated into the Master Bond Ordinance or in an Additional Supplemental Ordinance, and if such default continues for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Cities or to the Board by the Holders of not less than two percent (2%) in aggregate principal amount of the Obligations then Outstanding, or by a Credit Provider that is granted the authority to give and to withdraw such notices under the terms of an Additional Supplemental Ordinance.

Remedies for Defaults. Upon the happening and continuance of any of the Events of Default as provided in the preceding subcaption, then and in every case any Holder and any Credit Provider holding Parity Credit Agreement Obligations, including, but not limited to, a trustee or trustees therefor, may proceed against the Cities and the Board, for the purpose of protecting and enforcing the rights of the Holders and Credit Providers holding Parity Credit Agreement Obligations under the Master Bond Ordinance and any Additional Supplemental Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in the Master Bond Ordinance or in any Outstanding Ordinance, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders or of Credit Providers holding Parity Credit Agreement Obligations under the Master Bond Ordinance or any combination of such remedies. It is provided, however, that all of such proceedings at law or in equity will be instituted, strictly subject to the provisions of the Master Bond Ordinance, and will be had and maintained for the equal benefit of all Holders, and, as applicable, the Credit Providers holding Parity Credit Agreement Obligations. Each right or privilege of any Holders and of any Credit Provider holding a Parity Credit Agreement Obligation (or trustee therefor) is in addition to and cumulative of any other right or privilege and the exercise of any right or privilege by or on behalf of any Holders or Credit Provider holding Parity Credit Agreement Obligations will not be deemed a waiver of any other right or privilege thereof.

Pursuant to the Fiftieth Supplement, in the event of the occurrence of an Event of Default, the right of acceleration of the Stated Maturity Date or the mandatory redemption date of any Bond or of any Parity Credit Agreement Obligation is not granted as a remedy, and the right of acceleration for the Bonds is expressly denied by the Fiftieth Supplement.

Amendments

Additional Supplemental Ordinances Without Holders' Consent. (a) Subject to any limitations contained in an Additional Supplemental Ordinance, the Cities may, from time to time and at any time, adopt and implement Additional Supplemental Ordinances without consent of or notice to the Holders, for the following purposes:

(i) To cure any formal defect, omission or ambiguity in the Master Bond Ordinance if such action is not adverse to the interest of the Holders or to the Credit Providers holding the Parity Credit Agreement Obligations;

(ii) To grant to or confer upon the Holders of any series of Obligations any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(iii) To add to the covenants and agreements of the Cities and the Board in the Master Bond Ordinance, other covenants and agreements to be observed by the Cities and the Board which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(iv) To add to the limitations and restrictions in the Master Bond Ordinance, other limitations and restrictions to be observed by the Cities which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(v) To confirm, as further assurance, any pledge or lien created or to be created by the Master Bond Ordinance, of the Pledged Funds and Pledged Revenues, or to subject to the lien or pledge of the Master Bond Ordinance additional revenues, properties or collateral;

(vi) To authorize the issuance of the Initial Obligations, Additional Obligations, and Subordinate Lien Obligations and to prescribe the terms, forms and details thereof not inconsistent with the Master Bond Ordinance and, in connection therewith, to create such additional funds and accounts, and to effect such amendments of the Master Bond Ordinance as may be necessary for such issuance, provided that no Additional Supplemental Ordinance will be inconsistent with the limitations described under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Amendments–Powers of Amendment"; or

(vii) To make modifications in the Master Bond Ordinance or in an Additional Supplemental Ordinance that are necessary in the opinion of bond counsel selected by the Cities to conform to requirements of federal tax or securities law or other Applicable Law and that do not, in the opinion of such counsel, adversely affect the rights and security of the Holders to be paid in full when due.

(b) Additional Supplemental Ordinances adopted for any of the purposes permitted by this subcaption need not, in order to be valid, be signed or accepted by any other Person. Copies of all Additional Supplemental Ordinances and Credit Agreements will be filed with each Credit Provider and the Paying Agent.

Powers of Amendment. Any modification or amendment of the Master Bond Ordinance and of the rights and obligations of the Cities and the Board and of the Holders may be made by an Additional Supplemental Ordinance, with the written consent (i) of the Holders of more than a majority of the combined principal amount of the Obligations then Outstanding, or (ii) in case less than all of the several series of Obligations then Outstanding are affected by the modification or amendment, of the Holders of more than a majority in principal amount of the Obligations of each series so affected and Outstanding at the time such consent is given; provided, however, no such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation, or of any installment of interest thereon, or a reduction in the principal amount of the Redemption Price thereof, or in the rate of interest thereon, without the consent of the Holder of such Obligation, and provided further that no such modification or amendment may be made without the prior written consent of such of the Credit Providers as are granted the right of such consent under the provisions of an Additional Supplemental Ordinance. The Cities may obtain and receive an opinion of counsel selected by the Board, as conclusive evidence as to whether Obligations of any particular series or maturity would be so affected by any such modification or amendment of the Master Bond Ordinance.

Consent of Holders or Credit Providers. (a) The Cities may at any time adopt an Additional Supplemental Ordinance making a modification or amendment as set forth under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Amendments–Powers of Amendment," to take effect when and as provided in this paragraph (a) or in paragraph (b) of this caption. A copy of such Additional Supplemental Ordinance (or brief summary thereof or reference thereto) together with a request for consent addressed to the Holders whose consent is required, will promptly after adoption be mailed by the Board to the appropriate Holders (but failure to mail such copy and request will not affect the validity of the Additional Supplemental Ordinance when consented to as herein provided). Such Additional Supplemental Ordinance will not be effective unless and until the Cities will have received the written consents of the proper Holders having the percentages described in the immediately preceding subcaption. Any such consent will be continuously binding upon the Holder giving such consent and upon any subsequent Holder thereof and of any Obligations issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder thereof by filing with the Cities, prior to the time action is taken in response to such consents. At any time thereafter notice, stating in substance that the Additional Supplemental Ordinance (which may be referred to as an Additional Supplemental Ordinance adopted by the Cities on a stated date) has been consented to by the Holders of the required percentages of Obligations and will be effective as hereinafter described, will be given to the Holders (whose consent was required) by the Cities by mailing such notice to such Holders (but failure to mail such notice will not prevent such Additional Supplemental Ordinance from becoming effective and binding). The Additional Supplemental Ordinance making such amendment or modification will be conclusively binding upon the Cities, the Board, each Paying Agent, all Holders, and all Credit Providers at the expiration of 30 days after the mailing by the Cities of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Additional Supplemental Ordinance in a legal action or equitable proceeding for such purpose commenced within such 30–day period; provided, however, that the Cities and any Paying Agent during such 30–day period and any such further period during which any such action or proceeding may be pending will be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Additional Supplemental Ordinance as they may deem expedient.

(b) Unless the right is limited by the terms of an Additional Supplemental Ordinance, the Cities reserve and will have the continuing right to amend the Master Bond Ordinance as described under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Amendments–Powers of Amendment" and this subcaption, without the consent of or notice to the Holders as described under paragraph (a) of this subcaption, if such amendment is approved by each Credit Provider which is existing at the time the amendment is proposed by the Cities. Such right is hereby granted to such Credit Providers and the exercise of such right shall require no further action.

Discharge of Ordinance

Discharge by Payment. (a) When all Obligations and Subordinate Lien Obligations have been paid in full as to principal, interest and premium, if any, and all Credit Agreement Obligations and Administrative Expenses have been paid in full, or when all Obligations, Subordinate Lien Obligations and all Credit Agreement Obligations become due and payable, whether at maturity or by prior redemption and the Cities have provided for the payment of the whole amount due or to become due thereon by depositing with the Paying Agents the entire amount due and to become due thereon, and the Cities also have paid or caused to be paid all Administrative Expenses, then all of the terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances will be released.

(b) The terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances will be released on less than all of the Obligations as and to the extent funds are provided to the Paying Agents as described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE–Funds and Flow of Funds–Effect of Deposits With Paying Agents."

Discharge by Defeasance. (a) Subject to compliance with the requirements of paragraph (b) immediately below, and of any Additional Supplemental Ordinance, the Cities reserve the right to discharge their obligations to pay the principal of, premium, if any, and interest and the purchase price (if tender provisions are applicable), on all or any portion of the Obligations, and their obligation to pay all Administrative Expenses and all Parity Credit Agreement Obligations and thereby to obtain a release of the terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances as to all or any part of the Obligations and related Parity Credit Agreement Obligations (i) by depositing or causing to be deposited with a trustee or escrow agent moneys derived from any lawful source, expressly including the issuance of Additional Obligations, which, together with the interest earned on or capital gains or profits to be realized from the investment of such moneys in "Government Securities" or in other investments authorized in clause (b)(iii) immediately below will be, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities, sufficient to pay the principal of, purchase price, if applicable, premium, if any, and interest on such Obligations to maturity, or to a date fixed by the Cities for the redemption of such Obligations, and to pay interest thereon to maturity or to the date fixed for redemption, and to pay all Administrative Expenses as may be reasonably estimated by the Cities to become payable under the Master Bond Ordinance on account of the Obligations being discharged by defeasance and to pay all other Parity Credit Agreement Obligations relating to the Obligations being discharged and estimated to become due and payable, and (ii) by delivering to said trustee or escrow agent irrevocable instructions of the Cities to make the payments described in clauses (b)(ii) and (b)(iii) immediately below by delivery to said trustee or escrow agent of a Certificate and an opinion of counsel selected by the Cities that all conditions precedent with respect to such defeasance have been complied with.

(b) To implement a defeasance of all or a part of the Obligations or related Parity Credit Agreement Obligations under paragraph (a) above, the Cities will make provision with said trustee or escrow agent for:

(i) the establishment of an irrevocable trust pursuant to a trust agreement creating a trust separate and apart from the Master Bond Ordinance and each applicable Outstanding Ordinance or Additional Supplemental Ordinance, and will therein deposit and maintain such moneys, Government Securities or other investments, interest earnings, profits and capital gains;

(ii) the payment, out of such moneys, Government Securities, and other investments to the Holders of the Obligations being defeased, or to Credit Providers with respect to Parity Credit Agreement Obligations, at their dates of maturity, or at the dates fixed for redemption, of the full amount to which the Holders of such Obligations and Credit Providers with respect to Parity Credit Agreement Obligations would be entitled in payment of principal, premium and interest to the dates of such maturity or redemption; and

(iii) the investment of such moneys at the direction of the Cities in either:

(A) Government Securities; or

(B) if the Obligations being defeased are insured by a Credit Provider that has issued and maintains in effect a policy of municipal bond insurance with respect to

such Obligations, either in Government Securities or in such other investments as are authorized by Applicable Law and are approved by the Credit Provider issuing such policy, with all of such investments maturing in sufficient amounts and at such times as are necessary to make available the moneys required for the purposes stated in clause (ii), above, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities and acceptable to the Trustee.

(c) If Variable Interest Rate Obligations are to be defeased, the Maximum Interest Rate must be assumed unless a lesser, actual rate to maturity or applicable redemption date is ascertainable or unless a Credit Provider guarantees a lesser rate.

(d) After compliance with the requirements of paragraphs (a) and (b) immediately above, the Obligations and Parity Credit Agreement Obligations, with respect to which moneys have been provided and investments in government securities have been made, will no longer be Outstanding, and the terms, provisions, pledges and liens of the Master Bond Ordinance will be automatically released as to such Obligations and Parity Credit Agreement Obligations.

(e) For the purposes of this subcaption, "Government Securities" means and is limited to (i) direct, non–callable obligations of the United States of America and securities that are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or to which direct obligations or guarantees the full faith and credit of the United States of America has been pledged, (ii) Refcorp interest strips, CATS, TIGRS, STRPS, and (iii) defeased municipal bonds rated AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Services, Inc., or their successors, or, if such firms are no longer issuing such ratings, the highest ratings granted by another nationally recognized rating agency.

APPENDIX C

FINANCIAL STATEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

Deloitte.

Deloitte & Touche LLP
2200 Ross Ave.
Suite 1600
Dallas, TX 75201
USA

Tel: +1 214 840 7000
Fax: +1 214 840 7050
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Dallas/Fort Worth International Airport

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the Dallas/Fort Worth International Airport ("Airport"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Airport, as of September 30, 2013, and the respective changes in financial position and, where

applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules of funding progress for pensions and other post-employment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Deloitte & Touche LLP

February 7, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The following discussion and analysis of the financial performance and activity of the Dallas/Fort Worth International Airport ("DFW" or "the Airport") provides an introduction and understanding of DFW's Basic Financial Statements for the fiscal year ended September 30, 2013. The Airport is a business-type activity. As such, DFW's Basic Financial Statements and Required Supplementary Information consist of Management's Discussion and Analysis ("MD&A"); Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and Notes to the Basic Financial Statements. Also included are the Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position; and Schedules of Funding Progress for the Airport Fiduciary Funds which have a December 31st year end. The MD&A has been prepared by management and should be read in conjunction with the Basic Financial Statements and the attached notes.

DFW's Controlling Documents

DFW was created by a Contract and Agreement between the Cities of Dallas and Fort Worth (the Cities), dated April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. In addition, DFW is governed by two other key documents. The 1968 Concurrent Bond Ordinance and the 30th Supplemental Bond Ordinance were amended and restated by the Master Bond Ordinance, and approved by the Cities of Fort Worth and Dallas on September 21, 2010 and September 22, 2010, respectively. The Master Bond Ordinance became effective on July 5, 2013 after the required approval of bondholders was obtained. Bonds are issued under provisions of the Master Bond Ordinance, Supplemental Bond Ordinances, as approved by the Cities of Fort Worth and Dallas, and Applicable Laws, including Chapter 22 of the Texas Transportation Code, Chapter 1371 of the Texas Government Code, as amended. Management believes DFW is in compliance with all bond covenants. The Lease and Use Agreements (Use Agreement) define DFW's rate setting methodology and business relationships with the airlines. DFW's current ten-year Use Agreement with the signatory airlines became effective October 1, 2010. Collectively, the abovementioned documents are referred to as the "Controlling Documents."

Each year, management prepares an Annual Budget (approved by the DFW Board and the Cities) of projected expenses for the Operating Revenue and Expense Fund (commonly referred to as the "102 Fund"). Management also prepares an annual Schedule of Charges which is the basis for charging the airlines, tenants, and other airport users for DFW services during the fiscal year.

The Use Agreement created three primary cost centers: the "Airfield", "Terminal", and "DFW." The airfield and terminal cost centers are "residual" in nature. DFW can only charge the airlines for the net cost to operate these cost centers (including debt service) primarily through landing fees and terminal rentals. The Use Agreement also requires certain cash transfers from capital accounts to the 102 Fund each year through FY 2017.

DFW can generate net revenues or profits in the DFW cost center which includes non-airline business units such as concessions, parking, rental car, commercial development, and transportation (e.g. employee busing). If DFW generates net revenues in excess of the "upper threshold" ($63.2 million in FY 2013), 75% of the excess is to be used to reduce landing fees in the following fiscal year. If the DFW cost center generates revenues below the lower threshold ($42.2 million), landing fees are increased so that the DFW cost center will achieve the lower threshold.

If net revenues from the DFW Cost Center are budgeted above the upper threshold, airline landing rates are reduced at the beginning of the fiscal year. Conversely, if net revenues are budgeted below the lower threshold, then the airlines are assessed incremental landing rates to achieve the lower "threshold" amount in the current fiscal year by adjusting rates at the beginning of the fiscal year. The "upper threshold" and "lower threshold" amounts are adjusted annually for inflation.

At the end of each fiscal year, any excess funds in the 102 Operating Fund are transferred to the Capital Improvement Fund. Funds transferred to the Capital Improvement Fund are allocated among three accounts: the joint capital account, DFW capital account and rolling coverage capital account. The joint capital account generally requires approval from both DFW and the airlines prior to any expenditure of funds, while the DFW capital account may be used at the DFW's sole discretion for any legal purpose. The joint capital account receives funds primarily from natural gas royalties and the sale of land. The DFW capital account is funded primarily from excess revenues of DFW Cost Center, subject to upper threshold limits discussed previously.

The rolling coverage account was initially funded from the Capital Improvement Account when the lease agreement was signed. The rolling coverage balance is transferred or "rolled" into the 102 Fund each year to fund debt service coverage requirements. It is then transferred back into the rolling coverage account at the end of the fiscal year. If additional coverage is required in any year, it is added to rates and charges and is collected during the fiscal year.

Although DFW uses the word "fund" to designate the source and prospective use of proceeds, DFW is an enterprise fund and does not utilize traditional "fund accounting" commonly used by government organizations. The following table summarizes the primary funds used by DFW and whether the related assets and liabilities are restricted or not restricted:

Fund Number	Fund Description	Primary Use	Restricted (R), Not Restricted (NR)
101	Capital Assets and Long Term Debt	Capital Assets / Debt	R
102	Operating Revenues and Expenses	Operations	NR
252	Passenger Facility Charges (PFC)	Capital/Debt Service	R
320	Joint Capital Account (non-JRB)	Capital	NR
321-328	Capital (JRB)	Bond Proceeds	R
330s	Joint Capital (JRB)	Capital	R
340	DFW Capital (non-JRB)	Capital	NR
350	Rolling Coverage	Rate Covenant	NR
500s	Debt Service Sinking	Principal and Interest	R
600s	Debt Service Reserve	Reserve	R
907	Public Facility Improvement	RAC Facility	NR
	Corporation (RAC)	RAC Transportation	R
910	Public Facility Improvement	Grand Hyatt Operations	NR
	Corporation (Hotel)	Grand Hyatt Improvements	R

JRB - Joint Revenue Bond
RAC - Rent-A-Car Center

The basic financial statements include all of DFW's funds. DFW manages its day-to-day airport operations primarily through the 102 Operating Fund in accordance with the Controlling Documents. The Airport's financial statements include all of the transactions of the Public Facility Improvement Corporation (PFIC), which operates the Grand Hyatt Hotel and collects customer facility charges and customer transaction charges from the Rental Car companies. Although the PFIC is a legally separate entity, the financial transactions of the PFIC have been combined into the Airport's Enterprise Fund due to their nature and significance to the Airport. The PFIC is considered a blended component unit because the component units' governing bodies are substantively the same as DFW's, the primary government.

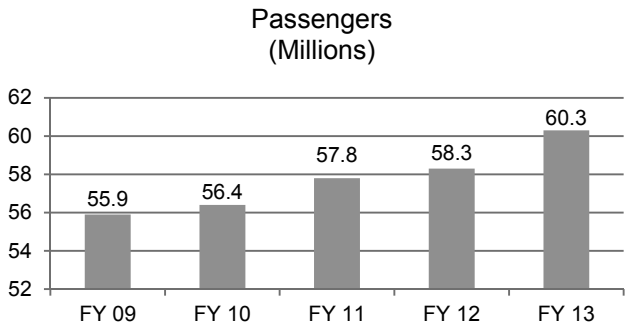
Operational and Financial Highlights

DFW utilizes a performance measurement process that is closely aligned with the Airport's Strategic Plan shown in the graphic below.

DFW management believes that if it focuses on achieving the four Key Drivers/Results, it will be well positioned to achieve its primary business goal of Growing the Core Business.

Grow the Core Business

Total passengers for the FY 2013 were 60.3 million, a 2.0 million increase over FY 2012. Enplanements were 30.1 million in FY 2013, a 1.0 million (3.4%) increase over FY 2012, primarily driven by new and increased air service from low cost carriers like Spirit, hub carrier American Airlines ("AA"), and international carriers. The market share for AA (which includes American Eagle and Executive Airlines) decreased to 82% in FY 2013 compared to 84% in FY 2012. DFW's second largest carrier was Delta with 5% passengers in FY 2013 compared to 4% in FY 2012.



During FY 2013, DFW achieved 54 new and announced destinations, including Zacatecas and Hermosillo, Mexico on American Eagle; and Bogota, Columbia (began November 21, 2013); and Roatan, Honduras (began November 2013) on AA. Equally important, FY 2013 international seat capacity was 14.3% better than FY 2012 with a total of 8.3 million seats. In addition to the new air service mentioned above, growth resulted from new AA service to Seoul, Korea and Lima, Peru; new service on AeroMexico to Mexico City, Spirit to Cancun and San Jose del Cabo, and WestJet to Calgary; and incremental service on Korean Air to Seoul (from five times per week to daily).

Aircraft operations increased 4.8% to 675,000 in FY 2013 and total landed weights increased 4.9% to 38.3 billion pounds in FY 2013, primarily due to new service from Spirit and AA. Spirit has continued to expand rapidly and now serves 26 cities from DFW, while AA has been aggressively adding back the capacity that they cut during the bankruptcy process. Also, AA is replacing their MD80 aircraft with larger 737-800 models. Even with the increased activity, AA's share of DFW's landed weights decreased to 74% in FY 2013 from 75% in FY 2012.

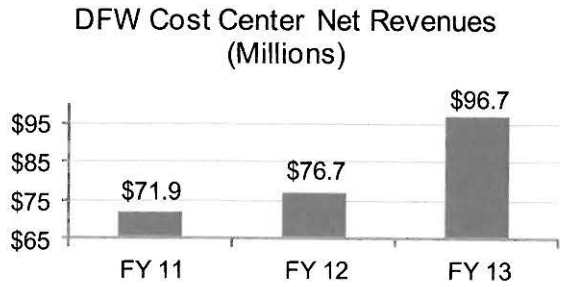
Cargo tons decreased from 660,000 in FY 2012 to 647,000 in FY 2013 due to continued sluggish economic recovery and slower rates of growth in emerging economies. DFW ended the fiscal year with 46 average weekly non-integrator international cargo departures compared with 52 at the end of FY 2012. This decrease was mainly due to China Cargo Airlines and Air Cargo Germany (ACG) pulling out of the market.

Keep DFW Cost Competitive

Two of the Airport industry's measures of cost competitiveness are airline cost and passenger airline cost per enplanement (CPE). Airline cost represents the fees paid by the airlines primarily for landing fees and terminal rentals. Those fees are derived from DFW's cost to provide the services less transfers from the DFW Cost Center. DFW has historically been one of the lowest cost large hub airports in the country. Both of these metrics will increase in the future as DFW issues bonds to finance its Terminal Renewal and Improvement Program (TRIP). The airlines agreed to pay these higher costs when they approved the capital program as part of the Use Agreement. Airline cost was $235.6 million in FY 2013, a $39.3 million (20.0%) increase over FY 2012, and CPE increased from $6.54 in FY 2012 to $7.20 in FY 2013 primarily due to increased debt service costs. Despite these increases, DFW is competitively positioned, being one of the lowest cost large hub airports in North America, especially when considering airline costs such as delay costs which do not show up on DFW's books.

To help keep airline costs low and maximize discretionary capital funds, DFW works to increase the net revenues, or profit, from its non-airline business units (i.e., parking, concessions, rental car and

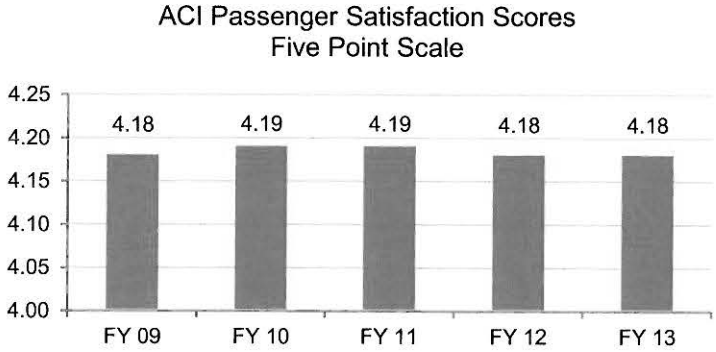
commercial development). In FY 2013, these four business units generated $250 million in revenues, a $13 million (5.5%) improvement over the prior year primarily due to higher parking, concessions, and rental car revenues. After deducting expenses and debt service (which includes the costs of the Skylink people-mover system), DFW Cost Center net revenues were $96.7 million, $20.0 million (26.1%) better than FY 2012 and $33.5 million higher than the "Upper Threshold" of $63.2 million. This allowed DFW to share $25.1 million, 75% of the excess amount, with the airlines to reduce landing fees. The remaining $71.6 million was transferred to the DFW Capital Account at the end of the fiscal year.



Ensure Customer Satisfaction

DFW is very focused on ensuring customer satisfaction. It uses the Airports Council International ("ACI") passenger survey to track its progress for this key result. DFW achieved a 4.18 rating in FY 2013, the same as in FY 2012, but slightly down from the pre-TRIP scores of 4.19 in FY 2011 and FY 2010. Management believes this is a significant accomplishment given the extensive terminal, parking garage, parking plaza, rail station, and roadway construction projects that were underway in FY 2013. Management believes that overall satisfaction scores will improve dramatically once the TRIP is completed.

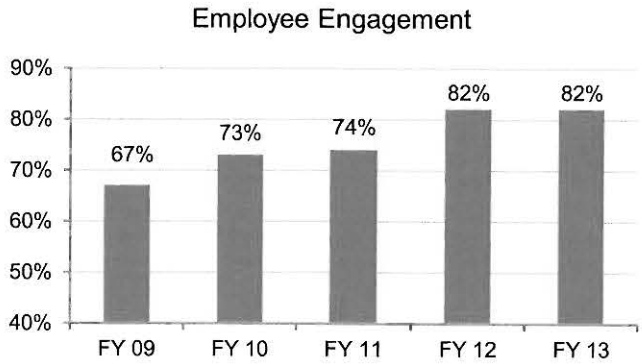
Management is also focused on reducing passenger facilitation times through DFW even though these processes are controlled by Customs and Border Protection ("CBP") for international passengers. One of the ways to improve CBP processing time is to get more passengers signed up on Global Entry. During FY 2013, DFW increased Global Entry registrations from 27,159 to 52,170. DFW also developed an Automated Passport Control system and kiosk that automates and streamlines the re-entry process for US citizens returning from international flights. This new system will pay large dividends in the future.



Deliver Operational Excellence

Operational Excellence reflects the effectiveness and efficiency of DFW's key processes. The Airport has hundreds of operational excellence metrics, most of which are monitored at the department level. A few of the more significant accomplishments in FY 2013 include: zero notices of regulatory enforcement violations from environmental agencies; record minority, woman and small business participation in procurements, another record low energy footprint (seventh year in a row).

Foster Employee Engagement



DFW has utilized employee engagement surveys to measure overall engagement since FY 2005. In FY 2012 and FY 2013, DFW used the Corporate Executive Board's research-based employee engagement survey. In addition to measuring engagement, the survey measures drivers (predictors) of engagement, including strategy, execution and leadership. Management knows that engaged employees will work harder to improve customer satisfaction and manage costs. Accordingly, management works diligently with departments to ensure participation and to improve employees' engagement. In FY 2013, 80% of employees participated in the survey. This year DFW achieved an engagement index score of 82%. This score places DFW in the top 10% of all companies that participate in the survey.

AMR Bankruptcy and Merger with US Airways

AMR is DFW's largest tenant representing approximately 82% and 74% of DFW's passenger traffic and landed weights, respectively, for the fiscal year ended September 30, 2013. On November 29, 2011, AMR Corporation, the parent company of American Airlines, Inc. ("AA"), American Eagle, Inc., and other affiliates of AMR, filed voluntary petitions for Chapter 11 reorganization in the U.S. Bankruptcy Court for the Southern District of New York. During FY 2012, AMR assumed all unexpired leases for nonresidential real property at DFW Airport, including the Use Agreement, and cured any defaults under such leases by paying any amounts that were due and owing under the leases. On December 9, 2013, the AMR Corporation emerged from bankruptcy and under its court approved Plan for Reorganization officially merged with the US Airways Group, forming the new American Airlines Group, Inc (AAG). The merged entity becomes the largest passenger air carrier in the world. AAG announced that it would keep its corporate headquarters in DFW. Management believes that DFW is well positioned to benefit from the merger as AAG's largest hub.

Capital Programs and Airport Development Plan Update

The Terminal Renewal and Improvement Program (TRIP) is the largest component of DFW's capital improvement program, budgeted at $2.0 billion as of September 30, 2013. TRIP is scheduled between FY 2011 and FY 2018. TRIP provides renovation and renewal of the Airport's four oldest terminals (A, B, C, and E) that were constructed between 35 and 40 years ago. These terminals have been expanded and renovated over their life, but primarily consist of their original structural and building systems. Approximately two-thirds of the TRIP budget will be used for the replacement of aging systems such as electrical, plumbing, heating and cooling, security, fire safety, conveyances, telecommunications, lighting, information technology systems, and jet-bridges in Terminals A and C. The majority of the remaining budget will be used to upgrade ticket halls, TSA security areas, certain baggage systems, and concessions villages. TRIP also includes improvements to the terminal exteriors, entrances, and parking structures.

During FY 2013, DFW began to incur higher costs in some areas of TRIP primarily due to cost escalation resulting from the improved economy, asbestos remediation in excess of budget, airline scope modifications, and schedule slippage. The total maximum exposure for Terminals A, B and E was reported to be approximately $217 million, excluding remaining contingency of $41 million. Management and the airlines are working to reduce the exposure items. The current exposure has been reduced to approximately $183 million excluding remaining contingency of $36 million. If costs cannot be reduced then DFW will ask the Airlines to approve the difference and DFW will need to borrow additional funds to pay for these costs. Management does not believe that the increased debt and debt service will have a material impact on future airline cost or DFW's financial position.

The Use Agreement also included $220 million (net of grants) of other pre-approved joint capital account projects for the airfield, roads and bridges, utilities, and parking. In addition, DFW intends to fund the renewal and replacement of non-terminal capital including airfield, roadways, parking, utilities, support facilities, infrastructure, rolling stock, and equipment from the DFW capital account. During FY 2013, the airlines approved $90.6 million of new projects through the majority-in-interest (MII) process. For a comprehensive review of DFW's capital programs and funding plan, please see a copy of the DFW Financial Plan, available on DFW's web page under the Investors/financials tab.

As of September 30, 2013, DFW had 293 approved capital projects in process for a total estimated cost of $2.99 billion through completion. As of September 30, 2013, $1.26 billion of this total had been expended and an additional $593.2 million was under contract and committed; leaving approximately $1.14 billion remaining to be spent. In addition to TRIP, the more significant projects include reconstruction of Terminal A Enhanced Parking Garage ($176.7 million), Southgate commercial development expansion ($93M), replacement of the parking control system and toll plazas ($57.3 million), reconstruction of Taxiway "L" ($51.1M), Terminal B North Stinger gate expansion ($40 million), construction of a new DART Rail Station adjacent to Terminal A ($35.6M million), and construction of a Terminal B/D International gate expansion ($21 million).

DFW Business and Operations Overview

The following table highlights changes in the Airport's key operating statistics for FY 2013 and FY 2012.

	For the Year Ended	
Key Operating Information	**FY 2013**	**2012**
Total Passengers (000s)	60,283	58,312
Total Seats (000s)	73,612	70,375
Enplanements (000s)	30,128	29,127
Cost per Enplaned Passenger	$ 7.20	$ 6.54
Aircraft Operations (000s)	675	644
Landed Weight (in millions of pounds)	38,331	36,523
Average Landing Fee (per thousand pounds)	$ 2.72	$ 2.98
Cargo Landed Weight (in millions of pounds)	3,025	3,099
Cargo Tons (000s)	647	660

FY 2013 Compared to FY 2012

Enplanements were 30.1 million in FY 2013, a 3.4% improvement over the prior year of 29.1 million primarily driven by new and increased air service from international, low cost, and legacy carriers.

Aircraft operations increased 4.8% to 675,000 in FY 2013 from 644,000 in FY 2012 and total landed weights increased 4.9% to 38.3 billion pounds in FY 2013 from 36.5 billion pounds in FY 2012, due mainly to increased flight activity combined with the use of larger aircraft by the airlines.

The airline industry uses passenger airline cost per enplanement (CPE) as a key efficiency measure. CPE is calculated by dividing airline cost (total passenger airline payments for landing fees and terminal rents, less airline rebates for new air service) by the number of enplanements. DFW's CPE in FY 2013 was $7.20, an increase of $0.66 (10.1%) from $6.54 in FY 2012, primarily due to higher operating and

net debt service costs charged to the airline cost centers and less revenue transfers per the terms of the Use Agreement.

Cargo tons decreased 2.0% to 647,000 in FY 2013 from 660,000 in FY 2012 due to the sluggish economic recovery as well as slowing rates of growth in emerging economies. DFW ended the fiscal year with 46 average weekly international cargo departures compared with 52 at the end of FY 2012.

Revenues, Expenses, and Change in Net Position:

The following table is a summary of Revenues, Expenses, Non-operating expenses, net, and increase (decrease) in Net Position for the years ended September 30, 2013 and 2012. Detailed descriptions and variances of the components of revenues, expenses and net non-operating expenses are described in the following sections.

	For the Year Ended (000s)	
Change in Net Position	**FY2013**	**FY 2012***
Operating revenues	$ 577,481	$ 533,630
Operating expenses	(637,546)	(643,119)
Operating loss	(60,065)	(109,489)
Non-operating expenses, net	(79,647)	(61,927)
Loss before capital contributions and special item	(139,712)	(171,416)
Capital contributions	20,960	24,900
Special Item	(32,283)	-
Decrease in Net Position	**$ (151,035)**	**$ (146,516)**

* The cost of the Airport Service Incentive Program (ASIP) has been reclassed from Operating expenses to Contra revenue account for comparison purposes.

DFW's Controlling Documents require that DFW establish rates, fees and charges adequate to provide for the payment of operating costs (excluding depreciation) and debt service (including principal and coverage). In years when depreciation is greater than principal payments, as in FY 2013 and FY 2012, DFW's Change in Net Position on a Generally Accepted Accounting Principle (GAAP) basis can be expected to be a negative amount. Also, there may be timing differences between the recognition of certain costs for rate recovery and for GAAP. For example, the recognition of certain environmental costs that are part of TRIP are recognized immediately through GAAP but will be reflected in the rates as part of future services.

However, on a cash flow basis, the airport's rate setting methodology has resulted in DFW meeting and exceeding its debt covenants in FY 2013 (see Liquidity section pg.16-17). DFW generated $202.1 million of net cash flow provided by operating activities.

Operating Revenues:

The following table highlights the major components of operating revenues for the fiscal years ended September 30, 2013 and 2012. Significant variances are explained below.

	For the Year Ended (000s)	
Operating Revenues	**FY 2013**	**FY 2012***
Landing fees	$ 100,610	$ 105,956
Terminal rent and use fees	109,722	81,206
Federal Inspection Services (FIS)	21,805	17,650
Other airline	320	(216)
Total airline revenue	**232,457**	**204,596**
Parking	116,092	110,841
Concessions	68,229	65,702
Ground and facilities leases	34,297	33,508
Rent-A-Car lease and rentals	31,425	27,746
Grand Hyatt Hotel	31,032	28,775
Employee transportation	12,345	10,200
Rent-A-Car customer transportation charges	11,106	11,683
Natural gas	8,498	8,709
Taxi and limo fees	8,133	8,217
Other non-airline	23,867	23,653
Total non-airline revenue	**345,024**	**329,034**
Total Operating Revenues	**$ 577,481**	**$ 533,630**

*The cost of ASIP has been reduced from FY12 airline revenue for comparison purposes.

FY 2013 Compared to FY 2012

Total Airline Revenue consists of fees paid by signatory and non-signatory airlines for the use of the airfield and terminals at DFW based on DFW's cost to provide related facilities. Landing fees for passenger and cargo carriers are assessed per 1,000 pounds of maximum approved landed weight for each specific aircraft as certified by the FAA. Signatory airlines are the airlines that sign a Use Agreement with DFW. Landing fees, including passenger and cargo fees, decreased $5.3 million (5.0%) from $105.9 million in FY 2012 to $100.6 million in FY 2013, primarily due to a larger transfer from the DFW cost center to the Airfield cost center. This transfer, as defined in the Use Agreement, is based on net non-airline revenue which also increased from FY 2012 to FY2013.

Terminal rents and use fees ("Terminal Revenues") include terminal rent from gates leased primarily by signatory airlines and gate use fees from DFW-owned gates. The Controlling Documents require the signatory airlines to pay terminal rent equal to the cost of terminal operations, plus allocated debt service and overhead, minus concessions revenue. Terminal revenues increased $28.5 million (35.1%) from $81.2 million in FY 2012 to $109.7 million in FY 2013 due to an increase in rates necessary to cover the increased debt service incurred from TRIP.

Federal Inspection Service (FIS) fees per departing international passenger in Terminal D increased $4.1 million (23.5%), from $17.7 million in FY 2012 to $21.8 million in FY 2013 due to an increase in international passengers combined with a per passenger fee increase from $7.76 to $8.63 related to higher allocated costs to DFW's inspection facilities.

Other airline revenue consists of bad debt and aircraft parking charges. Other airline revenue increased $0.5M due to the recovery of previously recognized bad debt.
Parking fees are charged based on the length of time and parking product. DFW's primary parking products include terminal ($18-20 per day), express ($10-13 per day) and remote ($8 per day). Parking revenues increased $5.3 million (4.8%) from $110.8 million in FY 2012 to $116.1 million in FY 2013 due to an increase in originating passengers, select rates, and an increase in DFW Valet parkers. Terminal parking revenues accounted for 61.8% and 66.4% of total parking revenues in FY 2013 and FY 2012, respectively.

Concession revenues increased $2.5 million (3.8%), from $65.7 million in FY 2012 to $68.2 million in FY 2013, primarily due to an increase in enplaned passengers, and increased food and beverage and advertising sales.

Ground and facility lease revenues consist primarily of ground leases of Airport property, various facility leases, Hyatt Regency Hotel, and other. Ground and facility lease revenue increased $0.8 million (2.4%) from $33.5 million in FY 2012 to $34.3 million in FY 2013 primarily due to an increase in the average lease rate per acre and additional leased properties.

Rent-A-Car (RAC) lease and rentals revenue consists of ground leases plus a percentage rent based on gross revenues. RAC revenues increased $3.7 million (13.4%), from $27.7 million in FY 2012 to $31.4 million in FY 2013, primarily due to increased average daily rental rates and an increase in destination passengers. Percentage rent accounted for 85.2% of the total RAC rental revenues in FY 2013 and 84.6% in FY 2012.

The Grand Hyatt Hotel operations include room rental, food and beverage and other revenues. Revenues increased $2.2 million (7.6%), from $28.8 million in FY 2012 to $31.0 million in FY 2013 primarily due to higher food and beverage sales and higher average room rates.

Employee transportation revenues are derived primarily from a monthly fee paid by airlines and other tenants to pay for the cost of employee transportation services between remote parking lots and the terminals. Employee transportation revenues increased $2.1 million (20.6%) from $10.2 million in FY 2012 to $12.3 million in FY 2013 primarily due to an increase in fees required to cover the costs to provide the transportation services.

RAC customer transportation revenue is derived from a $2.20 per rental day transaction fee that is used to fund operation and maintenance of the bus fleet to transport passengers between the airport terminals and the RAC. RAC customer transportation revenue decreased $0.6 million (5.1%), from $11.7 million in FY 2012 to $11.1 million in FY 2013 due to timing differences in collections offsetting slightly higher transaction days.

Taxi and limo fees (Ground Transportation) revenues represent the access, decal, and application fees charged to taxicab, limousine, shared ride, and courtesy van companies and providers. These revenues remained relatively flat at $8.1 million in FY 2013.

Natural gas revenues include royalties and property and surface use fees resulting from natural gas drilling. Natural gas revenues remained relatively flat at $8.5 million in FY 2013.

Other non-airline revenue is comprised of General Aviation fees related to fueling and aircraft service fees; the fuel farm fees paid by the airlines to retire the debt incurred to construct the fueling system and overhead of the fuel farm; non-airline utilities; pass-through and reimbursable revenues from airline and tenants; building code/standard fees; and other miscellaneous revenues offset by non-airline bad debt. Other revenue remained flat at $23.9 million in FY 2013 compared to $23.7 million in FY 2012.

Operating Expenses:

The following table highlights the major components of operating expenses for the fiscal years ended September 30, 2013 and 2012. Significant variance explanations follow.

	For the Year Ended (000s)	
Operating Expenses	**FY 2013**	**FY 2012***
Salaries, wages, and benefits	$ 169,635	$ 177,367
Contract services	147,854	130,206
Equipment and supplies	21,918	21,754
Utilities	26,103	27,487
Grand Hyatt Hotel	21,914	20,146
Insurance	5,177	4,307
General, administrative and other charges	7,177	6,507
Depreciation and amortization	237,768	255,344
Total Operating Expenses	**$ 637,546**	**$ 643,119**

* The cost of ASIP has been moved from Equipment and supplies to contra airline revenue for comparison purposes.

FY 2013 Compared to FY 2012

Salaries, wages and benefits decreased $7.8 million (4.4%) from $177.4 million in FY 2012 to $169.6 million in FY 2013 primarily due to lower pension contributions and less employees resulting from the outsourcing of bussing and the early retirement program that was completed in FY 2012, an increase in the amount of payroll capitalized for construction activity, and lower health insurance costs. DFW employed 1,755 and 1,856 full time employees as of September 30, 2013 and 2012, respectively.

Contract services include grounds and facility maintenance, busing services, financial and legal services, software and hardware maintenance, advertising, planning, and other professional services. Contract services increased $17.7 million (13.6%), from $130.2 million in FY 2012 to $147.9 million in FY 2013, primarily due to increased contract busing and marketing costs.

Equipment and supplies primarily consists of non-capitalized equipment, materials, fuel for vehicles, and supplies used to maintain and operate the Airport. Equipment and supplies increased $0.2 million (0.7%), from $21.7 million in FY 2012 to $21.9 million in FY 2013, primarily due to an increase in operating supplies offset partially by lower fuel costs.

Utilities represent the cost of electricity, natural gas, potable water, trash removal, and telecommunications services. Utilities decreased $1.4 million (5.1%), from $27.5 million in FY 2012 to $26.1 million in FY 2013, primarily due to lower electrical costs.

Grand Hyatt Hotel operations include room, food and beverage and other expenses. Operating costs increased $1.8 million (9.0%) from $20.1 million in FY 2012 to $21.9 million in FY 2013. These costs increased to match the increased demand for rooms, food and beverages, and other hotel services.

General, administrative and other charges increased $0.7 million (10.8%), from $6.5 million in FY 2012 to $7.2 million in FY 2013, primarily due to higher business development and training activities.

Depreciation and amortization decreased $17.5 million (6.9%), from $255.3 million in FY 2012 to $237.8 million in FY 2013. The decrease is primarily due a reduction in the accelerated depreciation on assets being replaced by TRIP.

Non-Operating Revenues and Expenses:

The following table highlights non-operating revenues and expenses for the fiscal years ended September 30, 2013 and 2012.

	For the Year Ended (000s)	
Non-operating revenues (expenses)	**FY 2013**	**FY 2012**
Passenger facility charges	$ 115,565	$ 109,133
RAC customer facility charges	20,191	19,713
Interest income	4,804	6,027
Interest expense on revenue bonds	(225,445)	(200,565)
Other, net	5,238	3,765
Total Non-operating expenses	**$ (79,647)**	**$ (61,927)**

FY 2013 Compared to FY 2012

Congress established Passenger Facility Charges (PFCs) in 1990 as part of the Aviation Safety and Capacity Expansion Act of 1990. DFW currently collects a $4.50 Passenger Facility Charge (PFC) from enplaned passengers to pay for the cost to design and construct eligible airport capital projects or to repay debt service issued to build such projects. DFW estimates that 87.4% of all enplaned passengers were required to pay PFCs in FY 2013. PFC collections are recorded as revenue when earned and deposited in the 252 PFC Fund, then used to pay eligible debt service costs or eligible pay-as-you-go capital projects. PFC revenues increased $6.5 million (6.0%), from $109.1 million in FY 2012 to $115.6 million in FY 2013 as a result of more passengers.

RAC customers pay a $4.00 facility charge for each transaction day to pay for the debt service and capital improvements to the RAC facility. RAC customer facility charges (CFCs) increased $0.5 million (2.5%), from $19.7 million in FY 2012 to $20.2 million in FY 2013 as a result of additional transaction days.

Interest expense on revenue bonds increased $24.8 (12.4%) million from $200.6 million in FY 2012 to $225.4 million in FY 2013 due to an increase in borrowing associated with TRIP.

Other net non-operating revenues/expenses are comprised primarily of write-offs of capital and other assets, insurance proceeds, and other miscellaneous receipts and payments. This category increased $1.4 million (36.8%) from $3.8 million in FY 2012 to $5.2 million in FY2013 primarily due to additional insurance payments for hail damage.

Capital Contributions:

The following table highlights capital contributions for the fiscal years ended September 30, 2013 and 2012.

	For the Year Ended (000s)	
	FY 2013	**FY 2012**
Capital contributions		
Federal and state grant reimbursements	$ 20,960	$ 24,900
Total capital contributions	**$ 20,960**	**$ 24,900**

FY 2013 Compared to FY 2012

DFW receives Airport Improvement Program (AIP) and other grants through the Federal Aviation Administration (FAA) and other Federal and State agencies. Airport grant reimbursements decreased $3.9 million (15.7%) from $24.9 million in FY 2012 to $21.0 million in FY2013 due to smaller program drawdowns resulting from lower available government discretionary funding.

Special Item:

DFW recorded $32.3 million in asbestos removal costs incurred in conjunction with TRIP. These costs were immediately recognized for GAAP purposes but are being financed as part of TRIP.

Assets, Liabilities, and Net Position:

The following table provides a condensed summary of DFW's net position as of September 30, 2013 and 2012. A discussion of significant items follows.

	As of September 30 (000s)	
Summary of Net Position	**2013**	**2012***
Assets:		
Current and other assets	$ 2,980,662	$ 1,810,010
Capital assets	4,527,878	4,237,129
Total assets	7,508,539	6,047,139
Liabilities:		
Current and other liabilities, excluding debt	271,135	230,406
Noncurrent liabilities	29,040	10,872
Long-term debt outstanding:		
due within one year	91,915	76,210
due in more than one year	6,166,739	4,628,906
Total liabilities	6,558,829	4,946,394
Total net position	$ 949,710	$ 1,100,745
Total revenues	$ 744,239	$ 697,167
Total expenses	(895,274)	(843,683)
Total change in net position	$ (151,035)	$ (146,516)

* The cost of the Airport Service Incentive Program (ASIP) has been reclassed from Operating expenses to Contra revenue account for comparison purposes.

Total current and other assets increased $1.2 billion from FY 2012 to FY 2013 primarily due to the bond proceeds received, but not yet applied to capital expenditures. Total capital assets increased $290.8 million due to increased construction-in-progress and the completion of additional projects. Total liabilities increased $1.6 billion from FY 2012 to FY 2013 primarily due to the issuance of new debt.

The following table summarizes net position as of September 30, 2013 and 2012.

Net Position	As of September 30 (000s) 2013	2012
Net investment in capital assets	$ 229,838	$ 371,192
Restricted net position:		
PFIC	11,395	12,909
Passenger facility charges	28,588	50,032
Public safety and other	2,888	2,759
Total restricted	42,871	65,700
Unrestricted net position	677,001	663,853
Total Net Position	**$ 949,710**	**$ 1,100,745**

Net investment in capital assets decreased $141.4 million primarily due to depreciation outpacing bond principal payments and the difference in rate and GAAP treatment for TRIP related asbestos removal.

Restricted net position, PFIC decreased $1.5 million in FY 2013 primarily due to a slightly higher usage of cash.

Restricted net position, PFC's represent the cash and investments held from the collection of PFCs that will be used in the future to pay eligible debt service. PFCs paid approximately 49% and 56% of the total debt service in FY 2013 and FY 2012, respectively. The PFC balance decreased $21.4 million in FY 2013 as funds have been used to pay eligible debt service in excess of PFC revenues.

Restricted net position, public safety and other represents cash obtained during seizures and arrests. These funds may only be used for public safety and security purposes as defined by Federal law. Also represented are funds collected from concessionaires to operate joint marketing programs.

Liquidity and Financing

As of September, 30, 2013, DFW had total cash and investments of $2.8 billion, of which $686 million was unrestricted. Unrestricted cash and investments may be used for any lawful airport purpose, including capital expenditures, the payment of operation and maintenance expenses, and the payment of debt service if the debt service revenue fund should ever be inadequate. The unrestricted cash and investments are sufficient to cover 587 days of operating expenses as compared to 583 days in FY 2012.

As of September 30, 2013, DFW has $6.3 billion of fixed rate bonds outstanding. Currently, DFW has no swaps or variable rate debt. DFW issued four refunding series bonds during FY 2013 and achieved $105.7 million in net present value savings and $137.0 million in actual savings on future debt service.

DFW funds major renewal projects like the TRIP or runway improvements and expansion projects through the issuance of debt, net of available FAA discretionary funding. Minor renewals and replacements are generally funded out of the DFW capital account. As part of the Use Agreement, the Airlines approved the issuance of bonds to fund the TRIP and $220 million of other capital projects. The issuance of additional debt requires airline approval, with some exceptions for commercial development.

DFW issued the series 2012H, 2013A, 2013B and 2013C bonds totaling $955.8 million for the TRIP and $534.0 million for non-TRIP projects during FY 2013. Depending upon contract terms, DFW may be required to identify and have available funds (joint/DFW capital, grants, debt, and PFCs) before it can

enter into a contract for capital programs. DFW is currently monitoring the cash flow and contracting requirements for the TRIP and other approved projects, and expects to issue additional bonds in the future to meet capital funding needs.

Generally, DFW capitalizes interest on major capital programs like the TRIP between the time of borrowing and date of beneficial occupancy. DFW uses PFCs to pay a portion of eligible debt service on outstanding debt. The remaining debt service is paid through rates, fees and charges. Additional information on long-term capital asset activity and debt activity are disclosed in notes 4 and 6 to the financial statements.

The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount sufficient to at least pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service and (2) reasonably estimated to at least produce Current Gross Revenues in an amount sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. DFW's Gross Revenues Coverage ratio was 1.53 and 1.52 for the fiscal years September 30, 2013 and September 30, 2012, respectively; while Current Gross Revenues covered debt service improved to 1.21 from 1.18 for the same periods, respectively.

DFW is rated A (stable outlook) by Fitch, A2 (stable outlook) by Moody's, and A+ (stable outlook) by Standard and Poor's. During FY 2013 Fitch and Moody's lowered their rating from A+(negative outlook) and A1 (negative outlook), respectively, due primarily to DFW's planned issuance of debt to fund the TRIP. Standard and Poor's did not change their rating. Management believes that after TRIP is completed, the Airport will remain cost competitive, have high levels of liquidity, and strong debt service coverage.

Request for Information

This financial report is designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Office of the Executive Vice President and Chief Financial Officer, 3200 East Airfield Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428.

Dallas/Fort Worth International Airport
Statement of Net Position
As of September 30, 2013
(Amounts in Thousands)

Assets		
Current assets		
Cash and cash equivalents (notes 1, 2)	$	152,477
Restricted cash and cash equivalents (notes 1, 2, 8)		200,001
Investments (notes 1, 2)		417,496
Restricted investments (notes 1, 2, 8)		72,629
Accounts receivable, net of allowance for doubtful account of $0.6 (note 1)		28,798
Materials and supplies inventories (note 1)		2,216
Other current assets		4,781
Total current assets		878,398
Non-current assets		
Restricted Cash and cash equivalents (notes 1,8)		330,151
Investments (notes 1, 2)		116,520
Restricted investments (notes 1, 2, 8)		1,525,572
Capital assets, net (notes 1, 4)		
Non-depreciable		905,856
Depreciable, net		3,622,022
Total capital assets, net		4,527,878
Bond issue cost		50,762
Net pension and other post employment benefit assets (note 9, 10)		55,993
Other restricted assets		23,265
Total non-current assets		6,630,141
Total assets		7,508,539
Liabilities		
Current liabilities		
Accounts payable and other current liabilities (note 5)		90,420
Current payable from restricted assets (notes 1, 8)		180,715
Current portion of joint revenue bonds payable (notes 1, 6)		91,915
Total current liabilities		363,050
Long-term liabilities		
Long-term liabilities (note 15)		10,860
Long-term liabilities payable from restricted assets (note 15)		18,180
Joint revenue bonds payable (note 6)		6,166,739
Total long-term liabilities		6,195,779
Total liabilities		6,558,829
Net Position (notes 7, 8)		
Net Investment in Capital Assets		229,838
Restricted for:		
PFIC (note 11)		11,395
Passenger facility charges (notes 1, 6)		28,588
Public safety and other (note 1)		2,888
Total restricted		42,871
Unrestricted		677,001
Total Net Position	$	949,710

See accompanying notes to the basic financial statements.

Dallas/Fort Worth International Airport
Statement of Revenues, Expenses and Changes in Net Position
For The Year Ended September 30, 2013
(Amounts in Thousands)

Operating revenues		
Landing fees (note 1)	$	100,610
Terminal rent and use fees (note 1)		109,722
Federal Inspection Services (FIS) (note 1)		21,805
Other airline		320
Total airline revenue		232,457
Parking		116,092
Concessions		68,229
Ground and facilities leases		34,297
Rent-A-Car rental		31,425
Grand Hyatt Hotel		31,032
Employee transportation		12,345
Rent-A-Car customer transportation charge		11,106
Natural gas		8,498
Taxi and limo fees		8,133
Other non-airline		23,867
Total non-airline revenue		345,024
Total operating revenues		577,481
Operating expenses		
Salaries, wages and benefits		169,635
Contract services		147,854
Equipment and supplies		21,918
Utilities		26,103
Grand Hyatt Hotel		21,914
Insurance		5,177
General, administrative and other		7,177
Depreciation and amortization		237,768
Total operating expenses		637,546
Operating loss		(60,065)
Non-operating revenues (expenses)		
Passenger facility charges		115,565
RAC customer facility charge		20,191
Interest income		4,804
Interest expense on revenue bonds		(225,445)
Other, net		5,238
Total non-operating expenses, net		(79,647)
Loss before capital contributions and special item		(139,712)
Capital contributions		
Federal and state grant reimbursements		20,960
Total capital contributions		20,960
Special item		
Asbestos removal (note 15)		(32,283)
Net Position		
Decrease in net position		(151,035)
Total net position, beginning of year		1,100,745
Total net position, end of year	$	949,710

See accompanying notes to the basic financial statements.

Dallas/Fort Worth International Airport
Statement of Cash Flows
For The Year Ended September 30, 2013
(Amounts in Thousands)

Cash flows from operating activities:		
Cash received from operations	$	589,236
Cash paid to outside vendors		(217,552)
Cash paid to employees		(169,555)
Net cash provided by operating activities		202,129
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(523,295)
Bond issuance costs		(7,983)
Proceeds from sale of revenue bonds		2,731,905
Premiums from sale of bonds		210,470
Payments to escrow agent		(1,261,886)
Underwriter's discount and fees		(11,501)
Principal paid on revenue bonds		(76,210)
Interest paid on revenue bonds		(232,351)
Capital grants		21,032
Passenger facility charges		115,602
Rental car financing fees		20,105
Net cash provided by capital and related financing activities		985,888
Cash flows from investing activities:		
Interest received on time deposits and investments		5,097
Purchase of time deposits and investments		(2,157,285)
Sale of time deposits and investments		1,174,104
Net cash used for investing activities		(978,084)
Net increase in cash and cash equivalents		209,933
Cash and cash equivalents, beginning of year		472,696
Cash and cash equivalents, end of the period	$	682,629
Unrestricted cash and cash equivalents		152,477
Restricted cash and cash Equivalents		530,152
Cash and cash equivalents, end of the period	$	682,629
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss		(60,065)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization		237,768
Changes in assets and liabilities:		
Accounts receivable		4,613
Materials, supplies and inventories		(198)
Other current assets		(1,397)
Net pension asset		579
Payroll expenses		80
Accounts payable and other liabilities		20,749
Net cash provided by operating activities	$	202,129
Supplemental disclosure of non-cash activities		
Assets acquired under capital lease		19
Amortization of bond premium/discount		(17,715)
Amortization of bond issuance costs		5,044
Amortization of bond defeasement loss		3,099
Capital Contributions		(72)
Capitalized interest		(21,278)
Unpaid purchases of Capital assets in accounts payable and accrued liabilities		54,999

See accompanying notes to the basic financial statements.

Dallas/Fort Worth International Airport
Statement of Fiduciary Net Position
As Of December 31, 2012
(Amounts in Thousands)

Assets	
Cash	$ 172
Investment in Master Trust at fair value	460,815
Receivables	
Due from broker for securities sold	1,007
Accrued interest and dividends	791
Total assets	**462,785**
Liabilities	
Due to broker for securities purchased	1,848
Accrued management fees	313
Claims/premiums payable	274
Accrued transaction fees	18
Total liabilities	**2,453**
Net position held in trust for benefits	**$ 460,332**

See accompanying notes to the basic financial statements.

Dallas/Fort Worth International Airport
Statement of Changes in Fiduciary Net Position
For the year ended December 31, 2012
(Amounts in Thousands)

Additions	
Contributions	
Plan members contributions	$ 1,712
Employer contributions	32,655
Total contributions	34,367
Plans' interest in Master Trust Investment Income	44,971
Less: Investment fees	(1,855)
Total investment income	43,116
Total additions	77,483
Deductions	
Benefits paid to plan members and beneficiaries	23,205
Administrative fees	322
Total deductons	23,527
Net increase	**53,956**
Net position	
At beginning of the year	406,376
At end of the year	**$ 460,332**

See accompanying notes to the basic financial statements.

Dallas/Fort Worth International Airport
Notes To The Basic Financial Statements
September 30, 2013

Footnote Reference

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Reporting Entity

The Dallas/Fort Worth International Airport (DFW or the Airport) was created by the Contract and Agreement between the City of Dallas, Texas, and the City of Fort Worth, Texas, effective April 15, 1968 (Contract and Agreement), for the purpose of developing and operating an airport as a joint venture of the Cities of Dallas and Fort Worth (the Cities) in accordance with the Contract and Agreement. The initial capital was contributed by the Cities. The Cities approve DFW's annual budget and all bond sales, but have no responsibility for the DFW's debt service requirements.

The DFW Airport Board of Directors (the Board) is composed of 12 members, 11 of whom are voting members (seven of which are appointed by Dallas and four by Fort Worth) in accordance with each city's ownership interest in the Airport. The 12th position rotates between the Airport's host cities of Irving, Grapevine, Euless or Coppell and is non-voting. The Board is a semi-autonomous body charged with governing the Airport and may enter into contracts without approval of the City Councils.

The Board appoints the Chief Executive Officer, who is charged with the day-to-day operations of the Airport. The Chief Executive Officer hires a management team to assist him in that responsibility.

DFW's financial statements include all of the transactions of the Dallas/Fort Worth Airport Public Facility Improvement Corporation ("PFIC"). The PFIC operates the Grand Hyatt Hotel and the Rent-A-Car facility ("RAC"). Grand Hyatt net proceeds are primarily derived from room rentals and the sale of related hotel goods and services. The RAC collects customer facility and customer transportation charges from rental car customers and oversees facility improvements and transportation services.

Although the PFIC is a legally separate entity, the financial transactions of PFIC have been included into the Airport's Enterprise Fund due to their nature and significance to the Airport and to comply with Governmental Accounting Standards Board (GASB): Statement 14, *The Financial Reporting Entity* as amended by GASB 39 *Determining whether Certain Organizations are Component Units,* and Statement 61, *The Financial Reporting Entity.* The PFIC is considered a blended component unit because the component units governing bodies consist of members of the Airport staff, appointed by the Airport. The Airport as the primary government, exercises substantial control over the PFIC. In addition, the component units provide direct benefits exclusively or almost exclusively to the Airport, through the transfer of funds necessary to pay Airport debt.

DFW's Facility Improvement Corporation ("FIC") is also a legally separate entity. The financial transactions of the FIC have been included into the Airport's Enterprise Fund due to their nature and significance to the Airport and to comply with Governmental Accounting Standards Board (GASB): Statement 14, *The Financial Reporting Entity* as amended by GASB 39 *Determining whether Certain Organizations are Component Units,* and Statement 61, *The Financial Reporting Entity.* The FIC is considered a blended component unit because the component units governing bodies consist of members of the Airport staff, appointed by the Airport. The Airport as the primary government, exercises substantial control over the FIC. The FIC is used solely for conduit financing purposes. The FIC has no assets or liabilities as of September 30, 2013. See footnotes 6(b) and 11 for a further discussion of the FIC.

DFW has two fiduciary pension plans covering substantially all DFW employees with the plan year ended December 31, 2012: the Retirement Plans for Employees (Employee Plan) and for DPS (Department of Public Safety) Covered Employees (DPS Plan) of the Dallas/Fort Worth International Airport Board (Retirement Plans, collectively). DFW offers a deferred compensation plan 401(a) for employees hired on or after January 1, 2010 (excludes Department of Public Safety employees.)

DFW has a single-employer defined Other Post Employment Benefit Plan (OPEB) providing retiree health care for qualified retired employees ages 65 or younger with the plan year ended December 31, 2012.

(b) Basis of Accounting

The accounts of the Airport are organized into an Enterprise Fund which represents the business-type activities; and two Pension Trust Funds and one OPEB Trust Fund which represent the fiduciary activities. The Airport uses a separate set of self-balancing accounts for each fund, including assets, liabilities, net assets, revenues, and expenses. The Airport includes its fiduciary pension plans in its financial statements.

The Basic Financial Statements and Required Supplementary Information (RSI) of the Airport consist of Management's Discussion and Analysis; Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position; Notes to the Basic Financial Statements; and Schedules of Funding Progress. The funds are categorized into two generic fund types as follows:

Enterprise Fund – The financial statements of the Enterprise Fund use the economic resource measurement focus and are presented on the accrual basis of accounting. Revenues are recorded when earned. DFW's operating revenues are derived from fees paid by airlines, tenants, concessionaires, patrons who park at DFW, natural gas royalties, hotel transactions, and others. The fees are based on usage rates established by DFW and/or methodologies established in the Use Agreement.

Expenses are recognized when incurred. The Airport constructs facilities to provide services to others, which are financed in part by the issuance of its revenue bonds. Airline users generally contract to pay amounts equal to the Airport's operating and maintenance expenses (excluding depreciation), debt service and coverage requirements, and any other obligations payable from the revenues of the Airport.

Fiduciary Funds – The financial statements of the Fiduciary Funds include the Pension trust funds and OPEB trust fund, and use the economic resource measurement focus and are presented on the accrual basis of accounting. The Fiduciary Funds are maintained to account for assets held by the Airport in a trustee capacity for active and retired employees. Contributions are recognized in the period in which the contributions are due.

Benefits, refunds, claims and premiums are recognized when due and payable in accordance with the terms of each plan. The Fiduciary Funds' fiscal year end is December 31 of each year. The amounts presented in these financial statements are as of and for the year ended December 31, 2012.

(c) Basis of Presentation

Adoption of GASB Statements

During the year ended September 30, 2013, DFW adopted GASB Statements: No. 60, *Accounting and Financial Reporting for Service Concession Arrangement;* No. 61*, The Financial Reporting Entity;* No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements;* No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position;* and No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, an amendment of GASB No. 53.

GASB Statement No. 60 is intended to improve financial reporting by addressing issues related to service concession agreements (SCAs), which are a type of public-private or public-public partnership. As of September 30, 2013, DFW has no service concession agreements.

GASB Statement No. 61 is intended to improve the reporting for a governmental financial reporting entity, modifying the existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units, and certain disclosure requirements. The adoption of GASB 61 did not have an impact on DFW's financial position, results of operation or cash flows. GASB 61 did result in additional disclosures included in footnote 11.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations; Accounting Principles Board Opinions; Accounting Research Bulletins of the American Institute of Public Accountants (AICPA) Committee on Accounting Procedure. The adoption of GASB 62 did not have an impact on DFW's financial position, results of operation or cash flows.

GASB Statement No. 63 improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As of September 30, 2013, DFW has no deferred inflows or outflows of resources.

GASB Statement No. 64 improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. As of September 30, 2013, DFW has no derivative instruments.

The GASB has issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. DFW is evaluating the effect that Statement 65 will have on its financial statements.

The GASB has issued Statement No. 66, "*Technical Corrections – 2012; an amendment of GASB Statements No. 10 and No. 62.*" The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. DFW is evaluating the effect that Statement 66 will have on its financial statements.

The GASB has issued Statement No. 67, "*Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25.*" This Statement replaces the requirements of

Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trust or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2013. DFW is evaluating the effect that Statement 67 will have on its financial statements.

The GASB has issued Statement No. 68, "*Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*." This Statement replaces the requirements of Statements No. 27 and No. 50 related to financial statement disclosure of plan information for pensions that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. DFW is evaluating the effect that Statement 68 will have on its financial statements.

The GASB has issued Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees."* Effective in 2014, this statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. DFW is evaluating the effect that Statement 70 will have on its financial statements.

The GASB has issued Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*." Effective in 2015, this statement amends GASB Statement 68 to require that, at transition, a beginning deferred outflow of resources is recognized for its pension contributions made subsequent to its measurement date of the beginning net pension liability. DFW is evaluating the effect that Statement 71 will have on its financial statements.

Operating and Non-Operating Revenues

The Airport distinguishes between operating revenues and non-operating revenues based on the nature of revenues and expenses. In general, revenues and related expenses resulting from providing services such as landing, parking, hotel transactions, terminal rental, ground rental and natural gas leases are considered operating. These revenues result from exchange transactions in which each party receives and gives up essentially equal values. Revenues are reported net of the Air Service Incentive Program (ASIP) cost of $9.8 million (Landing Fees $3.8 million, Turn Fees $3.9 million and Federal Inspection Service $2.1 million.)

Non-operating revenues, such as interest income, passenger facilities charges and customer facility charges, result from non-exchange transactions or ancillary activities. Non-operating expenses primarily consist of the interest expense on joint revenue bonds. Grants are recorded as capital contributions.

(d) Cash, Cash Equivalents, and Investments

Cash and cash equivalents

For purposes of the statements of cash flows, the Airport considers cash on hand, money market funds, and investments with an original maturity of three months or less, when originally purchased, to be cash equivalents, whether unrestricted or restricted. All bank balances are moved to collateralized overnight sweep accounts.

Investments

All investments held at fiscal year-end with maturities of more than one year from the date of purchase are stated at fair value. Investments with a maturity of one year or less from the date of purchase are reported at amortized cost.

The Airport may invest in obligations of the United States or its agencies, obligations of the State of Texas or its agencies, and certificates of deposits; municipal obligations and repurchase agreements having a rating not less than A; and certain bankers' acceptances, commercial paper, SEC regulated money market mutual funds, local government investment pools, and guaranteed investment contracts.

Under the current investment policy, the fiduciary funds invest in money market funds, domestic equities, international equities, private equity funds and fixed income instruments.

(e) Accounts Receivable

Receivables are reported at their gross value when earned. The Airport's collection terms are 20 days. The allowance for uncollectible accounts is based on a weighted aging calculation. As a customer's balance is deemed uncollectible, the receivable is cleared and the amount is written off. If the balance is subsequently collected, such payments are applied to the allowance account.

The allowance for doubtful accounts was $0.6 million for fiscal year 2013. This allowance is netted against the Accounts Receivable balance.

(f) Materials and Supplies Inventories

Inventories are valued at the lower of average cost or market and consist primarily of expendable parts and supplies held for consumption within the next year.

(g) Capital Assets

All capital assets are stated at historical cost or, if donated, at the fair value on the date donated. The capitalization threshold for real property is $50,000 and $15,000 for personal property with a useful life greater than one year.

Depreciation is calculated on the straight-line method over the following estimated useful lives:

Buildings	10 - 50 years
Improvements other than buildings	10 - 50 years
Vehicles	2 - 20 years
Other machinery and equipment	3 - 30 years

Repairs and maintenance are charged to operations as incurred unless they have the effect of improving or extending the life of the asset, in which case they are capitalized as part of the cost of the asset.

Construction-in-progress is composed of costs attributable to construction of taxiways, roads, terminal improvements, systems installation and conversion, and various other projects.

(h) Capitalized Interest

Interest is capitalized on bonds outstanding, until the asset is placed in service, net of interest earned on the unexpended bond proceeds. The total DFW capitalized interest was $21.3 million in FY 2013.

(i) Grants and Federal Reimbursements

Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met on projects.

(j) Passenger Facilities Charge (PFC)

The PFC program is authorized by federal legislation and allows an airport to impose a fee for use of its facilities up to $4.50 on revenue enplaning passengers. PFC's may only be used for FAA approved projects. DFW collects PFC's at the $4.50 level allowed by regulations. PFC's are collected by the air carriers when the ticket is purchased and remitted to the airport on a monthly basis. As of September 30, 2013, the FAA has approved ten applications for the Airport for a total collection authority of $5.7 billion through October 2038. The remaining collection authority is $3.8 billion. DFW is currently collecting and expending PFC's under PFC Application 10; applications 1 – 9 are closed.

(k) Deferred Compensation Plans

The Airport offers a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all Airport employees to allow them to defer a portion of their salaries up to IRS limits until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Amounts are held in trust for the benefit of the Airport's employees and are not subject to claims of the Airport's general creditors. The Airport is not the trustee of the Deferred Compensation Plan.

The 457 Deferred Compensation Plan balances totaling $60.8 million for 2013 are not reported in the assets or liabilities of the Airport in accordance with GASB Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*

Beginning January 2010, DFW requires employees, excluding Public Safety Officers, hired after January 1, 2010 to participate in a deferred compensation plan, created in accordance with Internal Revenue Code Section 401(a), in which employees are required to defer 1% to 3% of their salaries, based on tenure. All new employees are also eligible to participate in the 457 Plan for employees hired after January 1, 2010. DFW will match up to 7% of employee contributions to both the 401(a) and 457 plans.

The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Amounts are held in trust for the benefit of the Airport's employee and are not subject to claims of the Airport's general creditors. The Airport is not the trustee of the Plan.

The 401(a) Deferred Compensation Plan balances totaling $1.5 million for 2013 are not reported in the assets or liabilities of the Airport in accordance with GASB Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*

(l) Retirement Plans

It is the policy of the Airport to fund the pension costs of its two retirement plans annually. Pension costs are comprised of normal cost and amortization of unfunded actuarial accrued liability and of unfunded prior service cost. The Airport currently carries a Net Pension Asset of $53.4 million as of September 30, 2013, which is the cumulative difference between the annual pension costs and contribution made to the two retirement pension plans.

DFW made contributions of $27.6 million in FY 2013. In prior years, DFW funded its pension plans in excess of the actuarial requirements because it currently has an actuarial accrued liability.

The Pension Plan is accounted for in accordance with GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers* and as amended by GASB Statement 50, *Pension Disclosures*.

Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plans' gains and losses on investments bought and sold as well as held during the year. Investments are valued at fair value based on quoted market values when available. Purchases and sales of securities are recorded on a trade-date basis.

(m) Other Post-Employment Benefits (OPEB) Plan

It is the policy of the Airport to fund the OPEB cost annually. OPEB costs are comprised of normal cost and amortization of the unfunded actuarial accrued liability. The Airport currently carries a Net OPEB Asset of $2.6 million as of September 30, 2013, which is the cumulative difference between the annual OPEB costs and contribution made to the OPEB Plan. DFW made a contribution of $2.9 million in FY 2013.
The OPEB plan is accounted for in accordance with GASB Statement 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* and GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. Claims and premiums are recognized when due and payable. Investments are stated at fair value.

(n) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and other resources that are legally restricted by third parties to certain uses. Capital funds are restricted to pay the costs of certain capital projects as defined in various supplemental bond ordinances. 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 ordinances. Public safety funds obtained from seizures are restricted to specified security or public safety uses. Concessionaires pay a fee to support joint marketing programs.

Liabilities payable from restricted assets are the accounts payable, accrued interest, and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(o) Compensated Absences

DFW employees earn 12 days of sick leave per year with a maximum accrual of 130 days. Unused sick leave for terminated employees is not paid and, therefore, not accrued.

DFW employees are granted Time Off with Pay ("TOP") at rates of 15 to 30 days per year depending on length of employment and position. Employees may accumulate up to a maximum of two times their annual accrual rate. Upon termination, employees are paid for any unused TOP. The accumulated TOP is recorded as a liability when earned and is reflected in the accounts payable.

Estimated TOP usage due within one year is expected to remain at the same level. The calculation of the liability is based on the pay or salary rates in effect as of the end of the fiscal year (in thousands).

Balance as of September 30, 2012	$	8,433
TOP used during the year		(9,227)
TOP earned during the year		9,119
Balance as of September 30, 2013	$	8,325

(p) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) DEPOSITS AND INVESTMENTS

(a) Deposits - DFW

As of September 30, 2013, DFW's cash balance (including amounts under restricted assets – see Note 8) represents $682.6 million of cash and cash equivalents. The bank balances for the cash and cash equivalents accounts were approximately $690.5 million on September 30, 2013. The balance of cash and cash equivalents is kept in money market accounts, high yield savings accounts, or in deposit accounts swept nightly. The money market accounts are collateralized by the assets of the funds. The sweep accounts, deposits and high yield savings are collateralized by pledged securities.

Description		2013
Cash	$	4,639
Cash: interest - bearing accounts		272,990
Money market funds		405,000
Total cash and cash equivalents	$	682,629

Money Market Funds are regulated by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940. These funds are pooled monies from investors to purchase short-term investments, such as Treasury bills, certificates of deposit, and short-term

bonds (known as commercial paper) issued by large corporations, that meet certain standards set forth by the SEC for credit quality, liquidity, and diversification.
DFW investments in money market funds are reflected in the financial statements as cash equivalents for FY 2013 as follows (in thousands):

The risk rating for money market funds is AAAm by Standard and Poor's, Aaa by Moody's and AAAmmf by Fitch.

(b) Investments – DFW

As of September 30, 2013 the fair market values and associated credit ratings from Standard and Poor's (S&P) of the DFW's investments are as follows (in thousands):

	2013			
		Maturities (in years)		
Investment	**Fair Value**	**< 1 year**	**1 - 5 years**	**S&P Rating**
U.S. Agencies and Instrumentalities:				
Federal Agricultural Mortgage Corp	$ 226,065	$ 161,153	$ 64,912	AA+
Federal Farm Credit Banks	567,562	435,578	131,984	AA+
Federal Home Loan Bank	246,471	226,508	19,963	AA+
Federal Home Loan Mortgage Corp	366,004	30,016	335,988	AA+
Federal National Mortgage Corp	90,852	-	90,852	AA+
Commercial Paper:				
Board of Governors Univ of NC Total	8,499	8,499	-	A-1+
Boston Water & Sewer	24,996	24,996	-	A-1
Chicago Ill Midway	57,679	57,679	-	A-1
Coca Cola Co.	180,382	180,382	-	A-1+
ING Funding LLC (US)	54,996	54,996	-	A-1
Lower Colorado River Authority	30,900	30,900	-	A-1
Maryland Health & Higher Education	13,084	13,084	-	A-1+
San Francisco Public Utilities	16,899	16,899	-	A-1+
Trinity Health Corporation	19,995	19,995	-	A-1+
University of California	25,000	25,000	-	A-1+
Univ of TX System Permanent Fund	40,000	40,000	-	A-1+
University of Utah	25,000	25,000	-	A-1+
Vanderbilt University	31,250	31,250	-	A-1+
Wells Fargo & Company	49,971	49,971	-	A-1
Municipals (Bonds, Obligations):				
Connecticut Housing Finance Authority	1,000	-	1,000	AAA
Dayton OH Metro Library	7,348	7,348	-	AA
Louisianna State	21,518	11,620	9,898	AA
Montgomery County TN	4,313	-	4,313	AA+
New Jersey State Econ Dev Auth	17,055	6,453	10,602	A+
Seatte WA Municipal Light & Power	4,195	4,195	-	AA
Total investments	$ 2,131,034	$ 1,461,522	$ 669,512	

The book value of investments presented above is $2,132,217.

(c) Interest Rate Risk – DFW

Investment portfolios are designed with the objectives of preserving capital while attaining the best possible rate of return commensurate with DFW's investment risk constraints and the cash flow characteristics of each portfolio. Return on investments, although important, is subordinate to the safety and liquidity objectives.

In accordance with DFW's investment policy, two strategies are employed when market conditions vary. In markets where time risk is rewarded, investments are for longer terms. In markets where time risk is not rewarded, investments are for shorter terms and allow for flexibility to reinvest funds when markets improve.

DFW has identified various purposes for the use of investments and has established maximum maturities for each of these purposes.

The following table summarizes by purpose the maximum investment maturities.

Purpose	Maturity
Hotel Opr & FFE	1 year
Interest and Sinking	1 year
Operating	1 year
Passenger Facility Charges	1 year
RAC Funds-CTC	1 year
RAC Funds-CFC	2 years
Bond Funds	3 years
DFW Capital	3 years
Hotel Capital	3 years
Joint Capital	5 years
Debt Service Reserve	75%-5 yrs & 25% 10 yrs
Operating Reserve	75%-5 yrs & 25% 10 yrs
Rolling Coverage	75%-5 yrs & 25% 10 yrs

The following table summarizes the DFW total investments as a percentage of maturities.

	2013
Maturity	**% of Investment**
Less than one year	69%
One to five years	31%

(d) Credit Risk - DFW

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. DFW's investment policy provides for the following types of investments with ratings for each investment type.

Investment Type	Minimum Ratings
U.S. Treasury Notes and Bills	N/A
U.S. Agencies and Instrumentalities	N/A
Texas Agencies and Instrumentalities	N/A
Certificates of Deposit	N/A
Banker's Acceptances	Short-Term A1/P1
Municipals (Bonds, Obligations)	A or equivalent by one nationally recognized ratings agency
Repurchase Agreements	A or equivalent by one nationally recognized ratings agency
Guaranteed Investment Contract	A or equivalent by one nationally recognized ratings agency
Money Market Mutual Funds	AAA by one recognized ratings agency
Money Market Funds & Local Government Pools	AAA or AAAm by one recognized ratings agency
Commercial Paper	A1/P1 by two recognized ratings agencies

(e) Concentration of Credit Risk – DFW

DFW limits the amounts that can be invested in any individual investment unless the investment is fully collateralized or guaranteed by the federal government. As of September 30, 2013, DFW was in compliance with its investment policy. DFW's top four investments account for 66.0% of the total fair market value as of September 30, 2013: Federal Farm Credit Banks (26.6%), Federal Home Loan Mortgage Corporation (17.2%), Federal Home Loan Bank (11.6%), and Federal Agricultural Mortgage Corporation (10.6%).

(f) Custodial Risk – DFW

For deposits, custodial risk is the risk that in the event of financial institution failure, DFW would not be able to recover its deposit. DFW's deposits are either federally insured and/or collateralized. For investments, custodial risk is the risk that in the event of a failure of the outside party (holder of the investment), DFW would not be able to recover the value of the investment or collateral securities. DFW's investments are held in DFW's name.

(g) Investments – DFW's Fiduciary Pension Plans

DFW has contracted with JP Morgan Chase Bank ("Trustee") for custody and safekeeping of investments, accounting for transactions based on the instructions of investment managers, and payment of benefits to participants, subject to the policies and guidelines established by DFW. The funds of the Pension Plans are invested in accordance with Texas Public Investment Code.

The Retirement Plans' assets are carried at fair value and as of December 31, 2012 include investments of (in thousands):

Investment	2012
Common stocks	$ 136,712
U.S. Treasury and agency securities	51,834
Money market funds and notes	43,838
Mutual funds	29,320
Corporate bonds	39,806
ADR/Foreign stocks	16,331
MLP/ Exchange traded notes	15,509
Asset backed bonds	6,549
Limited Partnership	57,984
Commingled funds	46,534
Total Investments	$ 444,417

(h) Interest Rate Risk – DFW's Fiduciary Pension Plans

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the Plans is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods. As of December 31, 2012, the maturity values are as follows (in thousands):

	2012 Maturity (in years)				
Investment	**0-5**	**6-10**	**11-15**	**16+**	**Total**
U.S. government securities	$ 9,366	$ 11,151	$ 7,512	$ 3,290	$ 31,319
Mortgage backed securities	-	296	663	13,534	14,493
CMO/REMIC	-	-	-	122	122
Total governmental	$ 9,366	$ 11,447	$ 8,175	$ 17,068	$ 45,934
Corporate bonds	$ 26,794	$ 10,565	$ -	$ 2,447	$ 39,806
Asset backed bonds	3,387	-	129	-	3,516
Commercial mortgage backed bonds	-	-	-	3,033	3,033
MLP/Exchange traded notes	-	-	15,509	-	15,509
Total non-governmental	$ 30,181	$ 10,565	$ 15,638	$ 5,480	$ 61,864

(i) Credit Risk – DFW's Fiduciary Pension Plans

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of rating by nationally recognized rating agencies such as S&P and Moody's. The following tables show the rating of the Plan's investments as of December 31, 2012.

	Rating						
Long Term Bond Investments	**AAA/ AA+**	**AA/ AA-**	**A+/ A/A-**	**BBB+/ BBB**	**BBB-/ BB+**	**Not Rated**	**Total**
U.S. government securities	$ 29,002	$ 289	$ 157	$ -	$ -	$ 1,871	$ 31,319
Mortgage backed securities	-	-	-	-	-	14,493	14,493
CMO/REMIC	-	-	-	-	-	122	122
Total governmental	**$ 29,002**	**$ 289**	**$ 157**	**$ -**	**$ -**	**$ 16,486**	**$ 45,934**
Corporate bonds	$ 354	$ 3,305	$ 14,778	$ 16,520	$ 4,761	$ 88	$ 39,806
Asset backed bonds	3,516	-	-	-	-	-	3,516
Commercial mortgage backed bonds	3,033	-	-	-	-	-	3,033
MLP/Exchange traded notes	-	-	-	-	-	15,509	15,509
Total non-governmental	**$ 6,903**	**$ 3,305**	**$ 14,778**	**$ 16,520**	**$ 4,761**	**$ 15,597**	**$ 61,864**

(j) Concentration of Credit Risk – DFW's Fiduciary Pension Plans

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investments in a single user. DFW has approved the following guidelines of assets allocation for the Plans:

Asset Class	Minimum	Maximum	Target
Domestic equity	30.0%	50.0%	35.0%
International global equity	10.0%	30.0%	20.0%
Domestic fixed income	10.0%	30.0%	15.0%
Treasury Inflation-Protected Securities (TIPS)	0.0%	10.0%	5.0%
Non-core bonds	0.0%	15.0%	10.0%
Real estate	0.0%	10.0%	5.0%
Private equity	0.0%	10.0%	5.0%
Master Limited Partnerships (MLPs)	0.0%	10.0%	5.0%
Cash	0.0%	10.0%	0.0%

There were no investments exceeding the category parameters of the investment guidelines at December 31, 2012.

(k) Custodial Risk – DFW's Fiduciary Pension Plans

All investments are held in DFW's Retirement Plans name.

(l) Investments – DFW's Fiduciary OPEB Plan

DFW has contracted with JP Morgan Chase Bank ("Trustee") for custody and safekeeping of investments, accounting for transactions based on the instructions of investment managers, and payment of benefits to participants, subject to the policies and guidelines established by DFW. The OPEB Trust Fund is invested in accordance with Texas Public Investment Code.

The OPEB Plan assets are carried at fair value as of December 31, 2012 and include the following investments (in thousands):

Description	2012
Money market funds	1,750
Mutual funds	14,648
Total Investments	**$ 16,398**

(m) Interest Rate Risk – DFW's Fiduciary OPEB Plan

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the Plans is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods. As of December 31, 2012, DFW had no investments that are exposed to interest rate risk.

(n) Credit Risk – DFW's Fiduciary OPEB Plan

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of rating by nationally recognized rating agencies such as S&P and Moody's. As of December 31, 2012, DFW had no investments that are exposed to credit risk.

(o) Concentration of Credit Risk – DFW's Fiduciary OPEB Plan

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investments in a single user. DFW has approved the following guidelines of assets allocation for the Plans:

Asset Class	Minimum	Maximum	Target
Indexed equity mutual fund	40.0%	60.0%	50.0%
Intermediate bond fund	40.0%	60.0%	50.0%

DFW has determined that currently all securities purchased for the plan have readily ascertainable market values and shall be easily marketable. In calendar year 2012, the total contributed amount of $1.7 million was invested into a short term investment fund and the remainder amount of $14.6 million was invested into Vanguard Total Bond (43%) and Vanguard Institutional Index (57%) funds through the Trustee. There were no individual investments exceeding the parameters of the investment guidelines at December 31, 2012.

(p) Custodial Risk – DFW's Fiduciary OPEB Plan

All investments are held in DFW's OPEB Plan name.

(3) RELATED-PARTY TRANSACTIONS

DFW makes certain payments routinely to the Cities. Payments to Fort Worth, primarily for legal services, bond fees, water purchases, task force costs, and facilities rentals, for the year ended September 30, 2013 were approximately $1.5 million. Payments to Dallas, primarily for legal services, water purchases, task force costs, and bond fees, for the year ended September 30, 2013 were approximately $1.5 million.

"Remainder of the page intentionally left blank"

(4) CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2013 were as follows (in thousands):

2013					
Description	Balance September 30, 2012	Additions	Adjustments and Completed Projects	Less Retirements	Balance September 30, 2013
Capital assets not being depreciated					
Land	$ 295,987	$ -	$ 1	$ (288)	$ 295,700
Construction in progress	513,980	534,260	(438,084)	-	610,156
Total capital assets not depreciated	809,967	534,260	(438,083)	(288)	905,856
Depreciable capital assets					
Buildings improvements	$ 2,303,376	11,602	217,887	(26,482)	2,506,383
Improvements other than buildings	2,409,531	13,784	118,083	(15,505)	2,525,893
Machinery and equipment	986,457	2,027	52,663	(17,349)	1,023,798
Vehicles	163,004	611	21,459	(10,121)	174,953
Total depreciable capital assets	5,862,368	28,024	410,092	(69,457)	6,231,027
Accumulated depreciation					
Buildings improvements	$ 861,200	63,292	-	(22,689)	901,803
Improvements other than buildings	1,027,511	89,563	-	(15,487)	1,101,587
Machinery and equipment	470,733	69,162	-	(16,329)	523,566
Vehicles	75,762	15,751	-	(9,464)	82,049
Total accumulated depreciation	2,435,206	237,768	-	(63,969)	2,609,005
Total, net capital assets	$ 4,237,129	$ 324,516	$ (27,991)	$ (5,776)	$ 4,527,878

During the fiscal year, the Airport recorded additional depreciation expense resulting from changes to remaining useful lives of assets or acceleration of depreciation for assets being replaced or renovated as follows:

1) The Airport approved the demolition and construction of Terminal A Garage which resulted in a change in the remaining useful life and the recording of an additional depreciation expense of $1.8 million.
2) The Airport changed the scope of the baggage system replacement project which resulted in a change in the remaining useful life and an additional depreciation expense of $12.6 million.
3) The ongoing Terminal Replacement and Improvement Program (TRIP) resulted in the recording of additional depreciation for the Terminal buildings of $16.5 million.

(5) ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

A detail of accounts payable and other current liabilities for the year ended September 30, 2013 are as follows (in thousands):

	2013
Accrued expenses	$ 36,699
Unearned revenue	14,090
Signatory airline refunds	8,648
Time off with pay	8,325
Accounts payable	7,189
Payroll and employee benefits	6,961
Other deposits	4,376
Insurance	4,132
Total	$ 90,420

"Remainder of the page intentionally left blank"

(6) DEBT

A summary of bond indebtedness changes during the year ended September 30, 2013 follows (in thousands):

Series: Maturity (Due) : Interest Rate	Original Issue Amount	Beginning Balance	Additions	Reduction	Ending Balance	Amounts Due within One Year
Gross DFW Debt Payable						
Airport - Joint Revenue Bonds - (JRB)						
2001A: 11/02 - 11/35 : 5.500% - 5.875%	$ 650,000	$ 1,700	$ -	$ (1,700)	$ -	$ -
2002A: 11/03 - 11/35 : 5.000% - 5.500%	375,000	260,735	-	(260,735)	-	-
2003A: 11/13 - 11/35 : 5.000% - 6.000%	1,457,700	1,170,310	-	(949,455)	220,855	13,245
2004B: 11/06 - 11/35 : 3.000% - 5.750%	207,000	144,840	-	(51,685)	93,155	1,485
2007: 11/08 - 11/23 : 4.500% - 5.000%	102,455	98,220	-	(1,190)	97,030	2,665
2009A: 11/10 - 11/24 : 3.000% - 5.000%	281,005	241,065	-	(25,895)	215,170	28,890
2010A: 11/11 - 11/45 : 5.000% - 5.250%	304,395	304,395	-	-	304,395	-
2011A: 11/11 - 11/21 : 0.350% - 4.442%	111,355	107,795	-	-	107,795	10,815
2011C: 11/11 - 11/35 : 1.000% - 5.000%	151,840	149,100	-	(1,820)	147,280	1,075
2011D: 11/12 - 11/24 : 2.000% - 5.000%	221,750	221,750	-	(5,485)	216,265	-
2011E: 11/12 - 11/18 : 0.900% - 3.120%		106,240	-	(18,035)	88,205	11,565
2012A: 11/12 - 11/14 : 4.000% - 4.000%		1,000	-	-	1,000	-
2012B: 11/12 - 11/35 : 5.000% - 5.000%		433,770	-	(13,835)	419,935	12,295
2012C: 11/12 - 11/45 : 3.250% - 5.250%		274,925	-	-	274,925	675
2012D: 11/12 - 11/42 : 5.000% - 5.000%		475,000	-	-	475,000	-
2012E: 11/13 - 11/35 : 1.000% - 5.000%		300,495	-	-	300,495	3,185
2012F: 11/13 - 11/35 : 3.000% - 5.000%		270,535	-	-	270,535	3,035
2012G: 11/13 - 11/35 : 2.000% - 5.000%		-	294,080	-	294,080	2,985
2012H: 11/25 - 11/45 : 4.156% - 5.000%		-	480,000	-	480,000	-
2013A: 11/26 - 11/45 : 5.000% - 5.000%		-	372,240	-	372,240	-
2013B: 11/26 - 11/50 : 4.000% - 5.000%		-	450,000	-	450,000	-
2013C: 11/34 - 11/45 : 4.750% - 5.000%		-	242,000	-	242,000	-
2013D: 11/14 - 11/33 : 2.000% - 5.250%		-	416,315	-	416,315	-
2013E: 11/14 - 11/33 : 4.000% - 5.500%		-	225,310	-	225,310	-
2013F: 11/14 - 11/33 : 3.000% - 5.250%		-	251,960	-	251,960	-
Total Gross DFW Debt Payable	3,862,500	4,561,875	2,731,905	(1,329,835)	5,963,945	91,915
Plus/Less: Unamortized discount/premium, net		193,543	210,470	(21,318)	382,695	-
Less: Deferred loss on refunding		(50,302)	(40,783)	3,099	(87,986)	-
DFW Net Debt Payable		**$ 4,705,116**	**$ 2,901,592**	**$ (1,348,054)**	**$ 6,258,654**	**$ 91,915**

The Airport frequently issues bonds for capital construction projects. These bonds are subject to the arbitrage regulations. As of September 30, 2013, there was no liability for rebate of arbitrage.

(a) Joint Revenue Bonds

DFW was created by a Contract and Agreement between the Cities of Dallas and Fort Worth (the Cities), dated April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. In addition, DFW is governed by two other key documents. The 1968 Concurrent Bond Ordinance and the 30th Supplemental Bond Ordinance were amended and restated by the Master Bond Ordinance, and approved by the Cities of Fort Worth and Dallas on September 21, 2010 and September 22, 2010, respectively. The Master Bond Ordinance became effective on July 5, 2013 after the required approval of bondholders was obtained. Bonds are issued under provisions of the Master Bond Ordinance, Supplemental Bond Ordinances, as approved by the Cities of Fort Worth and Dallas, and Applicable Laws, including Chapter 22 of the Texas Transportation Code, Chapter 1371 of the Texas Government Code, as amended. Management believes DFW is in compliance with all bond covenants. The Lease and Use Agreements (Use Agreement) define DFW's rate setting methodology and business relationships with the airlines. DFW's current ten-year Use Agreement with the signatory airlines became effective October 1, 2010. Collectively, the abovementioned documents are referred to as the "Controlling Documents."

Revenues derived from the ownership and operations of the Airport are pledged to meet debt service requirements of the bonds issued pursuant to the Controlling Ordinances. The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount at least sufficient to pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service and (2) reasonably estimated to at least produce Current Gross Revenues in an amount at least sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service.

Annual transfers from the Capital Improvement Funds are considered part of Gross Revenues, but not Current Gross Revenues. At the end of each fiscal year, any excess funds in the 102 Operating fund are transferred to the Capital Improvement Fund. Funds transferred to the Capital Improvement Fund are allocated among three accounts, as provided in the 2010 Use Agreement. The Joint Capital Account generally requires approval from both DFW and the airlines prior to any expenditure of funds. The DFW Capital Account may be used at the discretion of the Airport.

Rolling Coverage is funded by excess revenues from the Rolling Coverage sub-cost center, which unless used during the fiscal year is equal to the amount transferred at the beginning of the fiscal year, plus any incremental coverage collected during the fiscal year to ensure that rolling coverage is equal to 1.25 times Accrued Aggregate Debt Service.

Effective July 1, 2011, PFC Application 11-10-C-00-DFW authorized the collection and use of $4.2 billion for the purpose of paying debt service on 14 approved PFC projects. PFC collections are approved at the $4.50 level. PFC's remitted to the Airport by the airlines are deposited into a separate fund, and to the extent available, transferred monthly to the Operating Revenue and Expense Fund in an amount sufficient to pay eligible debt service on the 14 approved projects. These transferred funds are considered Gross Revenues of the Airport for the purpose of meeting its rate covenants. However, PFC's may only be used for the purpose of paying eligible debt service on approved PFC projects.

All outstanding DFW bonds are senior lien parity bonds. As such they are supported by a pledge of Gross Revenues, which includes PFC's although those PFC's may be used only for eligible debt service on PFC approved projects. Failure to collect PFC revenues in an amount sufficient to pay eligible debt service on PFC approved projects may lead to increases in other

costs at DFW, which would be paid to the Airport in the form of higher landing fees and terminal rents.

In addition, PFC revenue is pledged to pay debt service to the extent that debt service is eligible and funds are available. Total principal and interest remaining to be paid on the bonds is $11.5 billion, with annual requirements over the next five years ranging from $363.2 million to $389.3 million. Revenue bond principal is due annually on November 1st, while interest is due semiannually on November 1st and May 1st.

(b) Facility Improvement Corporation Revenue Bonds – conduit financing

The Facility Improvement Corporation ("FIC") is a duly incorporated nonprofit public instrumentality of the State of Texas, created by the Airport's owner cities, pursuant to Chapter 22 of the Texas Transportation Code for the purpose of providing tax exempt conduit financing for airlines and other qualified tenants within the boundaries of the Airport. Bonds are issued by the FIC on behalf of the beneficial party, and pursuant to a facility agreement are payable solely by the beneficial party. Neither DFW nor the FIC has any obligation for the repayment of these bonds. As of September 30, 2013, the outstanding balance of conduit bonds was $794.4 million.

(c) Fiscal Year 2013 Debt Issuance

In October 2012, the Airport issued $294.1 million of fixed rate joint revenue refunding bonds (Series 2012G) for the purpose of refunding the Series 2002A bonds and partially refunding the Series 2004B bonds. The refunding resulted in future debt service (actual) savings of $24.3 million and net present value economic gain of $38.1 million. In December, 2012 the Airport issued $480.0 million of fixed rate joint revenue improvement bonds (Series 2012H). These bonds were issued primarily to fund the Terminal Renewal and Improvement Program (TRIP).

In May 2013, DFW issued $372.2 million of fixed rate joint revenue improvement bonds (Series 2013A) for the purpose of primarily funding TRIP. In June 2013, DFW issued $450.0 million of fixed rate joint revenue improvement bonds (Series 2013B) for the purpose of primarily funding non-TRIP projects. In July 2013, DFW issued $242.0 million of fixed rate joint revenue improvement bonds (Series 2013C) for the purpose of primarily funding TRIP and additional capitalized interest requirements.

In August 2013, DFW issued $416.3 million of fixed rate joint revenue refunding bonds (Series 2013D) for the purpose of partially refunding outstanding Series 2003A bonds. The refunding resulted in future debt service (actual) savings of $23.9 million and net present value economic gain of $22.0 million. Also, in August 2013, DFW issued $225.3 million of fixed rate joint revenue refunding bonds (Series 2013E) for the purpose of partially refunding outstanding Series 2003A bonds. The refunding resulted in future debt service (actual) savings of $52.8 million and net present value economic gain of $26.1 million.

In September 2013, DFW issued $252.0 million of fixed rate joint revenue refunding bonds (Series 2013F) for the purpose of partially refunding outstanding Series 2003A bonds. The refunding resulted in future debt service (actual) savings of $36.0 million and net present value economic gain of $19.6 million.

The FY 2013 refunding activities resulted in a refunding loss which is the difference between the reacquisition price of the new bonds and the net carrying value of the old debt. The deferred loss of $41.1 million is reported in the accompanying basic financial statements as a reduction of bonds payable.

(d) Debt Service Requirement

Annual debt service requirements to maturity for bonds are as follows (in thousands):

Year ending September 30	Joint Revenue Bonds (JRB) Principal	Interest	Total
2014	$ 91,915	$ 271,240	$ 363,155
2015	77,980	286,722	364,702
2016	91,010	283,479	374,489
2017	102,310	279,499	381,809
2018	114,520	274,757	389,277
2019 - 2023	690,860	1,281,642	1,972,502
2024 - 2028	838,075	1,090,899	1,928,974
2029 - 2033	1,075,135	854,164	1,929,299
2034 - 2038	1,145,805	555,402	1,701,207
2039 - 2043	1,000,525	310,188	1,310,713
2044 - 2048	720,810	57,222	778,032
2049 - 2050	15,000	928	15,928
	$ 5,963,945	$ 5,546,141	$ 11,510,086

As of September 30, 2013, the Airport held approximately $472.1 million in reserve funds, interest and sinking funds for use in payment of the above debt service requirements. Certain amounts of the joint revenue bonds may be redeemed at a premium at various dates at the option of the Cities.

The Airport has legally defeased certain bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the Airport's basic financial statements. The total amount of defeased bonds that remain outstanding at September 30, 2013 is $974.4 million.

(7) NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets are comprised of the following amounts at September 30 (in thousands):

	2013
Net investment in capital assets:	
Capital assets	$ 4,527,878
Less: long-term debt payable, portion used for capital activities, and capital related payables	(4,298,040)
Total net investment in capital assets	$ 229,838

(8) RESTRICTED NET POSITION

The following table details assets and liabilities payable from restricted assets and the calculation of restricted net position reported in the financial statements (in thousands):

Description	Public Safety and Other	PFIC	Capital	Debt Service	Passenger Facility Charges	Total
Assets:						
Current						
Cash and cash equivalents	$ 97	$ 3,372	$ 73,815	$ 122,717	$ -	$ 200,001
Investments	-	-	-	72,629	-	72,629
Total currrent assets	97	3,372	73,815	195,346	-	272,630
Non-current						
Cash and cash equivalents	2,696	6,071	319,526	-	1,858	330,151
Investments	-	-	1,237,319	279,239	9,014	1,525,572
Deferred Financing Charges	-	-	-	50,762	-	50,762
Accounts receivable and other	192	5,343	14	-	17,716	23,265
Total noncurrent assets	2,888	11,414	1,556,859	330,001	28,588	1,929,750
Total current and noncurrent assets	2,985	14,786	1,630,674	525,347	28,588	2,202,380
Payable from restricted assets:						
Current						
Accounts payable	97	3,372	73,815	2,412	-	79,696
Accrued interest on revenue bonds	-	-	-	101,019	-	101,019
Long-term liabilities due within one year	-	-	-	91,915	-	91,915
Total current payable from restricted assets	97	3,372	73,815	195,346	-	272,630
Non-current						
Unearned revenue, other long-term	-	19	18,161	-	-	18,180
Total noncurrent payable from restricted assets	-	19	18,161	-	-	18,180
Total current and noncurrent liabilities	97	3,391	91,976	195,346	-	290,810
Restricted assets less liabilities	2,888	11,395	1,538,698	330,001	28,588	1,911,570
Reclass to investment in capital assets						
Less: Long term debt associated with reserves and financing charges	-	-	(1,612,513)	(330,001)	-	(1,942,514)
Add: Accounts payable capital projects and retainage	-	-	73,815	-	-	73,815
Net Position, restricted	$ 2,888	$ 11,395	$ -	$ -	$ 28,588	$ 42,871

(9) RETIREMENT PLANS

(a) *Plan Descriptions*

DFW has two fiduciary defined-benefit pension plans covering substantially all DFW employees: the employees of Dallas/Fort Worth International Airport Retirement Plans and the Department of Public Safety (DPS) Retirement Plans (Retirement Plans, collectively) that were established by Board resolution. Both plans are single-employer public employee retirement system plans in which the assets are held in an investment trust. Employees vest after five years of service and are eligible for early retirement at ages 55-61 and full retirement benefits at age 62 and after. Pension benefits increase by a cost of living adjustment each January 1.

The fiscal year-end for the Retirement Plans is December 31. Copies of the Retirement Plans' annual report may be obtained by writing to the Finance Department, DFW Airport, Post Office Drawer 619428, DFW Airport, Texas 75261-9428.

Employee Plan - All regular employees, other than DPS officers, are covered by the Employee Plan. Benefits vest after five years of service. DFW employees who retire are entitled to an annual retirement benefit, payable monthly for life in an amount equal to a percentage of final average monthly compensation times credited service plus an annual cost of living adjustment (as defined by the Employee Plan). Employees can also elect a limited lump-sum distribution. The Employee Plan also provides early retirement, death, and disability benefits. As of January 1, 2010, the Employee Plan was closed to new employees.

DPS Plan - The DPS Plan was established effective October 1, 1999, when the assets and liabilities accrued by public safety officers eligible for the DPS Plan prior to October 1, 1999 were transferred from the Employee Plan to the DPS Plan in compliance with the requirements of IRS Code Section 414(1). The public safety officers who retired or terminated employment prior to October 1, 1999, were not eligible for the DPS Plan and will continue to receive their benefits, if any, from the Employee Plan.

The DPS Plan permits early retirement at ages 55 to 61, or upon satisfaction of the "Rule of 80" or the "25 and out" rule. The "Rule of 80" is the attainment of age 50 and the completion of the number of years of benefit service that when added to the participant's age equals the sum of 80. The "25 and out" rule is the attainment of twenty-five (25) years of benefit service in a DPS covered position. DPS covered employees receive pension benefits in the form of a qualified joint and survivor annuity; however, an employee may request optional forms of pension benefit payments upon written request to the Plan Administrator. Other forms of payment of accumulated plan benefits include lump-sum distribution upon retirement or termination or equal monthly payments for life.

(b) Funding Policies

DFW determines each Retirement Plans' funding policy. In general, DFW contributes an amount approximately equal to the actuarially determined pension cost for the year. In some years, however, DFW funds additional contributions to help retire the unfunded liability sooner. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Both pension plans provide that employees with five or more years of service are entitled to annual pension benefits, beginning at normal retirement age of 62, equal to a certain percentage of their final average monthly compensation for each year of credited service, less a certain percentage of anticipated primary insurance benefits. The final average monthly

compensation is determined by utilizing the average monthly rate of compensation of the last 36 completed months immediately prior to the date of service determination.

Employer contributions are generally made annually and recognized as additions in the period in which employee services are performed. Employee contributions are required for the DPS Plan, but not permitted for the Employee Plan.

The actuarially determined contribution requirements for the DFW's fiscal years are computed through an actuarial valuation performed as of January 1 each year. The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plans and to analyze changes in the Plans' condition. Significant actuarial assumptions for valuations performed January 1, 2013, are as follows:

Significant Actuarial Assumptions	Employee Plan	DPS Plan
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, closed	Level percent, closed
Remaining Amortization period	22 years	22 years
Actuarially assumed investment rate of return	7.25% per annum compounded annually	7.25% per annum compounded annually
Mortality rates for males and females		
a. Non-Disabled	Retirement Plans 2000 Healthy Mortality Table	Retirement Plans 2000 Healthy Mortality Table
b. Disabled	Retirement Plans 2000 Disability Mortality Table	Retirement Plans 2000 Disability Mortality Table
Retirement, disablement and separation rate	Graduated rates based on age (detailed in actuary's report)	Graduated rates based on age (detailed in actuary's report)
Cost of living adjustment	3.0% per annum	3.0% per annum
Projected salary increase	Variable Rate (3.75% to 6.25%) of increase based on years of services which includes inflation rate (3%)	Variable Rate (3.75% to 11.50%) of increase based on years of services which includes inflation rate (3%)
Method used for determining actuarial value of assets	5-year Moving Average	5-year Moving Average
Payroll growth rate	not applicable	3.75% per annum
Employee Contribution Rate	not applicable	7% of compensation

DFW's annual pension costs, contributions, percent contributed, and net pension asset is as follows (in thousands):

	Employee Plan			
DFW Year ended	Annual Pension Cost	Airport Contribution	Percentage Contributed	Net Pension Asset
September 30, 2013	$ 22,133	$21,424	97%	$ 38,434
September 30, 2012	21,181	20,820	98%	39,143
September 30, 2011	19,729	19,201	97%	39,503

	DPS Plan			
DFW Year ended	Annual Pension Cost	Airport Contribution	Percentage Contributed	Net Pension Asset
September 30, 2013	$ 6,116	$ 6,219	102%	$ 14,950
September 30, 2012	5,661	5,899	104%	14,847
September 30, 2011	4,577	4,787	105%	14,610

As of January 1, 2013, the most recent actuarial valuation date, the funding status of the plans is as follows (in thousands):

	2013		
	Employee	DPS	Total
Actuarial accrued liabilities	$ 450,882	$165,805	$ 616,687
Actuarial value of assets	323,794	111,366	435,160
(Unfunded) actuarial accrued liability	$ (127,088)	$ (54,439)	$ (181,527)
Funded ratio	71.8%	67.2%	70.6%
Annual covered payroll	$ 65,638	$ 24,583	$ 90,221
(Unfunded) actuarial accrued liability as a percentage of covered payroll	(193.6%)	(221.4%)	(201.2%)

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(c) Net Pension Asset

DFW net pension assets for its Employee and DPS plans for DFW's fiscal year 2013 are as follows (in thousands):

	2013		
	Employees plan	DPS plan	Total
Annual required contribution	$ 21,424	$ 6,219	$ 27,643
Interest on net pension asset	(2,838)	(1,076)	(3,914)
Adjustment to annual required contribution	3,547	974	4,521
Annual pension cost	22,133	6,117	28,250
Employer contributions	21,424	6,219	27,643
Increase in net pension (asset)	709	(102)	607
Net pension (asset), beginning of year	(39,143)	(14,847)	(53,990)
Net pension (asset), end of year	$ (38,434)	$ (14,949)	$ (53,383)

(10) OTHER POST-EMPLOYMENT BENEFITS (OPEB)

(a) *Plan Descriptions*

General

The OPEB Plan is a single-employer defined benefit other than pension plan covering qualified retirees of DFW. The OPEB Plan was established and derives its authority from a DFW resolution effective September 2007. The OPEB Plan is administered by the DFW Board with the Executive Vice President of Administration and Diversity and the Vice President of Human Resources serving as the "Plan Administrators." The management of the assets and any amendments of the Plan are the responsibility of the DFW Board's Retirement Committee, the Executive Vice President - CFO and the Vice President of Treasury Management.

The fiscal year-end for the OPEB Plan is December 31. Copies of the OPEB annual report may be obtained by writing to the Finance Department, DFW Airport, Post Office Drawer 619428, DFW Airport, Texas 75261-9428.

OPEB Plan Eligibility

The OPEB Plan provides retiree health care for qualified retired employees ages 65 or younger and their eligible dependents when required criteria are met. To be eligible as a retiree, an employee must be enrolled in one of DFW's medical plans, be eligible for retirement under one of DFW's pension plans, and begin drawing pension benefits immediately upon retirement. Failure to immediately draw pension benefits will result in loss of eligibility for medical coverage.

To be eligible as a retiree's dependent, dependent(s) must be either a legal spouse; unmarried children and under age 25 who are dependent on the retiree for at least 50% of their support and claimed on the retiree's income tax return; unmarried grandchildren under age 25 who are dependent on the retiree for at least 50% of their support, reside in the retiree's household, and claimed on the retiree's income tax return; or unmarried children at any age if mentally or physically incapable of self-support. Normal retirement benefits for general employees and DPS employees begin when they complete five years of service and age 62.

Health Care Benefit

The health care coverage offered to active employees is available to retirees under age 65 and their eligible dependents. The benefit includes medical, prescription drug, and vision coverage. Medical plans offered include Aetna Select and Aetna Choice POS II.

Retiree Medical Subsidy

As of January 1, 2003, DFW provides a subsidy to eligible employees who retire to purchase medical coverage prior to Medicare eligibility. The subsidy is for pre-65 OPEB medical benefits only, and offers a credit of $20 per month of completed year of service up to a maximum benefit of $400 per month. These credits have no cash value and can only be used toward purchasing medical coverage from DFW. Retirees pay the total amount charged to DFW, less the retiree's subsidy, if applicable.

To be eligible for the subsidy, retirees must have retired after January 1, 2003, have 10 or more years of service, have been enrolled continuously in a DFW medical plan, and immediately draw retirement benefits.

Medicare Supplement Plan

DFW offers a PPO Medicare Supplement Plan for retirees and/or their spouses age 65 or older. The retiree and/or spouse must transfer to the Medicare Supplement Plan by the first of the month following their 65th birthday if they choose to remain on the DFW Plan. Retirees pay the total amount charged to DFW.

Effective January 1, 2010, Medicare eligible retirees are no longer eligible for prescription drug coverage under the DFW Retiree Medical Plan. To be eligible for the Medicare Supplement Plan, a retiree or spouse must be 65 years of age and currently enrolled in a DFW medical plan, have applied for the Medicare Supplement Plan 2 months prior to turning age 65, and transition to a Medicare Supplement Plan the 1st of the month following their 65th birthday.

(b) ***Funding Policies***

DFW determines the OPEB funding policy. In general, DFW contributes an amount approximately equal to the actuarially determined OPEB ARC for the year. In some years, however, DFW funds additional contributions to help retire the unfunded liability sooner. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Employer contributions are generally made annually and recognized as additions in the period in which employee services are performed. Employee contributions are not permitted.

The actuarially determined contribution requirements for the DFW's fiscal years are computed through an bi-annual actuarial valuation performed as of January 1. The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of OPEB, and to analyze changes in condition.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. 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 to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between DFW and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant actuarial assumptions are as follows:

OPEB Plan	
Valuation Date	January 1, 2013
Actuarially assumed investment return	7.25% per annum compounded annually
Mortality rates for males and females	Retirement Plans 2000 Healthy Mortality Table projected to 2011 using scale AA
Retirement, disablement and separation rates	Graduated rates based on age (detailed in actuary's report)
Actuarial cost method	Individual Entry-Age Acturial Cost Method
General inflation	3.0% per annum
Payroll growth rate	3.75% per annum
Health cost trend rates	8.0% for 2013, grading down to 4.5% in 2020, continuing at 4.5% in 2021 and beyond
Method used for determining actuarial value of assets	Market value of assets
Amortization method	Level percent, closed
Remaining amortization	24 years

DFW's annual OPEB costs, contributions, percent contributed, and net OPEB asset is as follows (in thousands):

	OPEB Plan			
DFW's Year ended	Annual OPEB Cost	Airport Contribution	Percentage Contributed	Net OPEB Asset
September 30, 2013	$ 2,875	$ 2,902	101%	$ 2,609
September 30, 2012	2,823	2,806	99%	2,583
September 30, 2011	3,222	3,192	99%	2,599

The funding status of the OPEB plan as of January 1, 2013, representing the most recent valuation date, is as follows (in thousands):

	2013
Actuarial accrued liabilities	$ 25,184
Actuarial value of assets	16,121
(Unfunded) actuarial accrued liability	$ (9,063)
Funded ratio	64.0%

(c) *Net OPEB Assets*

DFW's net OPEB assets for DFW's fiscal year 2013 are as follows (in thousands):

	2013
Annual required contribution	$ 2,902
Interest on net OPEB asset	(187)
Adjustment to annual required contribution	160
Annual OPEB cost	2,875
Employer contributions	2,902
Increase in net OPEB (asset)	(27)
Net OPEB (asset), beginning of year	(2,582)
Net OPEB (asset), end of year	$ (2,609)

"Remainder of the page intentionally left blank"

(11) PFIC BACKGROUND AND FINANCIAL INFORMATION

The Public Facility Improvement Corporation ("PFIC") is a duly incorporated public instrumentality of the State of Texas, created on December 14, 2000 by the Airport's owner cities. The PFIC was created pursuant to Chapter 22 of the Texas Transportation Code for the purpose of financing, equipping and operating one or more public facilities within the boundaries of the Airport. The PFIC currently operates the Grand Hyatt Hotel and collects and manages the funds of the DFW RAC Facility.

Grand Hyatt Hotel

The Grand Hyatt Hotel opened in 2005. The Hotel has 298 rooms and is located within International Terminal D. The Hotel is managed by the Hyatt International Corporation under the terms of a fixed fee management agreement between Hyatt and the PFIC. In 2001, the PFIC issued approximately $75 million of Hotel Revenue Bonds for the construction of the Hotel. The Hotel was constructed by the Airport under the terms of a Hotel Development Agreement, entered into between the Airport and the PFIC. All hotel revenues are remitted to the PFIC. The PFIC reimburses the Hyatt for all operating expenses of the Hotel. Under the terms of 2012 Facility Agreement between the PFIC and the Airport, the PFIC transfers monthly to the Airport the amount of accrued debt service and coverage relating to bonds, issued by the Airport in 2012, which retired the 2001 PFIC Hotel Revenue Bonds. In addition, the PFIC makes a monthly contribution to a Furniture, Fixtures and Equipment (FF&E) Account and to a Capital Account for the continual renewal and improvement of the hotel. Any excess funds are held by the PFIC and may be used for improvements to the Hotel or for other projects, approved by the Owner Cities.

Consolidated Rent-A-Car Facility

In 1998 and 1999, the FIC issued approximately $160 million of bonds for construction of a consolidated rental car facility. These bonds were secured by a facility agreement between the FIC and the Rent-A-Car ("RAC") companies, which provided that the RAC companies would collect and remit to a trustee a Customer Facility Charge ("CFC") for each rent-a-car transaction day. In FY 2011, DFW issued 2011A Joint Revenue Bonds for the purpose of retiring all of the outstanding Rent-A-Car bonds issued by the FIC. In 2012, the Owner Cities approved the RAC Facility as an authorized PFIC Project and approved the transfer of all RAC assets, liabilities, and responsibilities from the FIC to the PFIC. The RAC companies, under the terms of the 2008 Bus Funding Agreement, agreed to continue collecting the CFC after the FIC bonds were refunded. In conjunction with the issuance of 2011A Bonds, the PFIC transfers to the Airport the monthly amount of accrued aggregate debt service plus any incremental coverage on the 2011A Bonds from the CFC revenues. The CFC was $4.00 per transaction day during FY 2013.

Additionally, the RAC companies collect a Customer Transportation Charge ("CTC"), which is remitted directly to the PFIC to pay for the costs of operating and maintaining the bus fleet, which transports customers to and from the terminals and the RAC facility. The CTC was $2.20 per transaction day during FY 2013.

Condensed PFIC financial statements are as follows (in thousands):

	PFIC	Airport	DFW
Current assets	$ 67,104	$ 811,294	$ 878,398
Capital assets	-	4,527,878	4,527,878
Other assets	13,412	2,088,851	2,102,263
Total assets	80,516	7,428,023	7,508,539
Current liabilities	3,372	359,678	363,050
Long-term liabilities	-	6,195,779	6,195,779
Total liabilities	3,372	6,555,457	6,558,829
Net Investment in Capital Assets	-	229,838	229,838
Restricted net position	11,395	31,476	42,871
Unrestricted net position	65,750	611,251	677,001
Net Position	$ 77,144	$ 872,566	$ 949,710
Operating revenues			
PFIC	$ 42,138	$ -	$ 42,138
Airport	-	535,343	535,343
Total operating revenues	$ 42,138	$ 535,343	$ 577,481
Operating Expenses			
PFIC	$ 31,584	$ -	$ 31,584
Airport	-	368,193	368,193
Depreciation and amortization	-	237,768	237,768
Total operating expenses	$ 31,584	$ 605,961	$ 637,546
Operating income (loss)	10,554	(70,619)	(60,065)
Non-operating revenues (expenses)	$ 20,343	$ (99,990)	$ (79,647)
Transfers for debt service	(19,635)	19,635	-
Transfers for capital assets	(6,942)	6,942	-
Capital contributions	-	20,960	20,960
Special item	-	(32,283)	(32,283)
Change in net position	$ 4,320	$ (155,355)	$ (151,035)
Net position, beginning of year	72,824	1,027,921	1,100,745
Net position, end of year	$ 77,144	872,566	$ 949,710
Net cash provided by operating activities	$ 10,988	$ 191,141	$ 202,129
Net cash provided by (used for) capital and related financing activities	(6,502)	992,390	985,888
Net cash provided by (used for) investing activities	15,830	(993,914)	(978,084)
Net increase in cash and cash equivalents	20,316	189,617	209,933
Cash and cash equivalents, beginning of year	28,294	444,402	472,696
Cash and cash equivalents, end of year	$ 48,610	$ 634,019	$ 682,629

(12) COMMITMENTS AND CONTINGENCIES

a) Contingencies

In the ordinary course of its business, the Airport is involved in various minor legal proceedings involving general contractual and employment relationships, personal injury claims, and a variety of other matters. The Airport does not believe there are any pending legal proceedings that will have a material impact on the Airport's financial position.

b) Federal Grants

The Airport has received Federal grants for specific purposes including Department of Homeland Security (DHS) and Airport Improvement Program (AIP) that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the Airport, disallowed costs, if any, would not be material.

c) Personal Injury liability

A number of suits have been filed against the Airport related to accidents on Airport property. The Board is fully insured to the extent of the statutory limit under the tort claims act.

d) Construction

As of September 30, 2013 the Airport had entered into construction contracts totaling $2.1 billion, of which $593.2 million is still outstanding.

(13) SELF-INSURANCE/RISK MANAGEMENT

DFW maintains self-insured liability for employee medical and workers' compensation claims. DFW utilizes a third-party company to provide stop loss coverage on individual health claims and a third-party administrator to manage workers compensation claims in accordance with Texas state statutes and limits. DFW accrues the estimated cost of self-insurance liabilities based on annual actuarial reviews. Changes in liabilities in FY 2013 and FY 2012 for all Airport self-insured programs are detailed below (in thousands).

Description	2013	2012
Beginning balance	$ 4,131	$ 3,824
Plus: Current year claims and changes in estimates	19,464	22,948
Less: Payments	(19,463)	(22,641)
Ending balance	$ 4,132	$ 4,131

DFW is exposed to various risks of loss related to theft, damage to and destruction of assets, and natural disasters for which DFW carries commercial insurance. Specific details regarding deductibles and coverage can be found in the statistical section. Any settlement payments covered by commercial insurance did not exceed coverage for the last three years.

(14) CONCENTRATION OF CREDIT RISK

DFW's customers are principally concentrated within the airline industry. DFW periodically evaluates the financial condition of its customers and typically does not require collateral. DFW received approximately $200.6 million (34.2%) of its revenues during fiscal year 2013 from American Airlines (including American Eagle). American Airlines (including American Eagle and Executive Airlines) had 82% of passengers and 74% of landed weights in FY 2013.

(15) POLLUTION REMEDIATION

DFW has one subsurface area of land that is currently under an agreed-upon order by the Texas Commission for Environmental Quality (TCEQ) for remediation of a jet fuel leak in the underground pipeline in which Terminal B and Terminal C are affected. DFW has been under the agreed-upon order since 1999. All site-assessments, site investigation, corrective measures feasibility study and design of a remediation action plan (RAP) have been completed for this area. Cleanup activities and removal /neutralization and site restoration are in progress. Required monitoring and sampling of the site continue as planned. As of September 30, 2013, the remaining estimated liability is approximately $1.5 million which consists of mobile extraction events, well monitoring and reporting. It cannot be readily determined at this date when the restoration project will be complete and whether additional funding will be necessary. Accordingly, the estimated liability has not been changed.

DFW's Northwest Cargo Voluntary Cleanup Program ("VCP"), an area of approximately 150 acres of land located in the Northwest Cargo Area, has completed voluntary pre-clean up remedial activities that include site assessment, site investigation and corrective measures feasibility study for a chlorinated solvent plume and a small area of additional jet fuel contamination. The December 5, 2011 revision of the Northwest Cargo VCP Remediation Implementation document represents the currently approved Response Action Plan submitted to the TCEQ. These costs represent the best estimate of the stated technology types proposed. The Environmental department is in the process of exploring alternative technologies that are expected to reduce the expense and time frame associated with the cleanup. Until acceptable proposals are received from qualified bidders, this change should not be considered the in place approach nor associated expense. As of September 30, 2013, the total liability of $10 million continues to be a reasonable estimate.

In FY 2013, DFW estimated and booked $0.7M in short term remediation liability for leaked hydraulic fluid. Clean-up work is scheduled for FY 2014.

Environmental liabilities include an accrual for asbestos removal incurred in conjunction with the Terminal Renovation & Improvement Program (TRIP). The majority of the Asbestos Containing Material (ACM) is in the form of fire proofing materials originally sprayed onto the ceiling of the terminal roofs for fire proofing purposes, which is governed by Federal law. As part of the 1970 Federal Clean Air Act (CAA), the U.S. Environmental Protection Agency (EPA) set standards known as National Emissions Standards for Hazardous Air Pollutants (NESHAP) which require the mitigation of this risk. The extent and cost has been estimated through facility testing by DFW Airport's Environmental Affairs Department (EAD) in conjunction with DFW's Airport Development & Engineering (ADE) and TRIP team. The estimates and assumptions used for these forecasts were based on a number of factors including actual asbestos findings and removal costs from terminal sections recently completed, e.g., Terminal A – section A, testing on future areas within the scope of the TRIP program, design calculations of scheduled areas in the TRIP terminals yet to be mitigated and applying the historical cost of remediation per square foot. In FY 2013, DFW estimated and recorded a liability and a special item of $32.3 million. This liability was recognized in accordance with GASB 49, upon occurrence of an obligating event defined as the commencement of the respective sections of the Terminal renovations on that specific area undergoing renovation which is when the ACM becomes friable and represents a health risk subject to NESHAP

remediation expenditures were $14.1 million, reducing the initial liability to $18.2 million as of September 30, 2013.

(16) SUBSEQUENT EVENTS

(a) AMR Bankruptcy

On November 29, 2011, AMR Corporation, the parent company of American Airlines, Inc. ("AA"), American Eagle, Inc., and other affiliates of AMR, filed voluntary petitions for Chapter 11 reorganization in the U.S. Bankruptcy Court for the Southern District of New York. AMR assumed all unexpired leases for nonresidential real property at DFW Airport, including the Use Agreement, and cured any defaults under such leases by paying any amounts that were due and owing under the leases. On December 9, 2013, the AMR Corporation emerged from bankruptcy and under its court approved Plan for Reorganization officially merged with the US Airways Group forming the new American Airlines Group, Inc. (AAG).

(b) Fiscal Year 2014 Debt Issuance

In November 2013, the Airport issued $109.1 million of fixed rate joint revenue improvement bonds (Series 2013G) for the purpose of funding non-TRIP and DFW Capital projects.

"Remainder of the page intentionally left blank"

REQUIRED SUPPLEMENTARY INFORMATION

Dallas/Fort Worth International Airport
Schedule of Funding Progress - Pension
September 30, 2013
(Amounts in Thousands)
(Unaudited)

The following presents the funding progress from January 1, 2008 to January 1, 2013:

Valuation date	Actuarial value of assets (AVA)	Actuarial accrued liability (AAL)	Unfunded actuarial accrued (liability) (UAAL)	Funded ratio	Annual covered payroll	UAAL as % of payroll
			(2) – (3)	(2)/(3)		(4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Employee Plan						
January 1, 2013	$ 323,794	$ 450,882	$ (127,088)	71.8%	$ 65,638	(193.6%)
January 1, 2012	305,799	426,122	(120,323)	71.8%	72,477	(166.0%)
January 1, 2011	288,351	397,573	(109,222)	72.5%	74,812	(146.0%)
January 1, 2010	261,084	348,720	(87,636)	74.9%	77,625	(112.9%)
January 1, 2009	245,813	329,225	(83,412)	74.7%	77,665	(107.4%)
January 1, 2008	232,884	300,825	(67,941)	77.4%	73,475	(92.5%)
DPS Plan						
January 1, 2013	111,366	165,805	(54,439)	67.2%	24,583	(221.4%)
January 1, 2012	104,620	156,222	(51,602)	67.0%	23,900	(215.9%)
January 1, 2011	98,341	146,158	(47,817)	67.3%	23,786	(201.0%)
January 1, 2010	90,216	130,853	(40,637)	68.9%	22,179	(183.2%)
January 1, 2009	85,048	125,564	(40,516)	67.7%	21,388	(189.4%)
January 1, 2008	80,483	116,431	(35,948)	69.1%	20,130	(178.6%)

Dallas/Fort Worth International Airport
Schedule of Funding Progress - OPEB
September 30, 2013
(Amounts in Thousands)
(Unaudited)

The following presents the funding progress from January 1, 2008 to January 1, 2013:

Valuation date	Actuarial value of assets (AVA)	Actuarial accrued liability (AAL)	Unfunded actuarial accrued (liability) (UAAL)	Funded ratio	Annual covered payroll	UAAL as % of payroll
			(2) – (3)	(2)/(3)		(4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
January 1, 2013	$ 16,121	$ 25,184	$ (9,063)	64.0%	$ 90,221	(10.0%)
January 1, 2011	11,112	35,447	(24,335)	31.3%	98,597	(24.7%)
January 1, 2010	8,337	38,058	(29,721)	21.9%	99,804	(29.8%)
January 1, 2009	6,343	32,572	(26,229)	19.5%	99,053	(26.5%)
January 1, 2008	5,403	32,151	(26,748)	16.8%	93,605	(28.6%)

Dallas/Fort Forth International Airport
Combining Statements of Fiduciary Net Position
As of December 31, 2012
(Amounts in Thousands)

	Fiduciary Activities			
	Employee Plan	DPS Plan	OPEB Plan	Total
Assets				
Cash	$ 128	$ 44	$ -	$ 172
Investment in Master Trust at fair value	330,661	113,756	16,398	460,815
Receivables				
Due from broker for securities sold	750	257	-	1,007
Accrued interest and dividends	589	202	-	791
Total assets	**332,128**	**114,259**	**16,398**	**462,785**
Liabilities				
Due to broker for securities purchased	1,375	473	-	1,848
Accrued management fees	233	80	-	313
Claims/premiums payable	-	-	274	274
Accrued transaction fees	11	4	3	18
Total liabilities	**1,619**	**557**	**277**	**2,453**
Net position held in trust for benefits	**$ 330,509**	**$ 113,702**	**$ 16,121**	**$ 460,332**

Dallas/Fort Worth International Airport
Combining Statements Of Changes in Fiduciary Net Position
For The Year Ended December 31, 2012
(Amounts in Thousands)

	Fiduciary Activities			
	Employee Plan	DPS Plan	OPEB Plan	Total
Additions				
Contributions				
Plan members contributions	$ -	$ 1,712	$ -	$ 1,712
Employer contributions	23,534	6,219	2,902	32,655
Total contributions	23,534	7,931	2,902	34,367
Plans' interest in Master Trust Investment income	32,508	11,178	1,285	44,971
Less: Investment fees	(1,379)	(476)	-	(1,855)
Total investment income	31,129	10,702	1,285	43,116
Total additions	54,663	18,633	4,187	77,483
Deductions				
Benefits paid to plan members and beneficiaries	16,921	5,084	1,200	23,205
Administrative fees	231	80	11	322
Total deductons	17,152	5,164	1,211	23,527
Net increase	**37,511**	**13,469**	**2,976**	**53,956**
Net Position				
At beginning of the year	**292,998**	**100,233**	**13,145**	**406,376**
At end of the year	$ 330,509	$ 113,702	$ 16,121	$ 460,332

SUPPLEMENTARY INFORMATION

Dallas/Fort Worth International Airport
Grand Hyatt Hotel
Financial Position, Revenue and Expenses
For the Fiscal Year Ended September 30, 2013
(Amounts in Thousands)

	Grand Hyatt
Operating revenues	$ 31,032
Operating expenses	21,508
Operating income	9,524
Current assets	$ 3,373
Other assets	5,401
Total assets	8,774
Current liabilities	3,373
Long-term liabilities	-
Total liabilities	3,373
Net Position	**$ 5,401**

APPENDIX D

DTC INFORMATION

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 Bonds, each 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Airport 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the 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 Airport or the Paying Agent/Registrar, 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 Bonds 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 Paying Agent/Registrar, or the Airport, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Airport or the Paying Agent/Registrar, 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 Bonds at any time by giving reasonable notice to the Airport or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Airport 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 Airport believes to be reliable, but neither the Airport nor the Underwriters take any responsibility for the accuracy thereof.

APPENDIX E

REPORT OF AIRPORT CONSULTANT

[THIS PAGE INTENTIONALLY LEFT BLANK]

Appendix E

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CITIES OF DALLAS AND FORT WORTH, TEXAS
DALLAS/FORT WORTH INTERNATIONAL AIRPORT

JOINT REVENUE IMPROVEMENT AND REFUNDING BONDS
Series 2014B through 2014G

Prepared for

The Dallas/Fort Worth International Airport Board
DFW Airport, Texas

Prepared by

LeighFisher
Burlingame, California

May 1, 2014

[THIS PAGE INTENTIONALLY LEFT BLANK]

Leigh|Fisher

May 1, 2014

Mr. Sean P. Donohue
Chief Executive Officer
Dallas/Fort Worth International Airport Board
P. O. Drawer 619428
DFW Airport, Texas 75261

Re: **Report of the Airport Consultant**
Dallas/Fort Worth International Airport
Joint Revenue Improvement and Refunding Bonds,
Series 2014B through 2014G

Dear Mr. Donohue:

We are pleased to submit this Report of the Airport Consultant on the proposed issuance of Dallas/Fort Worth International Airport Joint Revenue Improvement and Refunding Bonds (Bonds) by the City of Dallas and the City of Fort Worth (the Cities). Dallas/Fort Worth International Airport (the Airport or DFW) is operated on behalf of the Cities by the Dallas/Fort Worth International Airport Board (the Board). This letter and the accompanying attachment and financial exhibits constitute our report.

The Board is implementing, through approximately 2020, a Terminal Renewal and Improvement Program (TRIP) and other capital improvements at the Airport (collectively referred to in this report as the Capital Program), estimated to cost $4.701 billion, of which $3.512 billion has been or is to be funded with the proceeds of Joint Revenue Improvement Bonds. In 2010 through 2013, the Board issued Joint Revenue Improvement Bonds to fund $2.428 billion of the costs of the Capital Program. In 2014, to fund $0.468 billion of the costs of the Capital Program, the Board proposes to issue additional Joint Revenue Improvement Bonds (referred to in this report as the 2014 New Money Bonds) as follows:

Proposed 2014 New Money Bonds

	Principal amount	Final maturity
2014B (AMT)	$182,250,000	2045
2014C (Non-AMT)	129,930,000	2045
2014D (AMT)	258,645,000	2045
2014G (Taxable)	54,945,000	2037
	$625,770,000	

In 2011 through March 2014 the Board issued Joint Revenue Refunding Bonds in the principal amount of $2.874 billion to refund outstanding Bonds. Later in 2014, the Board proposes to issue additional Joint Revenue Refunding Bonds (referred to in this report as the 2014 Refunding Bonds) as follows:

Proposed 2014 Refunding Bonds		
	Principal amount	Final maturity
2014E (AMT)	$ 83,710,000	2026
2014F (Non-AMT)	104,600,000	2027
	$188,310,000	

The proposed 2014 New Money Bonds and 2014 Refunding Bonds are referred to collectively in this report as the 2014 Bonds.

The report also addresses Joint Revenue Improvement Bonds that the Board plans to issue in 2016 (referred to in this report as the 2016 Bonds) to fund the remaining $0.616 billion of the costs of the Capital Program, as follows:

Planned 2016 Bonds		
	Principal amount	Final maturity
2016A (Non-AMT)	$106,265,000	2045
2016B (AMT)	535,625,000	2045
2016C (AMT)	108,505,000	2045
	$750,395,000	

The proposed 2014 Bonds and planned 2016 Bonds may not be issued with the names or in the sequence or amounts assumed for this report.

The elements of the Capital Program, their estimated costs, and the funding plan are summarized in the attachment and in Exhibit A.*

Bond Ordinances

The Cities issue Joint Revenue Bonds under the terms of the Master Bond Ordinance adopted by the Cities in September 2010. The Fiftieth Supplemental Concurrent Bond Ordinance, adopted by the Cities in March 2014, provides for the issuance of the proposed 2014 Bonds.

*All financial exhibits are provided at the end of the attachment "Background, Assumptions, and Rationale for the Financial Forecasts."

The Master Bond Ordinance and all supplemental ordinances are collectively referred to in this report as the Bond Ordinances. Capitalized terms are used as defined in the Bond Ordinances or in the Airline Agreement (discussed later), except as defined otherwise.

Outstanding Bonds

As of April 1, 2014, the Board had outstanding Bonds in the following series and principal amounts:

	Principal amount	Final maturity
2004B	$ 91,670,000	2035
2007	94,365,000	2023
2009A	186,280,000	2024
2010A	304,395,000	2045
2011A	96,980,000	2021
2011C	146,205,000	2035
2011D	216,265,000	2035
2011E	76,640,000	2018
2012A	1,000,000	2014
2012B	407,640,000	2035
2012C	274,250,000	2045
2012D	475,000,000	2042
2012E	297,310,000	2035
2012F	267,500,000	2035
2012G	291,095,000	2035
2012H	480,000,000	2045
2013A	372,240,000	2045
2013B	450,000,000	2050
2013C	242,000,000	2045
2013D	416,315,000	2033
2013E	225,310,000	2033
2013F	251,960,000	2033
2013G	109,060,000	2043
2014A	201,515,000	2032
	$5,974,995,000	

The proposed 2014 Refunding Bonds are expected to be issued to refund all the outstanding 2004B Bonds and 2007 Bonds to achieve interest cost savings and restructure the principal payment schedule.

The estimated sources and uses of funds from the sale of the proposed 2014 New Money Bonds are shown in Exhibit B. The forecast debt service requirements of all outstanding Bonds, proposed 2014 Bonds, and planned 2016 Bonds are shown in Exhibit C.

Gross Revenues

The proposed 2014 Bonds are to be Additional Obligations under the Bond Ordinances and are to be secured by and payable from the Gross Revenues of the Airport on a parity with all outstanding Bonds issued under the Bond Ordinances. Gross Revenues include (1) all rentals, landing fees, and other charges and payments received from airlines and other tenants and users of the Airport, and (2) any Special Revenues to the extent they are specifically included in Gross Revenues under the provisions of a Supplemental Bond Ordinance, and (3) amounts transferred to or retained in the Operating Revenue and Expense Fund.

Passenger Facility Charge Revenues

The Board has authority from the Federal Aviation Administration (FAA) to impose a passenger facility charge (PFC) of $4.50 per eligible enplaned passenger at the Airport and has received authority to use PFC revenues to pay certain of the debt service requirements of outstanding Bonds and the proposed 2014 Bonds. Although not designated as Special Revenues under the Bond Ordinances, for the purposes of this report, PFC revenues committed to the payment of Bond debt service are included in Gross Revenues. By agreement with the airlines signatory to the Airline Agreement, the Board also intends to apply PFC revenues to be derived from any future increase in the PFC, up to a maximum of $7.50 per eligible enplaned passenger, to the maximum extent approved by the FAA to pay Bond capital and financing costs.

The forecast sources and uses of PFC revenues are shown in Exhibit F, assuming continued imposition of a $4.50 PFC. As shown, beginning in Fiscal Year (FY) 2011*, the Board has used or anticipates using all PFC revenues to pay Bond debt service.

Rental Car Customer Facility Charge Revenues

In June 2011, the Board issued its Joint Revenue Refunding Bonds, Taxable Series 2011A (the 2011A Bonds or 2011A Rental Car Refunding Bonds), in the principal amount of approximately $111 million to refund the Dallas/Fort Worth International Airport Facility Improvement Corporation Rental Car Facility Charge Revenue Bonds, Taxable Series 1998 and Series 1999. The 1998 and 1999 Rental Car Facility Charge Bonds financed the costs of constructing consolidated rental car facilities at the Airport.

---

*The Board's Fiscal Year ends September 30.

Effective with the issuance of the 2011A Bonds, the Public Facility Improvement Corporation (PFIC) assumed the obligations of the Facility Improvement Corporation.

Rental car companies operating at the Airport collect a customer facility charge (CFC) from all rental car customers. All CFC revenues are remitted by the rental car companies to the PFIC. Under the provisions of a June 2011 agreement between the PFIC and the Board, CFC revenues are, to the extent available, to be timely paid by the PFIC to the Board in amounts sufficient to meet the debt service requirements of the 2011A Bonds. Although not designated as Special Revenues under the Bond Ordinances, for the purposes of this report, CFC revenues committed to the payment of Bond debt service (Successor Rental Car Facility Charges) are included in Gross Revenues.

Forecast CFC revenues and their use to pay the debt service requirements of the 2011A Rental Car Refunding Bonds are shown in Exhibit G.

Hotel Revenues

In April 2001, the PFIC issued its Airport Hotel Revenue Bonds, Series 2001, in the principal amount of $75 million to fund certain costs of constructing the Grand Hyatt hotel (the Hotel) at the Airport (the 2001 PFIC Hotel Bonds). The 2012C Hotel Refunding Bonds were issued to refund the entire approximate $72 million outstanding principal amount of the 2001 PFIC Hotel Bonds.

Under the provisions of an April 2012 agreement between the PFIC and the Board, revenues derived from operation of the Hotel are, to the extent available after the payment of certain Hotel operating expenses, to be paid by the PFIC to the Board in amounts sufficient to meet the debt service requirements (including 25% coverage) of the 2012C Hotel Refunding Bonds. Although not designated as Special Revenues under the Bond Ordinances, for the purposes of this report, Hotel revenues committed to the payment of Bond debt service are included in Gross Revenues.

Forecast Hotel revenues and their use to pay the debt service requirements of the 2012C Hotel Refunding Bonds are shown in Exhibit H.

Rate Covenant

Under Section 6.3(b) of the Master Bond Ordinance, the Cities covenant that the Board will place into effect rentals, fees, and charges for the use, operation, and occupancy of the Airport that are reasonably estimated to produce, in each Fiscal Year, Gross Revenues to enable the Board to:

(1) Pay Operation and Maintenance Expenses;

(2) Meet at least 125% of the Accrued Aggregate Debt Service of all outstanding Joint Revenue Bonds and any parity Obligations;

(3) Meet at least 100% of the debt service requirements of any subordinate obligations; and

(4) Pay any other amounts required under the Bond Ordinances.

Under Section 6.3(c) of the Master Bond Ordinance, the Board further covenants to place into effect rentals, fees, and charges for the use, operation, and occupancy of the Airport that are reasonably estimated to produce, in each Fiscal Year, Current Gross Revenues, defined as Gross Revenues less any amounts transferred to the Operating Revenue and Expense Fund from the Debt Service Reserve Fund or the Capital Improvements Fund or remaining unexpended and retained in the Operating Revenue and Expense Fund at the end of such Fiscal Year, that enable the Board to:

(1) Pay Operation and Maintenance Expenses;

(2) Meet at least 100% of the Accrued Aggregate Debt Service of all outstanding Joint Revenue Bonds and any parity obligations;

(3) Meet at least 100% of the debt service requirements of any subordinate obligations; and

(4) Pay any other amounts required under the Bond Ordinances.

Such provisions of Sections 6.3(b) and 6.3(c) of the Master Bond Ordinance are referred to collectively in this report as the Rate Covenant. Forecasts of debt service coverage calculated according to the requirements of the Bond Ordinances and demonstrating compliance with the Rate Covenant are presented in Exhibit I.

Airline Agreement

Effective the beginning of FY 2011, the Board and American Airlines executed an Airport Lease and Use Agreement (the Airline Agreement) that extends through FY 2020. The Board subsequently entered into substantially identical agreements with other airlines serving the Airport. Airlines that are signatory to the Airline Agreement, referred to collectively in this report as the Signatory Airlines, accounted for approximately 99% of enplaned passengers and 98% of landed weight at the Airport in FY 2013.

Under the Airline Agreement, rentals, fees, and charges are calculated according to cost-recovery rate-making principles for the Airfield and Terminal Cost Centers. A

Rolling Coverage Account within the Capital Improvements Fund is to be funded to ensure that the requirements of the Rate Covenant are met or exceeded.

In November 2011, AMR Corporation and its subsidiaries American Airlines and American Eagle Airlines filed for Chapter 11 bankruptcy protection. In July 2012, American and American Eagle accepted the Airline Agreement in bankruptcy. As part of the reorganization plan, approved in December 2013, AMR Corporation and US Airways Group merged to create American Airlines Group, the new holding company for American, US Airways, and their regional airline affiliates. The merged American-US Airways will operate as American. The Airport was the busiest airport in the pre-merger American system and is expected to continue to be the busiest airport in the combined American-US Airways system. American, American Eagle, and US Airways together accounted for 86% of enplaned passengers at the Airport in FY 2013.

In executing the Airline Agreement, the Signatory Airlines agreed to the Capital Program and its funding plan. A majority-in-interest (MII) of the Signatory Airlines must approve the Bond financing of any additional capital projects in order for debt service and coverage requirements to be included in the calculation of their rentals, fees, and charges. For capital projects in the Terminal Cost Center, MII is defined as a numerical majority of the Signatory Airlines accounting for 51% or more of Terminal Rents paid by the Signatory Airlines or any five Signatory Airlines accounting for 60% or more of Terminal Rents paid by the Signatory Airlines. For capital projects in the Airfield Cost Center, MII is defined as a numerical majority of the Signatory Airlines accounting for 51% or more of Landing Fees paid by the Signatory Airlines or any five Signatory Airlines accounting for 60% or more of Landing Fees paid by the Signatory Airlines. No capital projects beyond those in the approved Capital Program were assumed for this report.

Scope of Report

This report was prepared to evaluate the ability of the Board to generate sufficient Gross Revenues, including PFC revenues, Successor Rental Car Facility Charges, and Hotel revenues, to pay Operation and Maintenance Expenses; pay the debt service requirements of outstanding Bonds, the proposed 2014 Bonds, and planned 2016 Bonds; and meet the Bond debt service coverage requirements of the Rate Covenant.

In preparing the report, we analyzed:

- Future airline traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the Dallas-Fort Worth region, historical trends in airline traffic, the role of the Airport as the principal connecting hub for the merged American-US Airways, the potential effects of the expiration of

flight restrictions at Dallas Love Field, and other factors that will affect future traffic

- Estimated sources and uses of funds for the Capital Program and associated annual Bond debt service requirements
- Historical and estimated future PFC revenues, rental car CFC revenues, and Hotel revenues and the use of certain of such revenues to pay Bond debt service
- Historical relationships among revenues, expenses, and airline traffic at the Airport
- The facilities to be provided as part of the Capital Program and other operational considerations affecting revenues and expenses
- The Board's policies and contractual agreements relating to the use and occupancy of Airport facilities, including the calculation of airline rentals, fees, and charges under the Airline Agreement; the operation of concession privileges; and the leasing of buildings and grounds

We also identified key factors upon which the future financial results of the Airport may depend and formulated assumptions about those factors. On the basis of those assumptions, we assembled the financial forecasts presented in the exhibits at the end of the report. A forecast period through FY 2020 is shown to cover the period of the Capital Program and the term of the Airline Agreement. Estimates of project costs, financing assumptions, and debt service requirements were provided by the sources noted in the exhibits.

Forecast Debt Service Coverage

Exhibit I and the following tabulation present the forecasts of Net Revenues (Gross Revenues less Operation and Maintenance Expenses), Accrued Aggregate Debt Service requirements, and Bond debt service coverage. The 125% Bond debt service coverage required by Section 6.3(b) of the Master Bond Ordinance is forecast to be exceeded in each year of the forecast period.

Fiscal Year	(in thousands) Net Revenues [A]	Accrued Aggregate Debt Service [B]	Debt service coverage ratio [A/B]
2014	$423,898	$282,130	150%
2015	524,228	364,212	144
2016	588,751	415,533	142
2017	628,958	442,709	142
2018	675,972	479,224	141
2019	692,089	487,644	142
2020	699,783	491,437	142

Exhibit I also presents the calculation of Bond debt service coverage by Current Revenues, demonstrating that the required 100% coverage required by Section 6.3(c) of the Master Bond Ordinance is forecast to be exceeded in each year.

Forecast Airline Payments per Enplaned Passenger

Exhibit E-1 and the following tabulation present the forecasts of payments to be made to the Board by the passenger airlines in the form of Terminal Rents, Landing Fees, and other rentals, fees, and charges under the Airline Agreement.

Fiscal Year	(in thousands) Passenger airline payments [C]	Enplaned passengers [D]	Airline payments per enplaned passenger [C/D]
2014	246,133	30,600	$8.04
2015	323,326	30,000	10.78
2016	378,444	30,000	12.61
2017	402,272	30,500	13.19
2018	440,886	31,000	14.22
2019	442,141	31,500	14.04
2020	449,352	32,000	14.04

* * * * *

The forecasts are based on information and assumptions that were provided by or reviewed with and agreed to by Airport management. The forecasts reflect Airport management's expected course of action during the forecast period and, in Airport management's judgment, present fairly the expected financial results of the Airport. Those key factors and assumptions that are significant to the forecasts are set forth in

the attachment, "Background, Assumptions, and Rationale for the Financial Forecasts." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

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

We appreciate the opportunity to serve as the Board's Airport Consultant for the proposed 2014 Bonds.

Respectfully submitted,

LeighFisher

LEIGHFISHER

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL FORECASTS

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CITIES OF DALLAS AND FORT WORTH, TEXAS
DALLAS/FORT WORTH INTERNATIONAL AIRPORT

JOINT REVENUE IMPROVEMENT AND REFUNDING BONDS
Series 2014B through 2014G

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTENTS

CONTENTS *(continued)*

TABLES

FIGURES

FINANCIAL EXHIBITS

[THIS PAGE INTENTIONALLY LEFT BLANK]

AIRLINE TRAFFIC ANALYSIS

AIRPORT FACILITIES

Dallas/Fort Worth International Airport opened in 1974, occupies approximately 17,200 acres in Dallas and Tarrant counties, and is located approximately 17 miles equidistant from the centers of the cities of Dallas and Fort Worth. Airport access is provided by a six-lane north-south spine roadway, International Parkway, running from State Highway 183 south of the Airport to State Highways 114/121 and Interstate 635 north of the Airport. All public traffic passes through control plazas at the north and south exits on International Parkway where parking and vehicle access fees are collected.

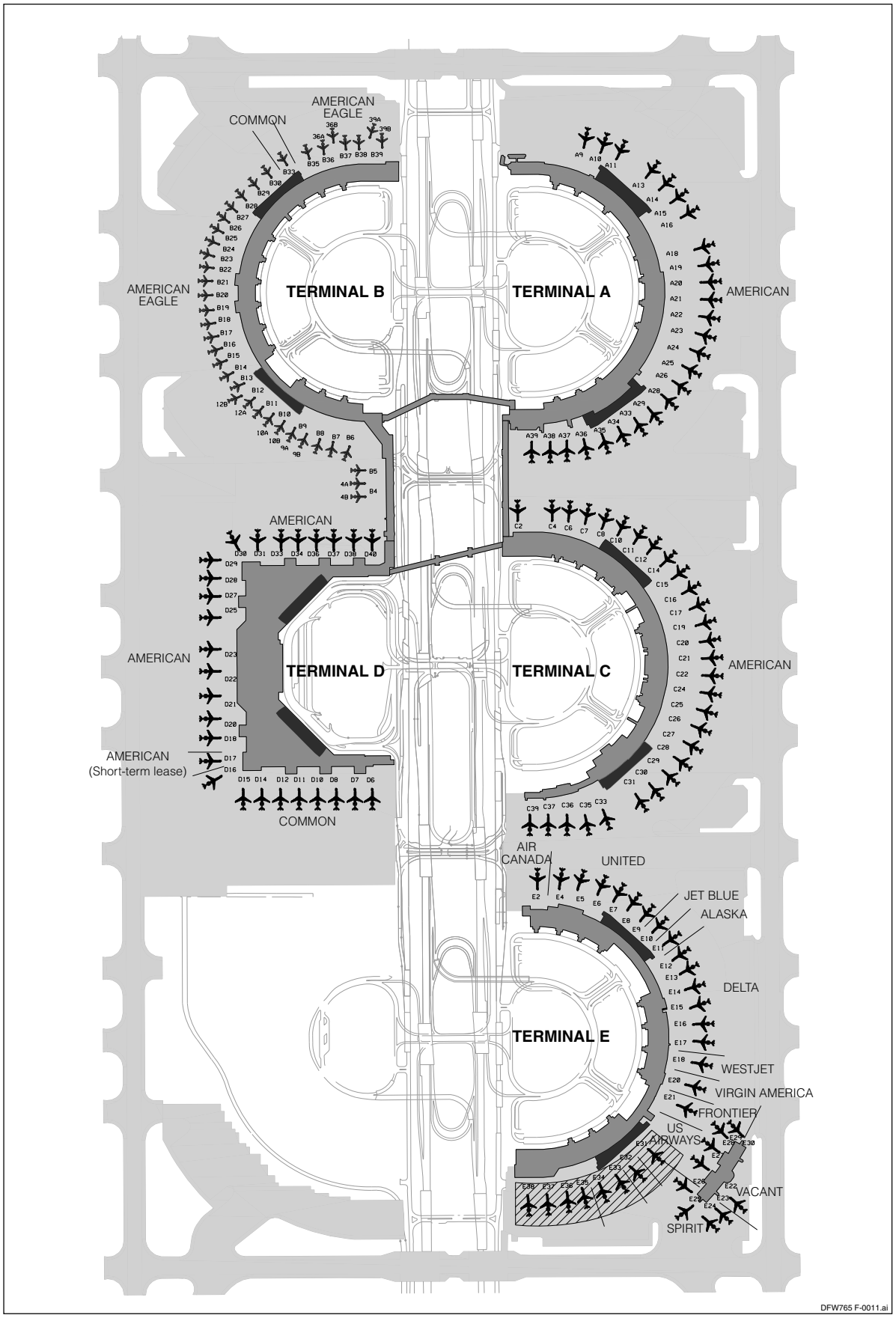
The Airport has seven air carrier runways, five north-south parallels and two northwest-southeast diagonals, ranging in length from 9,000 feet to 13,400 feet. Separations between the runways permit the simultaneous arrival of aircraft onto four runways in good visibility and onto three runways in virtually all weather conditions.

Figure 1 shows a site plan of the five passenger terminals at the Airport. Terminals B and D to the west of International Parkway and Terminals A, C, and E to the east of International Parkway provide 155 loading-bridge-equipped gates for large jet aircraft (some of which are out of service during construction of the Terminal Renewal and Improvement Plan). Terminals A, B, and C accommodate American Airlines and its affiliates operating as American Eagle*; Terminal D accommodates American, Sun Country Airlines, and foreign-flag airlines; and Terminal E accommodates other airlines. The 27-gate international Terminal D, opened in 2005, accommodates international passenger arrivals and departures. An 810-room Hyatt Regency hotel is located adjacent to Terminal C and a 300-room Grand Hyatt hotel is located above Terminal D. A dedicated transit system, Skylink, connects the secure (airside) areas of all terminals, with two stations at each terminal. A system of roadways and buses connects nonsecure (landside) areas of the Airport. An extension of the Dallas Area Rapid Transit (DART) light rail system to the Airport, scheduled to be completed in mid-2014, will serve a station at Terminal A.

Approximately 42,100 public and 7,500 employee parking spaces are provided on Airport property in parking garages adjacent to the terminals and in surface lots served by shuttle buses. Some of the public spaces are temporarily out of service for TRIP construction.

---

*As of April 2014, regional airline service operated as American Eagle is operated by Envoy Air and Executive Airlines (both wholly owned subsidiaries of American Airlines Group), Chautauqua Airlines, ExpressJet Airlines, and SkyWest Airlines.



Skylink station Under construction

Source: Dallas/Fort Worth International Airport records.

Figure 1
TERMINAL LAYOUT PLAN
Dallas/Fort Worth International Airport

A consolidated rental car facility, accommodating all on-Airport rental car companies, is located near the south Airport entrance. The Airport site also accommodates a regional distribution center for UPS Air Cargo, other air cargo facilities, operations and maintenance centers for American Airlines, and other airline and Airport support facilities.

Table 1 summarizes the distribution of gates by terminal and lessee airline and shows gate use in terms of average daily departures and departing seats per gate. Of the 155 gates at the terminals, 136 are leased and 19 are operated by the Board on a common-use basis. For all gates, including those that are out of service for TRIP construction, the average use, as scheduled for July 2014, is 6.1 departures per gate per day.*

AIRPORT SERVICE REGION

The Airport is the principal air carrier airport serving the Dallas-Fort Worth region and north central Texas. The Airport's primary service region is the 9,300-square-mile, 13-county Dallas-Fort Worth-Arlington Metropolitan Statistical Area (MSA), shown on Figure 2. According to the U.S. Department of Commerce, Bureau of the Census, the estimated population of the MSA in 2013 was 6,811,000. In 2012, the latest year for which data are available, the estimated population of the City of Dallas was 1,241,000 and the estimated population of the City of Fort Worth was 778,000.

The Airport's secondary service region is defined by the location of (and airline service provided at) the nearest commercial service airports. As shown on Figure 2, the nearest airports providing daily mainline airline service (generally on aircraft with 100 seats or more), other than from Dallas Love Field, are those serving Austin and Oklahoma City. These communities, each approximately 200 miles from the Airport, are classified as small or medium air traffic hubs by the FAA. Houston, approximately 250 miles from the Airport, is the nearest community classified by the FAA as a large air traffic hub.

Figure 3 provides a graphical comparison of scheduled airline service (as measured in terms of departing seats) provided at airports within a 400-mile radius of the Airport with more than 1,000 average daily departing seats scheduled in July 2014. As shown, the Airport has the most airline service of any airport in the south central United States. The respective roles of the Airport and Dallas Love Field in serving the MSA are discussed in the later section, "Competition with Dallas Love Field."

*Throughout this report, data for aircraft departures and seats as scheduled for July 2014 are from advance airline schedule filings, which are subject to change.

Table 1
GATE DISTRIBUTION AND USE BY AIRLINE
Dallas/Fort Worth International Airport
July 2014

	Number of gates						Average daily *(a)*			
	Terminal									
	A	B	C	D	E	Total	Departures	Departures per gate	Departing seats	Departing seats per gate
American and affiliates										
American	25	--	29	18	--	72	499	6.9	73,193	1,017
American Eagle	--	38	--	--	--	38	286	7.5	13,748	362
Subtotal American	25	38	29	18	--	110	785	7.1	86,941	790
Delta	--	--	--	--	6	6	42	6.9	4,435	739
United	--	--	--	--	6	6	34	5.7	2,744	457
Spirit	--	--	--	--	4	4	28	7.0	4,496	1,124
US Airways	--	--	--	--	4	4	19	4.9	3,167	792
Virgin America	--	--	--	--	1	1	6	5.5	746	746
Frontier	--	--	--	--	1	1	5	5.0	694	694
Alaska	--	--	--	--	1	1	4	4.0	529	529
JetBlue	--	--	--	--	1	1	3	2.9	331	331
Air Canada	--	--	--	--	1	1	3	2.7	200	200
WestJet	--	--	--	--	1	1	1	1.0	136	136
Subtotal other airlines	--	--	--	--	26	26	145	5.6	17,478	672
Subtotal, leased gates	25	38	29	18	26	136	926	6.8	104,083	765
Common use gates *(b)*	--	1	--	9	9	19	18	1.0	3,310	174
Airport total	25	39	29	27	35	155	944	6.1	107,393	693

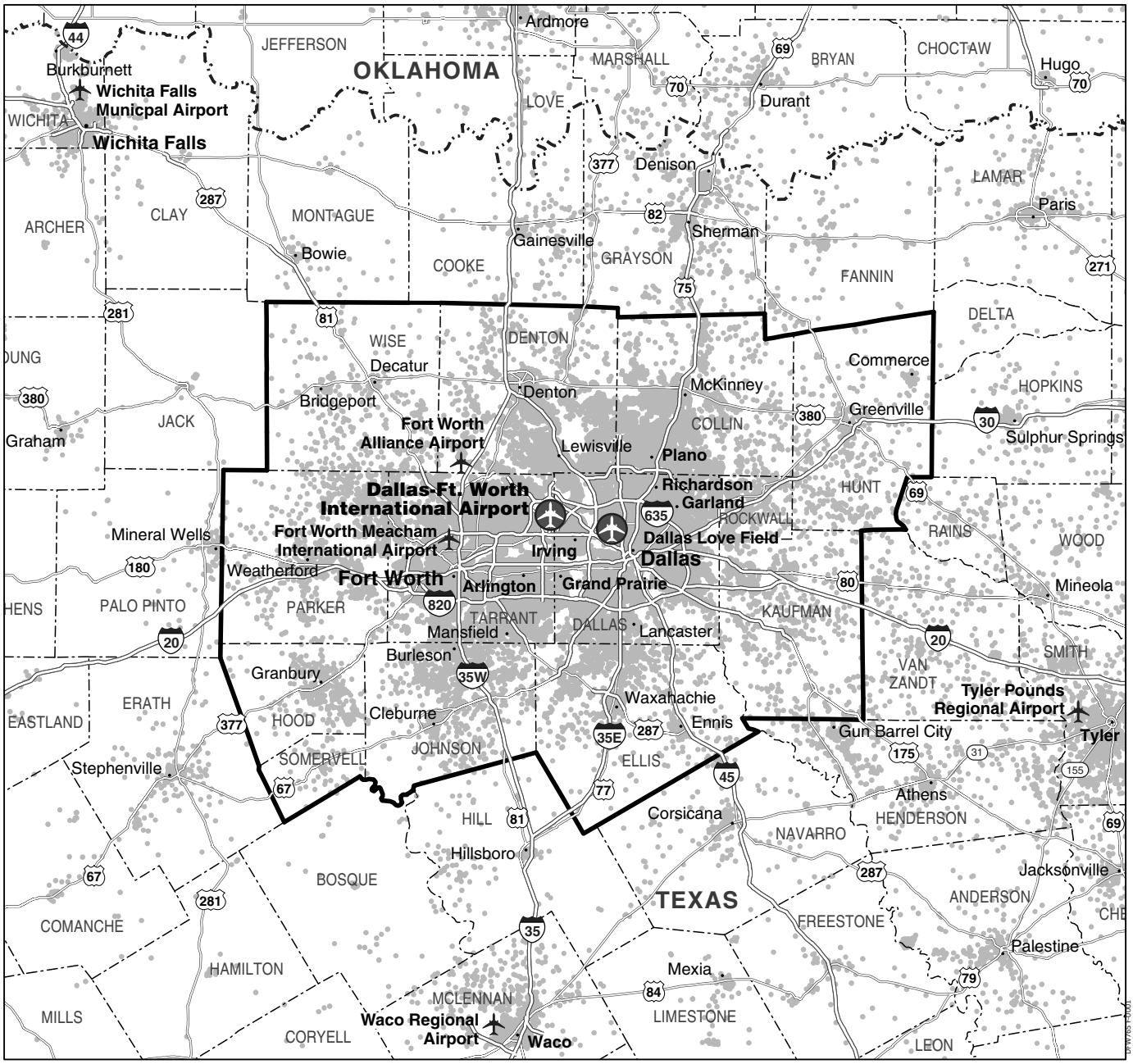
Note: Columns may not add to totals shown because of rounding.

(a) Scheduled departures and seats on domestic and international flights.

(b) Gates used mainly by foreign-flag and charter airlines and to accommodate off-schedule and other irregular operations. Excludes two common use gates at Terminal E used by Air Canada and WestJet. Includes eight gates at Terminal E out of use during TRIP construction.

Sources: Average daily departures and seats: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

Number of leased gates by airline and terminal (as of January 2014): Dallas/Fort Worth International Airport records.



LEGEND

- Primary Airport service region (Dallas-Fort Worth-Arlington Metropolitan Statistical Area)
- Population density: 1 dot represents 100 people
- Large or medium hub airport as defined by the FAA for 2012
- Small hub airport as defined by the FAA for 2012
- Other airport
- State boundary
- County boundary

Source: U.S. Census data, 2010.

N

15 0 15 30

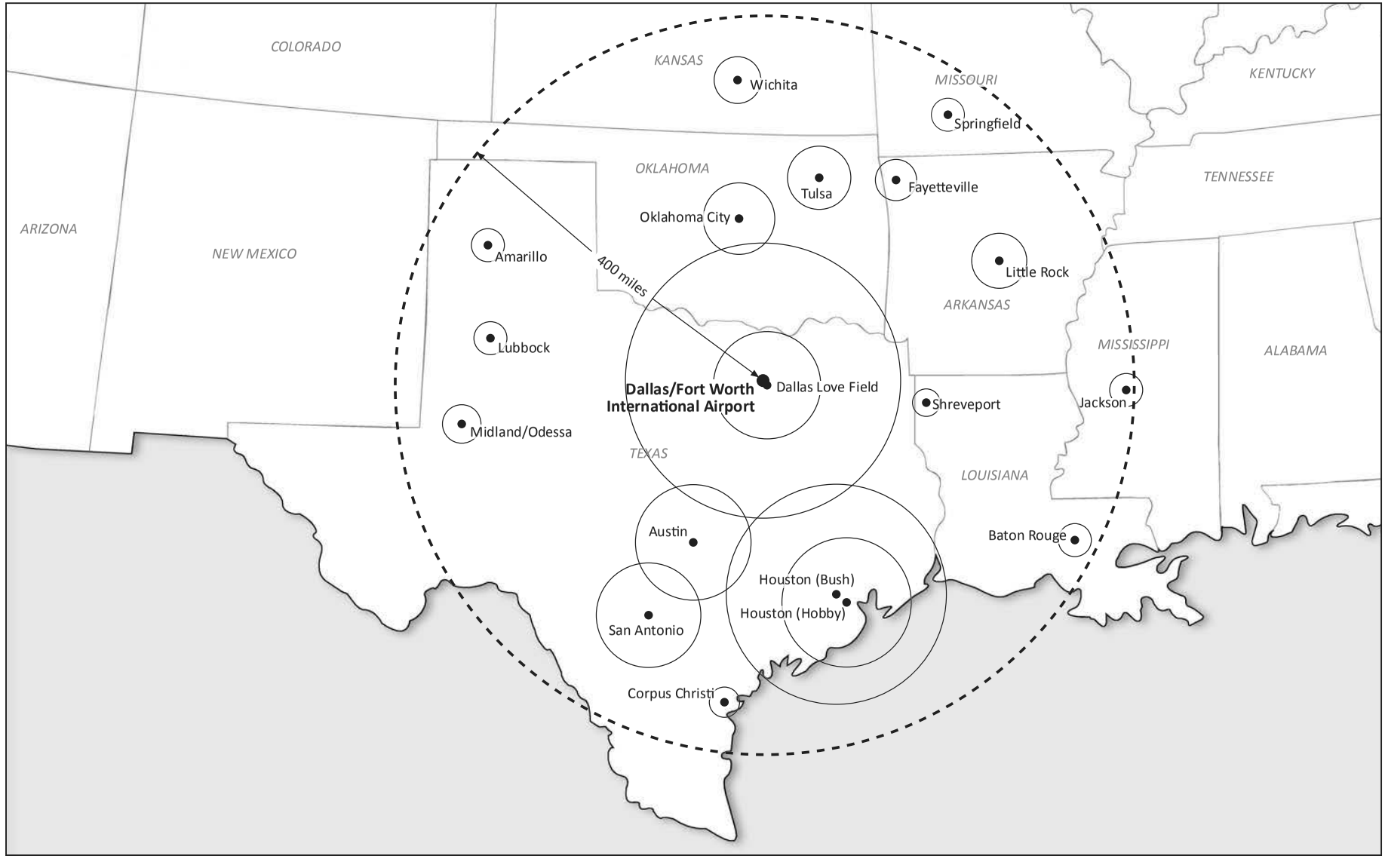
Graphic scale in miles

Road miles from DFW to:	
Austin	195
Oklahoma City	208
Houston	246
Tulsa	263
San Antonio	274
Little Rock	319
Lubbock	320
Fayetteville	334
Midland/Odessa	339
Amarillo	340
Baton Rouge	438
New Orleans	499
Harlingen	538
El Paso	633

Figure 2

AIRPORT SERVICE REGION

Dallas/Fort Worth International Airport



LEGEND

= 15,000 average daily departing seats

Figure 3

COMPARISON OF SEAT CAPACITY AT SELECTED SOUTH CENTRAL U.S. AIRPORTS

Notes: The area of the circle for each airport is proportional to the number of seats on scheduled departing flights. Airports shown are those within a 400-mile radius of the Airport having more than 1,000 average daily departing seats scheduled for July 2014.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

ECONOMIC BASIS FOR AIRLINE TRAFFIC

In general, the population and economy of an airport's service region are the primary determinants of originating passenger numbers at the airport. Connecting passenger numbers are primarily determined by airline decisions to provide connecting service at the airport. As discussed in the later section "Historical Airline Traffic," approximately 42% of DFW's passengers are originating passengers; the remaining 58% are passengers connecting between flights.

The following sections provide a discussion of the economic basis for originating passenger traffic at the Airport in terms of historical socioeconomic indicators for the Dallas-Fort Worth-Arlington MSA and the economic profile of the MSA by industry sector.

Historical Socioeconomic Indicators

Table 2 shows historical population, per capita income, and nonagricultural employment data for the MSA, the State of Texas, and the nation.

Population. Between 1990 and 2000, the population of the MSA increased an average of 2.6% per year, compared with increases of 2.1% per year for the State of Texas and 1.2% per year for the nation as a whole. Much of the MSA population growth resulted from in-migration caused by employment opportunities and a relatively low cost of living. Between 2000 and 2013, population growth in the MSA continued to exceed that in the nation, although at a lower average rate (2.0%) than in the previous decade. In 2013, the Dallas-Fort Worth-Arlington MSA accounted for approximately 26% of the population of the State of Texas.

Nonagricultural Employment. The MSA experienced strong growth in employment between 1990 and 2000 when MSA employment grew an average of 3.3% per year, compared with average growth of 1.9% per year for the nation as a whole. During and after the 2001 recession, MSA employment decreased more than for the nation as a whole, but since 2003, employment growth has been stronger than for the nation. Nonagricultural employment in the MSA increased 10.3% between 2003 and 2007 (compared with a 5.8% increase for the nation), decreased 2.6% between 2007 and 2010 (compared with a 5.6% decrease for the nation), and increased 8.9% between 2010 and 2013 (compared with a 4.6% increase for the nation). Employment by industry sector is discussed in the later section "Economic Profile by Industry Sector."

Table 2

HISTORICAL SOCIOECONOMIC DATA

Dallas-Fort Worth-Arlington MSA, State of Texas, and United States

	Population (thousands) *(a)*			Nonagricultural employment (thousands) *(b)*			Per capita income (2012 dollars) *(c)*		
	MSA	State of Texas	United States	MSA	State of Texas	United States	MSA	State of Texas	United States
1990	4,044	17,057	249,464	2,001	7,101	109,487	$36,219	$30,320	$33,998
2000	5,235	20,944	282,162	2,763	9,432	131,881	45,505	38,007	40,424
2001	5,376	21,320	284,969	2,775	9,514	131,919	44,963	38,479	40,868
2002	5,483	21,690	287,625	2,705	9,416	130,450	43,795	37,466	40,582
2003	5,576	22,031	290,108	2,663	9,367	130,100	43,063	37,474	40,773
2004	5,666	22,394	292,805	2,696	9,494	131,509	43,379	37,784	41,689
2005	5,777	22,778	295,517	2,764	9,737	133,747	44,522	39,045	42,190
2006	5,943	23,360	298,380	2,856	10,063	136,125	45,899	40,400	43,421
2007	6,082	23,832	301,231	2,938	10,391	137,645	46,062	40,826	44,076
2008	6,211	24,309	304,094	2,974	10,604	136,852	46,729	42,286	43,586
2009	6,342	24,802	306,772	2,864	10,304	130,876	43,326	39,523	42,119
2010	6,453	25,245	309,326	2,862	10,341	129,917	43,656	40,119	42,288
2011	6,571	25,641	311,583	2,932	10,576	131,497	45,552	41,954	43,173
2012	6,703	26,061	313,874	3,016	10,880	133,739	46,136	42,638	43,735
2013	6,811	26,448	316,129	3,090	11,190	136,368	n.a.	n.a.	n.a.
	Average annual percent increase (decrease)								
1990-2000	2.6%	2.1%	1.2%	3.3%	2.9%	1.9%	2.3%	2.3%	1.7%
2000-2003	2.1	1.7	0.9	(1.2)	(0.2)	(0.5)	(1.8)	(0.5)	0.3
2003-2007	2.2	2.0	0.9	2.5	2.6	1.4	1.7	2.2	2.0
2007-2010	2.0	1.9	0.9	(0.9)	(0.2)	(1.9)	(1.8)	(0.6)	(1.4)
2010-2012	1.9	1.6	0.7	2.7	2.6	1.5	2.8	3.1	1.7
2010-2013	1.8	1.6	0.7	2.6	2.7	(100.0)	n.a.	n.a	n.a

MSA = Metropolitan Statistical Area comprising the 13 counties shown on Figure 2 for all years.

n.a. = not yet available.

Notes: Population numbers are estimated as of July 1 each year.
Calculated percentages may not match those shown because of rounding.

(a) Source: U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed April 2014.

(b) Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed April 2014.

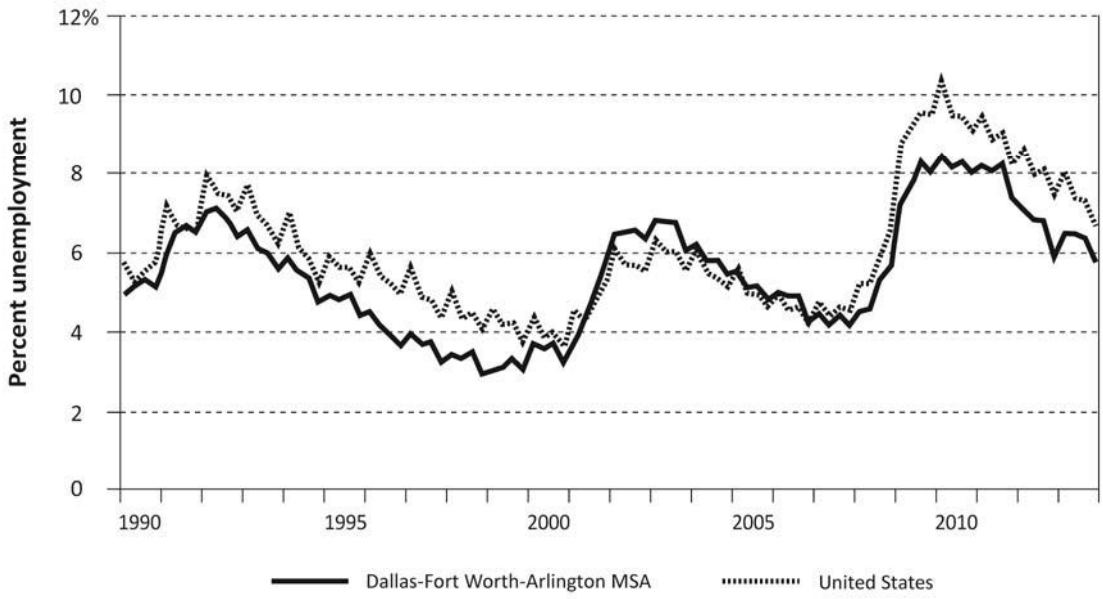
(c) Source: U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed February 2014. Adjusted to 2012 dollars using the U.S. Department of Labor *Consumer Price Index for All Urban Consumers*.

Unemployment Rates. As shown on Figure 4, average unemployment rates for the MSA were consistently lower than those for the United States as a whole during the 1990s. However, the 2001 recession affected the MSA more severely than the nation, with MSA unemployment rates exceeding national rates between 2001 and 2007. The unemployment rate in the MSA increased sharply beginning in November 2008, later than experienced in most of the nation, and peaked at 8.6% in January 2010. During the 2008-2009 recession, the unemployment rate was consistently lower in the MSA than for the nation as a whole. In the fourth quarter of 2013, the MSA unemployment rate was 5.8%, compared with a national rate of 6.7%.

Figure 4

TRENDS IN UNEMPLOYMENT RATES

Dallas-Fort Worth-Arlington MSA and United States



Note: Data shown are 3-month moving averages of monthly unemployment rate data that are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed February 2014.

DFW765 F-0003

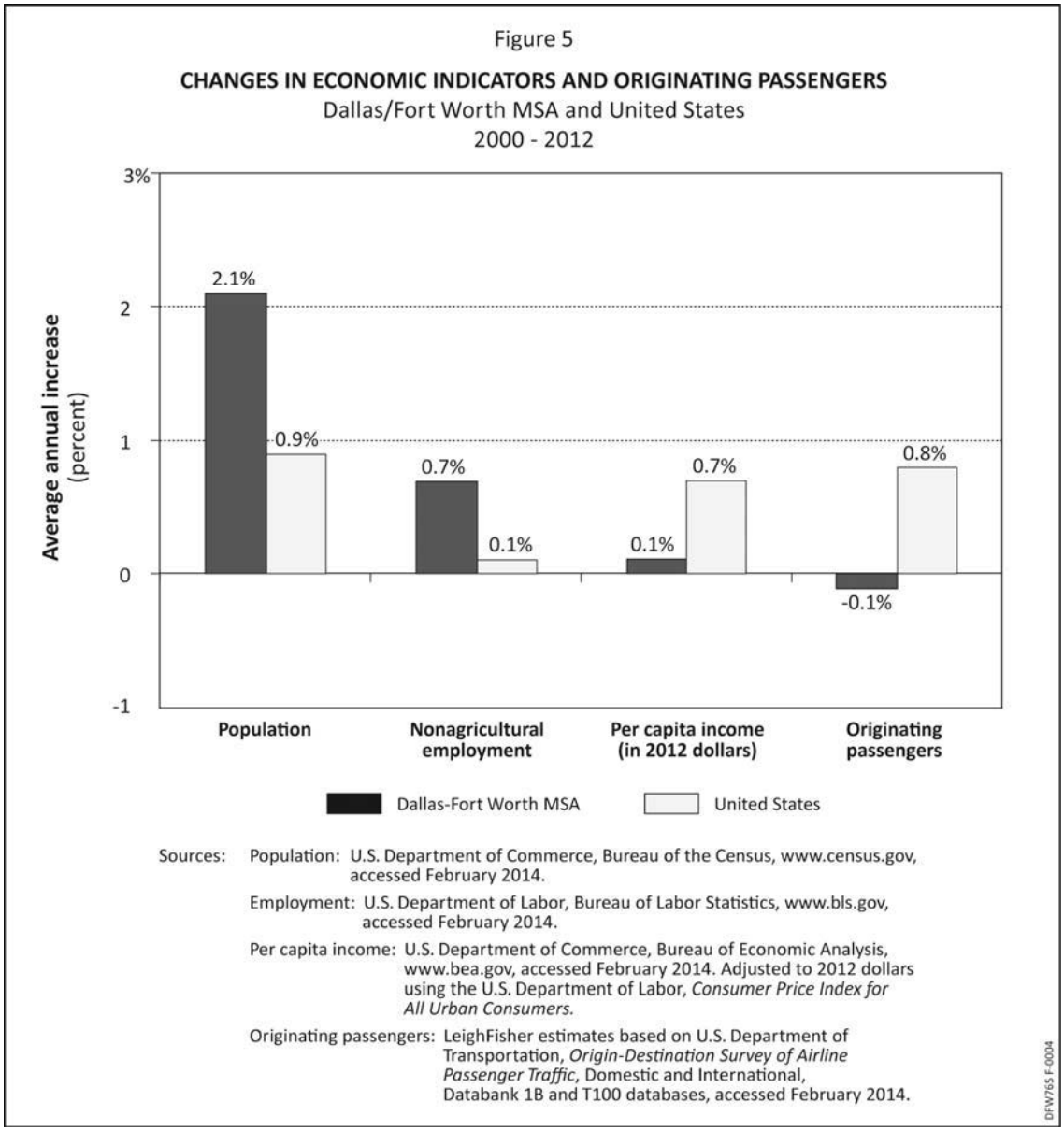
Per Capita Income. Strong economic growth in the MSA during the 1990s resulted in an average increase in per capita income of 2.3% per year, compared with 1.7% per year for the nation as a whole. However, between 2000 and 2010, per capita income for the MSA increased an average of only 0.2% per year (compared with 0.5% per year for the nation). Between 2010 and 2012, per capita income for the MSA recovered, increasing an average of 2.8% per year (compared with 1.7% per year for the nation). Per capita income for the Dallas-Fort Worth-Arlington MSA in 2012 was 5.5% higher than for the United States, a decreased margin from 2000, when per capita income was 12.6% higher.

While inflation-adjusted per capita income for the MSA has decreased since 2000, the MSA has consistently had a lower cost of living than the nation as a whole, a key factor in attracting businesses and residents. The American Chamber of Commerce Researchers Association (ACCRA) reported a composite 2013 cost of living index of 95.9 for Dallas and 97.4 for Fort Worth, compared with a national index of 100.0. In particular, Dallas and Fort Worth rank lower in housing costs. The 2013 ACCRA cost-of-housing index indicated that average housing costs were 24.0% lower in Dallas than in the nation as a whole.

Historical Socioeconomic Indicators and Originating Passengers. Figure 5 presents a comparison of historical growth rates for population, per capita income, nonagricultural employment, and originating passengers in the MSA and the United States between 2000 and 2012 (the most recent year for which complete data are available.) Over the 12 years, originating passenger numbers at the Airport decreased at an average annual rate of 0.1%, the same as that for per capita income.

Economic Profile by Industry Sector

Table 3 presents the percentage distribution of nonagricultural employment by industry sector in the Dallas-Fort Worth-Arlington MSA and the nation in 1990, 2000, 2007 (before the 2008-2009 recession), 2010, and 2013. Table 4 lists the largest private employers in the MSA in 2013. The companies listed accounted for approximately 9% of total nonagricultural employment in the MSA in 2013, with the remaining 91% accounted for by smaller businesses and organizations and public sector employers. The following sections provide a summary of each industry sector, discussed in order of MSA employment share.



Services. As in the United States as a whole, the services sector (professional, business, education, health, leisure, hospitality, and other services combined) is the largest industry sector in the Dallas-Fort Worth-Arlington MSA and has experienced strong growth since 1990. The sector accounted for 42.2% of MSA employment in 2013, an increase from a 30.8% share in 1990. The services sector accounted for almost half of the increase in MSA employment between 1990 and 2000. Growth in the services sector was again strong between 2000 and 2007. In contrast to most other industry sectors, the services sector again added jobs between 2007 and 2010, and strong growth continued between 2010 and 2013. Over the 2007-2013 period as a whole, 175,700 service sector jobs were added in the MSA, 58,200 jobs (42.5%) in the education and health subsector; 58,200 jobs (33.1%) in the professional and business subsector; 38,600 jobs (22.0%) in the leisure and hospitality subsector, and 4,200 jobs (2.4%) in the other services subsector.

Table 3

DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR

Dallas-Fort Worth-Arlington MSA and United States

	Dallas-Fort Worth-Arlington MSA					United States				
	1990	2000	2007	2010	2013	1990	2000	2007	2010	2013
Services										
Professional and business	10.0%	14.0%	15.1%	14.9%	16.0%	9.9%	12.6%	13.0%	12.9%	13.6%
Education and health	8.4	8.8	10.7	12.4	12.5	10.0	11.5	13.3	15.1	15.5
Leisure and hospitality	8.5	8.6	9.4	9.8	10.1	8.5	9.0	9.8	10.0	10.4
Other	3.8	3.7	3.6	3.5	3.5	3.9	3.9	4.0	4.1	4.0
Subtotal services	30.8%	35.1%	38.8%	40.7%	42.2%	32.3%	37.0%	40.1%	42.1%	43.5%
Trade, transportation, and utilities	23.7	22.7	21.3	20.7	20.6	20.7	19.9	19.4	19.0	19.0
Government	12.0	11.4	12.4	13.6	12.4	16.8	15.8	16.1	17.3	16.0
Manufacturing	17.1	12.8	10.1	8.8	8.3	16.2	13.1	10.1	8.9	8.8
Financial activities	8.1	7.5	8.0	8.0	8.2	6.0	5.8	6.0	5.9	5.8
Mining, logging, and construction	4.6	6.0	6.4	5.5	5.8	5.5	5.6	6.1	4.8	4.9
Information	3.7	4.4	3.0	2.8	2.5	2.5	2.8	2.2	2.1	2.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total employment (thousands)	2,001	2,763	2,938	2,862	3,116	109,487	131,881	137,645	129,917	135,930

MSA=Metropolitan Statistical Area.

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

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed February 2014. Data for 2013 are preliminary.

Table 4

LARGEST DALLAS-FORT WORTH-ARLINGTON MSA PRIVATE SECTOR EMPLOYERS

2013

Rank	Company	Head-quartered in MSA	Fortune 500 company	Principal industry	Number of MSA employees
1	Wal-Mart Stores		*	Department stores	34,700 *(a)*
2	Texas Health Resources	*		Health-care services	21,100
3	Bank of America		*	Financial services	20,000
4	American Airlines Group	*	*	Airline	19,200
5	Baylor Health Care System	*		Health-care services	16,900
6	Lockheed Martin Aeronautics		*	Aerospace	16,000
7	AT&T	*	*	Telecommunications	15,800 *(b)*
8	JP Morgan Chase & Co.		*	Financial services	14,500
9	Texas Instruments	*	*	Semiconductors	14,000
10	Parkland Health & Hospital System	*		Health-care services	9,400
11	Energy Future Holdings	*	*	Energy	9,400
12	United Parcel Service		*	Package delivery service	9,200
13	Target		*	Department stores	8,700
14	HCA North Texas Division		*	Health-care services	8,500
15	Raytheon Co.		*	Defense systems	8,500
16	Southwest Airlines	*	*	Airline	7,700
17	Verizon Communications		*	Telecommunications	7,300
18	Citigroup		*	Financial services	7,200
19	Bell Helicopter Textron	*		Aerospace	7,000
20	Wells Fargo		*	Financial services	6,000
21	Cook Children's Health Care System	*		Health-care services	5,900
22	Children's Medical Center	*		Health-care services	5,600
23	Fidelity Investments			Financial services	5,500
24	Tom Thumb Food & Pharmacy			Supermarkets	5,500 *(b)*
25	Methodist Health System	*		Health-care services	5,300

Notes: Ranking of MSA employers based on number of employees as of July 19, 2013. Government entities are not shown.

(a) Data are for 2010. Wal-Mart Stores did not respond to the 2013 survey.
(b) Data are for 2012. AT&T and Tom Thumb did not respond to the 2013 survey.

Sources: Company ranking: *Dallas Business Journal*, "2014 Book of Lists."
Status as a Fortune 500 company: www.fortune.com, accessed February 2014.

Among the largest MSA employers in the professional and business services subsector are HP Enterprise Services (formerly Electronic Data Systems) and Sabre Holdings.

According to the Greater Dallas Chamber of Commerce, in 2013 approximately 134,000 students were enrolled at 12 four-year degree-granting universities and colleges in the region. Seven community college districts reported a combined enrollment of approximately 193,000 students. Major universities in the MSA include Southern Methodist University, Texas Christian University, Texas Woman's University, the University of North Texas, the University of Texas at Arlington, and the University of Texas at Dallas.

According to the Greater Dallas Chamber of Commerce, the MSA is home to more than 80 hospitals with nearly 20,000 beds, with the health care industry supporting over 600,000 jobs. Research activities at the University of Texas Southwestern Medical Center in Dallas support economic growth in the biotechnology and life science industries. Other major health care employers include the Baylor Health Care System, Texas Health Resources, Hospital Corporation of America (HCA) North Texas, Children's Medical Center, and Parkland Health and Hospital System.

The MSA is also a major convention destination. According to the Dallas Convention and Visitors Bureau, the MSA has approximately 75,000 hotel rooms, among the highest number of any metropolitan area in the country.

Trade, Transportation, and Utilities. The trade, transportation, and utilities sector accounts for a greater share of employment in the MSA (20.6% in 2013) than in the nation as a whole (19.0%), although the sector's share has steadily decreased since 1990, when it accounted for 23.7% of MSA employment. The sector added 153,300 jobs in the MSA between 1990 and 2000. Employment in the sector then decreased slightly (by 4,400 jobs) between 2000 and 2007, and between 2007 and 2010, lost a further 33,200 jobs. The sector saw a strong recovery between 2010 and 2013 with the addition of 50,700 jobs.

The Dallas-Fort Worth-Arlington MSA is an important business and distribution center and is known as the nation's largest inland port. The MSA is served by six interstate highways, including I-35, a heavily traveled North American Free Trade Agreement (NAFTA) trade route connecting Mexico, the United States, and Canada. All of the nation's largest rail lines serve the MSA and coordinate with road freight carriers at four intermodal freight centers.

According to a 2013 study by the University of North Texas Center for Economic Development and Research, the Airport has an estimated $31 billion annual direct economic impact on the MSA. The Airport's central location means that it is within a 4-hour flight of almost all major cities in the continental United States, Canada, and Mexico. As discussed in the later section, "Airport's Role as a Connecting Hub," the Airport is the headquarters and principal connecting hub for American

Airlines. The scope and frequency of airline service between the Airport and all regions of the nation and the world are cited as reasons for the decision of many companies to locate facilities in the MSA, for example AT&T, which relocated its headquarters from San Antonio to downtown Dallas in 2008.

International trade is also an important component of the MSA economy. Primary MSA exports include computer products, electrical machinery, and aircraft. Four foreign trade zones at 11 sites in the MSA (including one at the Airport) stimulate international trade by allowing companies to defer or avoid U.S. Customs duties and certain other taxes. The economy of the MSA also benefited from the 1993 passage of NAFTA, which reduced tariffs and trade barriers among Canada, Mexico, and the United States. The MSA's location and transportation infrastructure position it to benefit particularly from trade with Mexico.

American Airlines Group, the parent company of American Airlines and US Airways, is the second-largest employer in the MSA, employing approximately 19,200 people in 2013. Other major transportation employers in the MSA are Southwest Airlines, which operates from, and has its headquarters at, Dallas Love Field; FedEx, which operates a regional distribution center at Fort Worth Alliance Airport; and UPS Air Cargo, which operates a regional distribution center at the Airport. Major trade employers in the MSA include Wal-Mart Stores (the largest MSA employer) and JC Penney.

Government. The government sector accounted for 12.4% of MSA employment in 2013, a smaller share than in the nation as a whole (16.0%), although government employment has steadily increased since 1990. In 2013, the local government subsector accounted for approximately 75% of sector jobs, and the federal and State government subsectors accounted for approximately equal shares of the remainder. Between 1990 and 2000, 74,900 jobs were added in the sector. Between 2000 and 2007, employment in the sector grew by 47,200 jobs, and between 2007 and 2010, another 25,500 jobs were added in the government sector (the only industry sector besides services to experience an increase during the recession). Between 2010 and 2013, the number of government sector jobs then decreased slightly (by 2,500 jobs). Over the 2007-2013 period as a whole, there was a net increase of 23,000 government sector jobs in the MSA.

The MSA is home to several regional headquarters of federal agencies, including the Federal Reserve Bank of Dallas, the Environmental Protection Agency, and the Federal Home Loan Bank of Dallas. Military installations in the MSA include the Naval Air Station Joint Reserve Base Fort Worth, which provides training for naval air and surface reserve forces. Further federal government employment is attributable to the production of military aircraft in the area.

Manufacturing. The manufacturing sector accounted for 8.3% of MSA employment in 2013, a slightly lower share than for the nation as a whole (8.8%). MSA employment in the manufacturing sector decreased by 56,200 jobs between 2000 and 2007 and by a further 45,300 jobs between 2007 and 2010 before recording an increase of 7,000 jobs between 2010 and 2013. Over the 2007-2013 period as a whole, MSA employment in the manufacturing sector decreased by 38,300 jobs, by far the largest decrease in any sector.

Manufacturing industries in the MSA include computer and electronic products and aerospace products and parts. MSA employers in these industries include Lockheed Martin Aeronautics, Raytheon, Texas Instruments, and Bell Helicopter Textron.

Financial Activities. The financial activities sector accounted for 8.2% of MSA employment in 2013, higher than the share for the nation as a whole (5.8%), and similar to the MSA share in 1990 (8.1%). Between 1990 and 2000, employment in the sector increased by 46,500 jobs. Between 2000 and 2007, employment in the sector increased by a further 25,100 jobs. As a result of the national banking and credit crisis, between 2007 and 2010, the sector lost 4,200 jobs. Between 2010 and 2013, the sector fully recovered, gaining 25,200 jobs.

The MSA is a national banking center, with major employers including Bank of America, JP Morgan Chase & Co., Citigroup, Wells Fargo & Co., and Fidelity Investments. Comerica Bank relocated its headquarters from Detroit to Dallas in 2007.

Mining, Logging, and Construction. The mining, logging, and construction sector accounted for 5.8% of MSA employment in 2013, an increase from 4.6% in 1990, and higher than the sector's 2013 share of employment in the nation as a whole (4.9%). The sector experienced strong growth between 1990 and 2000, with 73,100 jobs added, the greatest increase of any sector in percentage terms.

Decreases in employment and housing prices in the MSA during the 2008-2009 recession were lower than in the nation as a whole. Employment in the sector decreased 16.8% (31,600 jobs) between 2007 and 2010, compared with a 25.4% decrease in the nation as a whole. The decrease in MSA employment in this sector was higher than in any other sector in percentage terms. Between 2010 and 2013, sector employment the MSA increased by 25,400 jobs, recovering to close to pre-recession levels.

According to the Standard & Poor's/Case-Shiller Home Price Index, in June 2012, Dallas home prices were 5.0% below the pre-recession peak prices reached in June 2007. By June 2013, Dallas home prices had recovered to 2.6% above June 2007 peak prices. For the nation as a whole, the Case-Shiller Home Price Index shows that home prices in June 2012 were 27.4% below June 2007 peak prices and in June 2013 were still 20.1% below peak prices. The less severe contraction in housing is attributable, in part, to the fact that home prices in the MSA did not increase as

much as those in the nation during the residential housing boom. The Standard & Poor's/Case-Shiller Home Price Index for Dallas shows that home prices in June 2007 were 26% higher than in June 2000, whereas peak home prices in the nation were 77% higher.

Information. The information sector accounted for 2.5% of MSA employment in 2013, higher than its share of national employment (2.0%). Between 1990 and 2000, the sector added 49,000 jobs, but between 2000 and 2013 lost 44,500 jobs. The information sector has been strongly affected by the financial troubles of the telecommunications industry, in particular those of Nortel and its supplier firms. Major information sector employers in the MSA are AT&T, Verizon Communications, and Sprint Nextel.

ECONOMIC OUTLOOK

Outlook for the U.S. Economy

Between the fourth quarter of 2007 and the second quarter of 2009, the U.S. economy, as measured by real gross domestic product (GDP), contracted 4.1%. National GDP growth resumed in the second half of 2009, but economic growth since then has not been strong enough to replace the jobs lost during the 2008-2009 recession.

Continued U.S. economic growth will depend on, among other factors, recovery in the housing market, the effectiveness of monetary stimulus, the health of the financial and credit markets, the strength of the U.S. dollar versus other currencies, energy prices, the ability of the federal government to reduce historically high deficits, inflation remaining within the range targeted by the Federal Reserve, and the economic health of trading partners.

The Perryman Group published forecasts for the national economy in January 2014. As shown in Table 5, nationwide nonagricultural employment is forecast to increase 1.7% in 2014 and at an average annual rate of 1.6% for 2013 through 2018.

Table 5
EMPLOYMENT FORECASTS
Dallas-Fort Worth-Arlington MSA, State of Texas, and United States

	Historical average annual increase 2000-2013 *(b)*	Forecast annual increase *(a)* 2013-2014	Forecast annual increase *(a)* 2013-2018
Nonagricultural employment			
Dallas-Fort Worth-Arlington MSA *(c) (d)*	0.9%	2.8%	2.4%
United States	0.2	1.7	1.6
State of Texas *(c)*	1.3	2.8	2.3

MSA = Metropolitan Statistical Area comprising the 12 counties shown on Figure 2 for all years.

(a) Source: The Perryman Group: *The Perryman Economic Forecast, Winter 2013,* January 2014.
(b) Source: U.S. Department of Labor, Bureau of Labor Statistics (see Table 2).
(c) Forecast growth rate for wage and salary employment.
(d) Weighted average forecast growth rates for the Dallas-Plano-Irving and Fort Worth-Arlington metropolitan divisions.

Outlook for the Dallas-Fort Worth-Arlington MSA Economy

The MSA experienced the effects of economic recession between 2007 and 2010, although job losses in the MSA were not as severe as for the nation as a whole. Recovery from the recession in the MSA has been stronger than for the nation as a whole, with 2013 nonagricultural employment in 6.1% higher than the 2007 pre-recession level. Continued economic growth will generally depend on the same factors as listed above for the nation. As shown in Table 5, The Perryman Group forecasts that nonagricultural employment in the MSA will increase 2.8% in 2014 and will increase at a higher average rate (2.4%) than in the nation (1.6%) between 2013 and 2018.

AIRPORT ROLE

Table 6 presents data on the numbers of enplaned passengers at the busiest U.S. airports. By this measure, in FY 2013, the Airport ranked fourth.

Table 7 presents data on numbers of originating passengers at the busiest U.S. airports. By this measure, in FY 2013, the Airport ranked tenth.

Table 8 presents data on numbers of connecting passengers at the busiest U.S. airports. By this measure, in FY 2013, the Airport ranked second.

Historical trends in passenger traffic at the Airport relative to national trends are discussed in the later section, "Historical Airline Traffic."

Airport's Role as an International Gateway

Table 9 presents data on the number of international passengers enplaned at the busiest U.S. gateway airports. As discussed in the later section, "International Airline Service," service is provided by both American and foreign-flag airlines between the Airport and destinations in Asia, Australia, Canada, the Caribbean, Central America, Europe, Mexico, the Middle East, and South America. In FY 2012, the Airport was the tenth busiest international passenger gateway to the United States, and the fourth busiest U.S. gateway for passengers from Mexico and Central America.

Airport's Role as a Connecting Hub

Table 10 presents data on domestic and international airline service as scheduled for July 2014 (measured by average daily scheduled departing seats) at the Airport and other U.S. connecting hub airports. Figure 6 presents the data graphically.

The Airport has for many years served as the busiest connecting hub in American's route system and will continue to be the busiest connecting hub for the new American Airlines formed by the merger with US Airways. The Airport was also a connecting hub for Delta Air Lines until January 2005. In FY 2013, an estimated 58% of the Airport's passengers were connecting, nearly all between the flights of American, American Eagle, and affiliate airlines. The combined American-US Airways share of scheduled departing seats at the Airport in July 2014 (83.9%) is the second highest share among the merged airline's hub airports after Charlotte Douglas International Airport (91.6%).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Table 6

ENPLANED PASSENGERS AT BUSIEST U.S. AIRPORTS

12 months ended September 30

Rank 2013	City (airport)	Enplaned passengers (million) 2000	2006	2008	2010	2012	2013	Average annual percent increase (decrease) 2000-2008	2008-2013
1	Atlanta	39.3	41.0	43.5	42.6	45.4	45.3	1.3%	0.8%
2	Los Angeles (International)	31.1	29.3	29.5	28.5	31.3	32.0	(0.7)	1.7
3	Chicago (O'Hare)	33.5	37.0	34.6	32.0	32.3	31.9	0.4	(1.6)
4	**Dallas/Fort Worth** *(a)*	**30.6**	**30.1**	**29.0**	**28.2**	**29.2**	**30.1**	**(0.6)**	**0.7**
5	Denver	17.8	22.5	24.4	24.8	25.7	25.5	4.0	0.8
6	New York (Kennedy)	15.9	20.5	23.8	22.7	24.5	24.7	5.2	0.8
7	San Francisco	18.8	16.2	18.1	19.1	21.2	21.5	(0.5)	3.4
8	Charlotte	10.1	14.3	17.2	18.0	19.8	21.0	6.8	4.2
9	Las Vegas	16.0	21.8	21.6	18.9	19.9	19.8	3.8	(1.7)
10	Phoenix (Sky Harbor)	17.3	20.6	19.9	18.8	19.6	19.5	1.8	(0.4)
11	Miami	16.3	15.5	16.4	16.7	19.0	19.2	0.1	3.2
12	Houston (Bush)	16.1	20.2	20.3	19.4	19.2	18.8	2.9	(1.5)
13	Newark	17.1	17.7	17.9	16.6	17.2	17.2	0.6	(0.8)
14	Orlando (International)	14.2	16.9	17.7	16.7	17.2	16.9	2.8	(0.9)
15	Seattle-Tacoma	13.5	14.6	16.0	15.2	16.1	16.5	2.1	0.7
16	Minneapolis-Saint Paul	16.6	17.2	16.7	15.3	15.9	16.2	0.1	(0.7)
17	Detroit	17.2	17.3	17.3	15.4	15.7	15.6	0.1	(2.0)
18	Philadelphia	11.1	15.3	15.7	14.8	14.7	14.7	4.4	(1.3)
19	Boston	12.9	13.4	13.2	13.3	14.3	14.6	0.3	2.0
20	New York (LaGuardia)	11.7	12.9	11.9	11.8	12.6	13.2	0.2	2.2
21	Fort Lauderdale-Hollywood	7.3	10.2	11.3	10.6	11.4	11.5	5.6	0.4
22	Baltimore/Washington	8.9	10.2	10.3	10.6	11.2	11.0	1.9	1.2
23	Washington (Dulles)	7.9	11.2	11.5	11.2	10.9	10.6	4.8	(1.7)
24	Washington (Reagan)	6.8	8.9	8.8	8.5	9.3	9.8	3.2	2.3
25	Chicago (Midway)	6.9	8.9	8.4	8.5	9.4	9.8	2.5	3.1
26	Salt Lake City	8.8	10.3	10.2	9.8	9.6	9.6	1.9	(1.1)
27	Honolulu	10.4	9.6	9.5	8.7	9.0	9.5	(1.1)	0.0
28	San Diego	7.7	8.6	9.2	8.4	8.7	8.8	2.3	(0.9)
29	Tampa	7.5	9.2	9.1	8.1	8.2	8.3	2.4	(1.9)
30	Portland, Oregon	6.6	6.9	7.3	6.5	7.1	7.3	1.4	0.0
	Average for airports listed							1.7%	0.5%

Notes: Airports shown are the top 30 U.S. airports ranked by number of enplaned passengers for the 12 months ended September 30, 2013.
Calculated percentages may not match those shown because of rounding.

(a) Dallas/Fort Worth International Airport records.

Source: U.S. Department of Transportation, T100 database, accessed April 2014, except as noted.

Table 7

ORIGINATING PASSENGERS AT BUSIEST U.S. AIRPORTS

12 months ended September 30

Rank 2013	City (airport)	Originating passengers (millions) 2000	2006	2008	2010	2012	2013	Average annual percent increase (decrease) 2000-2008	2008-2013
1	Los Angeles (International)	22.9	22.6	22.9	21.9	23.6	24.2	0.0%	1.1%
2	New York (Kennedy)	12.3	16.8	18.7	17.9	19.4	19.5	5.4	0.8
3	Las Vegas	13.8	18.0	17.8	15.9	17.0	16.7	3.2	(1.2)
4	San Francisco	14.3	11.7	13.6	14.6	16.0	16.5	(0.6)	4.0
5	Orlando (International)	13.3	16.0	16.7	15.7	16.2	16.1	2.9	(0.7)
6	Chicago (O'Hare)	15.6	16.7	16.4	14.5	15.5	15.6	0.6	(1.0)
7	Atlanta	15.3	13.9	15.0	13.6	14.2	14.3	(0.2)	(1.0)
8	Denver	9.2	11.7	12.9	12.4	13.3	13.9	4.3	1.6
9	Boston	11.8	12.7	12.5	12.6	13.6	13.7	0.7	1.9
10	**Dallas/Fort Worth**	**12.4**	**12.6**	**12.5**	**11.5**	**12.3**	**12.6**	**0.2**	**0.1**
11	Seattle-Tacoma	10.2	11.0	12.0	11.3	11.9	12.0	2.1	0.0
12	New York (LaGuardia)	10.8	11.9	10.8	10.8	11.4	11.9	0.0	1.8
13	Newark	13.1	13.3	13.8	11.5	11.9	11.7	0.7	(3.3)
14	Miami	9.6	9.1	9.0	9.3	10.5	10.7	(0.8)	3.7
15	Phoenix (Sky Harbor)	10.5	12.5	11.6	10.2	10.5	10.5	1.2	(2.0)
16	Fort Lauderdale-Hollywood	7.1	9.7	10.3	9.8	10.5	10.5	4.8	0.4
17	Minneapolis-Saint Paul	8.0	8.2	8.4	8.0	8.3	8.6	0.7	0.4
18	San Diego	7.4	8.3	8.9	8.0	8.3	8.3	2.3	(1.2)
19	Baltimore/Washington	7.5	8.3	8.4	8.2	8.1	7.9	1.4	(1.2)
20	Houston (Bush)	6.5	8.0	9.5	7.3	7.6	7.9	4.8	(3.7)
21	Detroit	8.3	8.1	8.9	7.3	7.7	7.8	0.9	(2.8)
22	Washington (Reagan)	5.9	7.4	7.0	6.9	7.5	7.7	2.1	2.1
23	Tampa	7.0	8.7	8.5	7.5	7.6	7.7	2.5	(1.9)
24	Honolulu	8.3	7.8	7.7	7.0	7.3	7.6	(1.0)	(0.2)
25	Philadelphia	6.5	9.6	8.8	7.7	7.6	7.6	3.8	(2.8)
26	Portland, Oregon	5.5	5.9	6.2	5.6	6.0	6.2	1.6	(0.1)
27	Chicago (Midway)	5.7	6.4	5.9	5.5	5.9	6.0	0.4	0.6
28	Washington (Dulles)	4.8	7.2	6.8	6.1	6.0	6.0	4.3	(2.5)
29	Salt Lake City	4.1	5.1	5.7	5.0	5.1	5.4	4.1	(1.0)
30	St. Louis	5.6	5.5	5.5	5.0	5.1	5.1	(0.3)	(1.5)
	Average for airports listed							1.6%	(0.1)%

Notes: Airports shown are the 30 busiest U.S. airports, as ranked by number of originating passengers for the 12 months ended September 30, 2013.
Calculated percentages may not match those shown because of rounding.

Sources: LeighFisher analysis of U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic and International,* Databank 1B and T100 databases, accessed April 2014.

Table 8

CONNECTING PASSENGERS AT BUSIEST U.S. AIRPORTS

12 months ended September 30

Rank 2013	City (airport)	Connecting passengers (millions) 2000	2006	2008	2010	2012	2013	Average annual percent increase (decrease) 2000-2008	2008-2013
1	Atlanta	24.0	27.1	28.5	29.0	31.2	31.1	2.2%	1.7%
2	**Dallas/Fort Worth**	**18.2**	**17.6**	**16.5**	**16.7**	**16.9**	**17.5**	**(1.2)**	**1.2**
3	Charlotte	8.4	10.3	13.5	14.7	16.1	17.1	6.1	4.9
4	Chicago (O'Hare)	17.9	20.3	18.2	17.5	16.7	16.3	0.2	(2.2)
5	Denver	8.6	10.8	11.6	12.4	12.4	11.6	3.7	0.0
6	Houston (Bush)	9.6	12.2	10.8	12.1	11.6	11.0	1.5	0.4
7	Phoenix (Sky Harbor)	6.8	8.1	8.3	8.6	9.1	9.0	2.6	1.7
8	Miami	6.7	6.4	7.4	7.5	8.5	8.5	1.4	2.7
9	Detroit	8.9	9.2	8.4	8.0	8.0	7.9	(0.8)	(1.3)
10	Los Angeles (International)	8.2	6.7	6.5	6.7	7.7	7.7	(2.9)	3.5
11	Minneapolis-Saint Paul	8.6	8.9	8.3	7.3	7.6	7.6	(0.5)	(1.8)
12	Philadelphia	4.7	5.7	6.9	7.1	7.0	7.1	5.1	0.5
13	Newark	4.0	4.4	4.1	5.1	5.3	5.5	0.3	6.0
14	New York (Kennedy)	3.6	3.7	5.1	4.9	5.0	5.3	4.5	0.6
15	San Francisco	4.5	4.5	4.5	4.6	5.2	4.9	0.1	1.6
16	Washington (Dulles)	3.1	4.0	4.7	5.1	4.9	4.6	5.5	(0.5)
17	Seattle-Tacoma	3.4	3.6	4.0	3.9	4.2	4.5	2.1	2.6
18	Salt Lake City	4.7	5.2	4.5	4.8	4.5	4.3	(0.4)	(1.1)
19	Chicago (Midway)	1.2	2.5	2.5	3.0	3.5	3.7	9.8	8.1
20	Las Vegas	2.2	3.8	3.9	3.0	2.9	3.1	7.2	(4.1)
21	Baltimore/Washington	1.4	1.8	1.9	2.5	3.0	3.1	4.0	9.7
22	Washington (Reagan)	0.9	1.5	1.8	1.6	1.8	2.1	9.3	3.0
23	Honolulu	2.0	1.8	1.8	1.7	1.7	1.9	(1.7)	1.2
24	Houston (Hobby)	1.1	1.2	1.0	1.2	1.4	1.7	(0.7)	10.1
25	Cleveland	2.0	1.4	1.2	1.4	1.3	1.5	(6.3)	4.5
26	New York (LaGuardia)	0.9	1.0	1.0	1.0	1.2	1.4	2.0	5.8
27	Dallas (Love)	0.7	0.8	1.1	1.1	1.2	1.2	4.9	2.6
28	St. Louis	9.5	1.6	1.4	0.9	1.1	1.2	(21.4)	(3.1)
29	Portland, Oregon	1.1	1.1	1.1	0.9	1.0	1.1	0.4	0.6
30	Fort Lauderdale-Hollywood	0.2	0.5	1.0	0.8	0.9	1.0	20.6	1.0
	Average for airports listed							1.0%	1.3%

Notes: Airports shown are the 30 busiest U.S. airports, as ranked by number of connecting passengers for the 12 months ended September 30, 2012.
Calculated percentages may not match those shown because of rounding.

Sources: LeighFisher analysis of U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic and International,* Databank 1B and T100 databases, accessed April 2014.

Table 9

INTERNATIONAL ENPLANED PASSENGERS AT BUSIEST U.S. GATEWAY AIRPORTS

12 months ended September 30

Rank 2013	City (airport)	Enplaned passengers (thousands) 2000	2006	2008	2010	2012	2013	Average annual percent increase (decrease) 2000-2008	2008-2013
1	New York (Kennedy)	9,021	9,503	11,068	11,243	12,354	12,802	2.6%	3.0%
2	Miami	7,959	7,295	8,029	8,268	9,630	10,062	0.1	5.8
3	Los Angeles (International)	7,951	8,074	8,293	7,662	8,269	8,499	0.5	0.6
4	Newark	4,388	4,863	5,476	5,603	5,661	5,545	2.8	0.3
5	Chicago (O'Hare)	4,948	5,603	5,595	5,185	5,169	5,262	1.5	(1.5)
6	Atlanta	3,076	4,059	4,586	4,454	4,703	4,891	5.1	1.6
7	San Francisco	3,780	3,997	4,256	4,130	4,519	4,663	1.5	2.3
8	Houston (Bush)	2,604	3,540	3,883	4,071	4,260	4,312	5.1	2.7
9	Washington (Dulles)	1,899	2,501	2,925	2,963	3,196	3,327	5.5	3.3
10	**Dallas/Fort Worth** *(a)*	**2,371**	**2,840**	**2,716**	**2,662**	**2,956**	**3,292**	**1.7**	**4.9**
11	Honolulu	2,468	1,953	1,753	1,779	2,121	2,340	(4.2)	7.5
12	Boston	2,077	1,927	1,832	1,830	2,029	2,016	(1.6)	2.4
13	Orlando (International)	1,195	1,075	1,278	1,551	1,860	1,944	0.8	11.0
14	Philadelphia	1,237	1,748	1,836	1,849	1,893	1,925	5.1	1.2
15	Fort Lauderdale-Hollywood	577	1,052	1,565	1,532	1,756	1,795	13.3	3.5
16	Seattle-Tacoma	1,084	1,115	1,429	1,335	1,504	1,673	3.5	4.0
17	Detroit	1,873	1,834	1,936	1,382	1,552	1,596	0.4	(4.7)
18	Charlotte	430	987	1,137	1,269	1,454	1,495	12.9	7.1
19	Las Vegas	495	970	1,142	1,097	1,378	1,443	11.0	6.0
20	Minneapolis-Saint Paul	1,419	1,234	1,315	1,097	1,081	1,132	(0.9)	(3.7)
21	Phoenix (Sky Harbor)	460	884	906	1,028	1,097	1,094	8.8	4.8
22	Denver	605	917	1,143	958	871	935	8.3	(4.9)
23	New York (LaGuardia)	682	732	597	538	676	826	(1.7)	8.5
24	Baltimore/Washington	264	285	202	194	266	331	(3.3)	13.1
25	San Diego	144	154	125	125	269	299	(1.7)	24.4
26	Tampa	192	207	188	200	240	254	(0.2)	7.8
27	Chicago (Midway)	0	86	34	44	177	249	122.6	64.0
28	San Antonio	104	97	82	72	187	245	(3.0)	31.6
29	Portland, Oregon	229	270	351	230	238	231	5.5	(10.0)
30	Orange County	--	1	--	11	83	202	3.6	373.6
	Average for airports listed							2.2%	2.3%

Notes: Airports shown are the top 30 U.S. airports (excluding airports in Puerto Rico, the islands of the Pacific Trust and the U.S. Virgin Islands), as ranked by number of international enplaned passengers for the 12 months ended September 30, 2012.
Calculated percentages may not match those shown because of rounding.

(a) Dallas/Fort Worth International Airport records.

Source: U.S. Department of Transportation, T100 database, accessed April 2014, except as noted.

Table 10
AIRLINE SERVICE AT SELECTED U.S. AIRPORTS
July 2014

City (airport)	Average daily scheduled departing seats: Domestic	International	Total	Busiest hubbing airline: Airline *(a)*	Average daily scheduled departing seats	Airline share of airport total
Atlanta	146,562	21,593	168,154	Delta	137,006	81.5%
Los Angeles (International)	90,021	33,226	123,246	American	22,669	18.4
Chicago (O'Hare)	97,689	23,388	121,077	United	53,923	44.5 *(b)*
Dallas/Fort Worth	**92,774**	**14,619**	**107,393**	**American**	**90,108**	**83.9**
New York (Kennedy)	42,094	59,447	101,540	Delta	26,990	26.6 *(c)*
Denver	85,787	3,702	89,489	United	34,905	39.0
San Francisco	63,211	17,979	81,190	United	35,003	43.1
Charlotte	69,796	8,412	78,209	American	71,660	91.6
Las Vegas	65,928	4,971	70,899	Southwest	31,666	44.7
Phoenix (Sky Harbor)	67,327	3,264	70,591	American	37,565	53.2
Seattle-Tacoma	61,163	7,528	68,691	Alaska	32,425	47.2
Houston (Bush)	50,832	17,521	68,352	United	54,690	80.0
Miami	29,229	37,091	66,320	American	48,169	72.6
Minneapolis-Saint Paul	61,302	4,405	65,707	Delta	49,658	75.6
Newark	40,709	22,399	63,108	United	42,720	67.7
Boston	48,599	10,606	59,204	JetBlue	14,842	25.1 *(d)*
Detroit	52,445	6,246	58,691	Delta	46,345	79.0
Orlando (International)	48,197	9,035	57,232	Southwest	17,417	30.4
Philadelphia	45,908	9,851	55,759	American	42,949	77.0
New York (LaGuardia)	49,781	3,752	53,533	Delta	22,530	42.1 *(e)*
Baltimore/Washington	40,366	1,762	42,128	Southwest	30,545	72.5
Chicago (Midway)	39,442	1,091	40,533	Southwest	37,076	91.5
Fort Lauderdale-Hollywood	30,034	9,631	39,665	JetBlue	8,537	21.5
Washington (Dulles)	24,063	13,957	38,020	United	23,961	63.0
Washington (Reagan)	36,819	1,080	37,899	American	22,682	59.8
Salt Lake City	36,333	716	37,048	Delta	26,785	72.3
San Diego	33,151	1,276	34,427	Southwest	14,184	41.2
Honolulu	24,301	8,867	33,168	Hawaiian	15,381	46.4
Portland, Oregon	28,783	1,034	29,817	Alaska	11,356	38.1
Tampa	26,476	1,387	27,862	Southwest	10,648	38.2

Notes: Airports shown are the 30 busiest airports, as ranked by number of scheduled departing seats in July 2014. Rows may not add to totals shown because of rounding.

(a) Includes regional airline affiliates. American includes US Airways and Southwest includes AirTran.
(b) American's market share of seats is 36.9%.
(c) American's market share of seats is 13.2%.
(d) American's market share of seats is 22.0%.
(e) American's market share of seats is 28.3%.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

The combination of the Airport's geographic location, the airfield and terminal facilities provided, and American's strategy of concentrating service at the Airport has resulted in the Airport becoming one of the most important airline hubs in the nation. The number of departing seats scheduled by American from the Airport for July 2014 is second only to the number of seats scheduled by Delta from its primary hub in Atlanta. As shown on Figure 6, Houston Bush, Denver, and Atlanta are the closest large connecting hub airports.

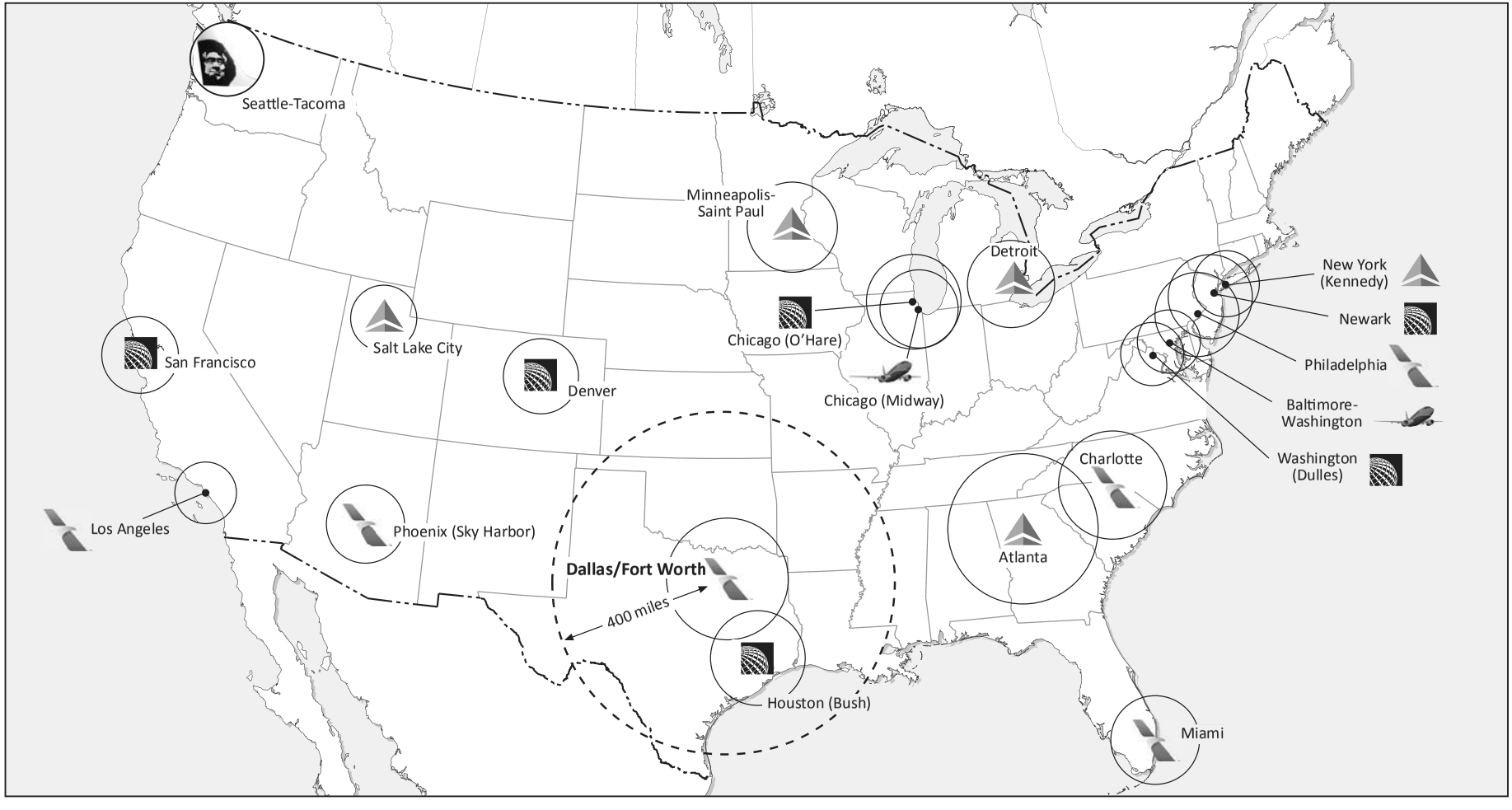
Airport's Role in American's System

Table 11 presents data on service (average daily scheduled aircraft departures and departing seats) provided by American and its American Eagle affiliates and US Airways and its US Airways Express affiliates from selected U.S. airports.* Data are presented for the Airport and the next nine busiest U.S. airports in the combined American-US Airways system, ranked by average daily departing seats as scheduled for July 2014. Data are also shown for former American hubs at Lambert-St. Louis International Airport, Mineta San José International Airport, and San Juan Luis Muñoz Marín International Airport and for former US Airways hubs at Las Vegas McCarran International Airport and Pittsburgh International Airport. Data also include operations by Trans World Airlines, which American acquired in 2001, and America West Airlines, which merged with US Airways in 2005.** Figure 7 presents the data on American's scheduled seats from its busiest 10 U.S. airports graphically.

---

*As of April 2014, US Airways Express affiliates included Air Wisconsin, Chautauqua, Mesa Airlines, Piedmont Airlines, PSA Airlines, Republic Airlines, SkyWest Airlines, and Trans States Airlines.

**In all discussions of airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American; Northwest Airlines with Delta Air Lines; Continental Airlines with United Airlines; Midwest Airlines with Frontier Airlines; and AirTran Airways with Southwest Airlines).



LEGEND

Alaska Airlines

American Airlines

Delta Air Lines

Southwest Airlines

United Airlines

= 50,000 average daily departing seats

Note: The area of the circle for each airport is proportional to the number of scheduled seats on domestic and international flights of the principal hubbing airline and its regional airline affiliates at that airport for July 2014. Airports shown are the 20 busiest U.S. airports as measured by numbers of connecting passengers for the 12 months ended September 30, 2012. See Table 8.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

Figure 6

SEAT CAPACITY AT BUSIEST CONNECTING HUB AIRPORTS

Scheduled Domestic and International Departing Seats

Table 11

AMERICAN AND US AIRWAYS SERVICE AT THEIR PRINCIPAL AIRPORTS

City (airport)	July 2000	2004	2006	2008	2010	2012	2014	Average annual percent increase (decrease) 2000-2004	2004-2008	2008-2014
	Daily scheduled aircraft departures: American and US Airways mainline									
Dallas/Fort Worth	**548**	**510**	**516**	**511**	**497**	**485**	**519**	**(1.8)%**	**0.0%**	**0.3%**
Charlotte	350	249	206	240	258	269	306	(8.2)	(0.9)	4.1
Miami	213	211	211	214	233	244	267	(0.2)	0.4	3.7
Chicago (O'Hare)	371	316	258	241	194	175	180	(4.0)	(6.5)	(4.8)
Philadelphia	285	224	178	170	171	159	169	(5.9)	(6.7)	(0.1)
Phoenix (Sky Harbor)	266	211	226	212	195	200	203	(5.6)	0.1	(0.7)
Washington (Reagan)	138	97	106	102	89	81	86	(8.6)	1.3	(2.8)
Los Angeles (International)	179	137	123	113	103	110	122	(6.4)	(4.7)	1.2
New York (LaGuardia)	163	113	100	98	80	78	78	(8.9)	(3.4)	(3.8)
New York (Kennedy)	110	91	74	70	67	70	72	(4.6)	(6.4)	0.6
Las Vegas	118	129	134	112	47	45	44	2.1	(3.4)	(14.3)
St. Louis	368	55	60	57	35	31	28	(37.8)	1.1	(11.1)
San Juan, Puerto Rico	67	57	54	43	30	22	20	(4.0)	(6.7)	(12.3)
Pittsburgh	282	108	42	24	17	17	19	(21.4)	(31.3)	(3.7)
San José, California	73	35	24	21	13	12	12	(16.5)	(11.8)	(9.6)
	Daily scheduled departing seats: American and US Airways mainline									
Dallas/Fort Worth	**72,154**	**72,210**	**75,921**	**73,469**	**72,176**	**71,763**	**76,360**	**0.0%**	**0.4%**	**0.6%**
Charlotte	44,227	35,129	30,450	34,187	39,446	41,222	49,634	(5.6)	(0.7)	6.4
Miami	33,676	37,854	38,077	39,268	40,500	41,584	44,812	3.0	0.9	2.2
Chicago (O'Hare)	48,258	42,886	38,470	35,957	29,758	27,132	28,282	(2.9)	(4.3)	(3.9)
Philadelphia	38,227	33,326	28,004	25,423	26,415	24,805	26,942	(3.4)	(6.5)	1.0
Phoenix (Sky Harbor)	36,793	30,048	31,920	29,277	28,339	29,543	31,273	(4.9)	(0.6)	1.1
Washington (Reagan)	17,995	12,555	14,068	13,308	11,907	10,770	11,522	(8.6)	1.5	(2.4)
Los Angeles (International)	27,216	21,704	19,638	18,156	17,041	18,410	19,293	(5.5)	(4.4)	1.0
New York (LaGuardia)	21,427	15,487	13,688	13,422	10,941	10,582	10,751	(7.8)	(3.5)	(3.6)
New York (Kennedy)	19,652	18,194	15,444	13,949	12,765	13,208	12,031	(1.9)	(6.4)	(2.4)
Las Vegas	16,975	20,027	19,754	15,923	7,066	6,690	6,865	4.2	(5.6)	(13.1)
St. Louis	52,776	7,658	8,640	8,209	5,058	4,517	3,874	(38.3)	1.8	(11.8)
San Juan, Puerto Rico	11,376	11,936	11,152	8,945	5,136	3,903	3,363	1.2	(7.0)	(15.0)
Pittsburgh	35,583	15,711	5,812	3,008	2,372	2,365	2,621	(18.5)	(33.9)	(2.3)
San José, California	10,240	5,342	3,341	2,875	1,728	1,611	1,635	(15.0)	(14.3)	(9.0)

Table 11 *(page 2 of 3)*

AMERICAN AND US AIRWAYS SERVICE AT THEIR PRINCIPAL AIRPORTS

City (airport)	July 2000	2004	2006	2008	2010	2012	2014	Average annual percent increase (decrease) 2000-2004	2004-2008	2008-2014
	Daily scheduled aircraft departures: American Eagle and US Airways Express									
Dallas/Fort Worth	**247**	**211**	**291**	**291**	**275**	**274**	**286**	**(3.8)%**	**8.3%**	**(0.3)%**
Charlotte	139	238	337	366	359	384	361	14.5	11.3	(0.2)
Miami	103	45	48	50	59	64	68	(18.7)	3.0	5.1
Chicago (O'Hare)	154	245	271	285	297	316	316	12.2	3.9	1.8
Philadelphia	151	213	292	301	292	309	294	9.0	9.0	(0.3)
Phoenix (Sky Harbor)	82	119	111	101	88	102	95	9.7	(4.1)	(0.9)
Washington (Reagan)	86	123	129	141	151	181	193	9.4	3.5	5.4
Los Angeles (International)	74	66	63	48	43	62	63	(2.8)	(7.6)	4.6
New York (LaGuardia)	124	191	202	202	167	99	80	11.3	1.4	(14.3)
New York (Kennedy)	130	21	31	34	37	25	27	(36.7)	12.9	(3.8)
Las Vegas	5	22	33	17	11	1	--	45.2	(6.1)	(100.0)
St. Louis	114	156	144	92	12	14	18	8.2	(12.3)	(24.0)
San Juan, Puerto Rico	104	64	59	56	38	23	--	(11.3)	(3.2)	(100.0)
Pittsburgh	226	257	131	56	36	38	39	3.2	(31.8)	(5.9)
San José, California	--	24	27	17	6	7	6	--	(8.2)	(17.2)
	Daily scheduled departing seats: American Eagle and US Airways Express									
Dallas/Fort Worth	**10,683**	**10,040**	**14,271**	**14,504**	**14,347**	**12,937**	**13,748**	**(1.5)%**	**9.6%**	**(0.9)%**
Charlotte	4,514	11,423	19,337	22,036	21,628	23,133	22,026	26.1	17.9	(0.0)
Miami	4,691	2,527	2,675	2,914	3,420	3,692	3,357	(14.3)	3.6	2.4
Chicago (O'Hare)	7,610	12,546	14,101	14,483	15,258	16,185	16,449	13.3	3.7	2.1
Philadelphia	5,338	9,789	14,728	16,055	16,042	18,481	16,007	16.4	13.2	(0.0)
Phoenix (Sky Harbor)	3,096	6,990	6,765	6,529	5,125	6,019	6,292	22.6	(1.7)	(0.6)
Washington (Reagan)	3,141	5,619	6,817	7,487	8,814	11,014	11,160	15.7	7.4	6.9
Los Angeles (International)	2,521	2,634	2,414	1,941	2,011	3,296	3,376	1.1	(7.4)	9.7
New York (LaGuardia)	4,934	7,376	8,249	8,554	7,331	5,545	4,425	10.6	3.8	(10.4)
New York (Kennedy)	4,315	804	1,228	1,436	1,655	1,304	1,388	(34.3)	15.6	(0.6)
Las Vegas	190	1,482	2,012	1,111	772	81	--	67.2	(6.9)	(100.0)
St. Louis	4,003	6,137	6,054	4,466	779	903	1,140	11.3	(7.6)	(20.4)
San Juan, Puerto Rico	5,033	3,893	3,764	3,598	2,459	1,651	--	(6.2)	(1.9)	(100.0)
Pittsburgh	6,522	10,162	5,766	3,213	2,180	2,264	2,332	11.7	(25.0)	(5.2)
San José, California	--	1,073	1,167	803	257	357	292	--	(7.0)	(15.5)

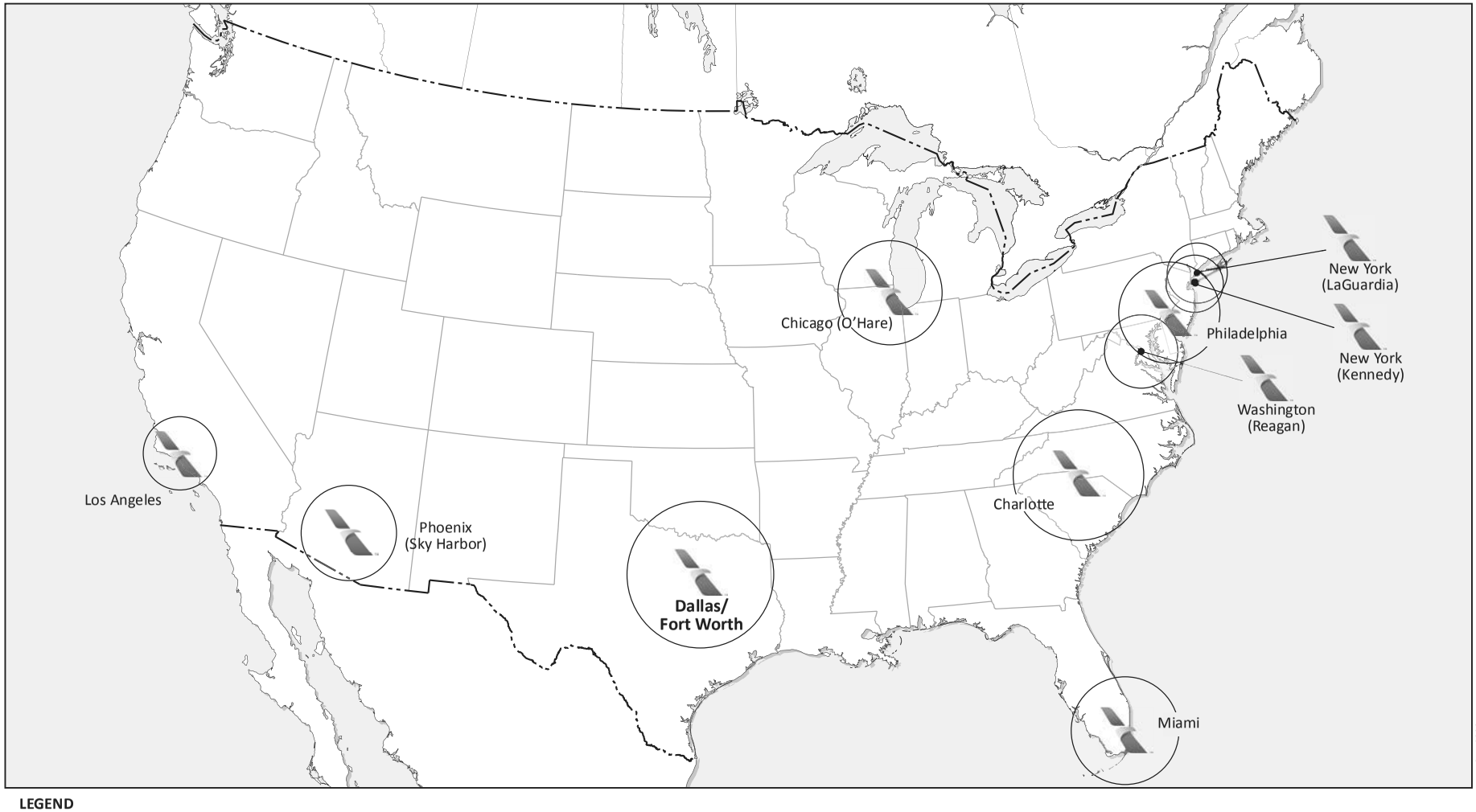
Table 11 *(page 3 of 3)*

AMERICAN AND US AIRWAYS SERVICE AT THEIR PRINCIPAL AIRPORTS

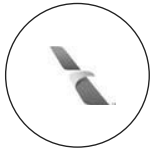
City (airport)	July 2000	2004	2006	2008	2010	2012	2014	Average annual percent increase (decrease) 2000-2004	2004-2008	2008-2014
	Daily scheduled aircraft departures: All American and US Airways operations									
Dallas/Fort Worth	**795**	**722**	**807**	**801**	**773**	**759**	**804**	**(2.4)%**	**2.7%**	**0.1%**
Charlotte	489	487	543	606	618	653	667	(0.1)	5.6	1.6
Miami	315	256	259	264	293	309	335	(5.1)	0.9	4.0
Chicago (O'Hare)	526	561	529	526	491	491	496	1.6	(1.6)	(1.0)
Philadelphia	436	437	470	470	464	468	464	0.0	1.9	(0.2)
Phoenix (Sky Harbor)	348	330	338	313	283	302	298	(1.3)	(1.4)	(0.8)
Washington (Reagan)	225	220	235	243	240	262	279	(0.5)	2.5	2.3
Los Angeles (International)	253	204	186	161	146	173	185	(5.3)	(5.7)	2.3
New York (LaGuardia)	288	304	302	300	247	177	158	1.4	(0.3)	(10.2)
New York (Kennedy)	240	112	105	104	104	95	99	(17.4)	(1.8)	(0.7)
Las Vegas	123	151	167	129	58	46	44	5.2	(3.8)	(16.4)
St. Louis	482	211	203	150	48	45	46	(18.6)	(8.3)	(17.9)
San Juan, Puerto Rico	171	121	113	99	69	45	20	(8.2)	(4.8)	(23.6)
Pittsburgh	508	364	173	80	53	55	58	(8.0)	(31.6)	(5.2)
San José, California	73	60	50	39	19	19	17	(4.9)	(10.3)	(12.6)
	Daily scheduled departing seats: All American and US Airways operations									
Dallas/Fort Worth	**82,836**	**82,251**	**90,192**	**87,973**	**86,523**	**84,700**	**90,108**	**(0.2)%**	**1.7%**	**0.4%**
Charlotte	48,741	46,553	49,787	56,223	61,074	64,355	71,660	(1.1)	4.8	4.1
Miami	38,367	40,381	40,752	42,182	43,920	45,276	48,169	1.3	1.1	2.2
Chicago (O'Hare)	55,868	55,433	52,570	50,440	45,016	43,317	44,732	(0.2)	(2.3)	(2.0)
Philadelphia	43,565	43,115	42,732	41,477	42,457	43,286	42,949	(0.3)	(1.0)	0.6
Phoenix (Sky Harbor)	39,889	37,037	38,685	35,806	33,463	35,561	37,565	(1.8)	(0.8)	0.8
Washington (Reagan)	21,136	18,174	20,885	20,795	20,721	21,784	22,682	(3.7)	3.4	1.5
Los Angeles (International)	29,737	24,338	22,052	20,097	19,052	21,706	22,669	(4.9)	(4.7)	2.0
New York (LaGuardia)	26,361	22,864	21,937	21,975	18,272	16,127	15,176	(3.5)	(1.0)	(6.0)
New York (Kennedy)	23,967	18,997	16,672	15,385	14,419	14,512	13,419	(5.6)	(5.1)	(2.3)
Las Vegas	17,164	21,510	21,766	17,034	7,839	6,771	6,865	5.8	(5.7)	(14.1)
St. Louis	56,779	13,795	14,694	12,674	5,837	5,420	5,014	(29.8)	(2.1)	(14.3)
San Juan, Puerto Rico	16,409	15,828	14,915	12,544	7,595	5,554	3,363	(0.9)	(5.6)	(19.7)
Pittsburgh	42,105	25,874	11,578	6,221	4,552	4,629	4,953	(11.5)	(30.0)	(3.7)
San José, California	10,240	6,415	4,507	3,678	1,985	1,968	1,927	(11.0)	(13.0)	(10.2)

Note: Airports shown are the 10 busiest U.S. airports, as ranked by departing seats on American, US Airways, and their regional affiliates for July 2014, plus San Juan, St. Louis, and San José, formerly hubs for American, and Las Vegas and Pittsburgh, formerly hubs for US Airways.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.



LEGEND



= 50,000 average daily departing seats

Note: The area of the circle for each airport is proportional to the number of scheduled seats on all departing flights at that airport in July 2014. Airports shown are the 10 busiest system airports for American and US Airways combined as ranked by scheduled departing seats on domestic and international flights of American, American Eagle, US Airways, and US Airways Express in July 2014. See Table 11.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

Figure 7

SEAT CAPACITY PROVIDED BY AMERICAN AT ITS PRINCIPAL SYSTEM AIRPORTS

For July 2014, an average daily total of 90,108 seats on 804 departing flights are scheduled from the Airport by American and its affiliates. In the combined American-US Airways system, the number of seats scheduled by American, US Airways, and their affiliates from the Airport for July 2014 is 1.3 times the number of seats scheduled by the airlines from Charlotte; 1.9 times the number scheduled from Miami; and more than twice the number of seats scheduled from the next busiest hubs at Chicago O'Hare, Philadelphia, and Phoenix Sky Harbor.

With the 1999 acquisition of Reno Air, American increased its service in the West and adding a hub at San José. With the 2001 acquisition of Trans World, American added a hub at St. Louis and increased its presence at the New York area airports. American has since closed its San José and St. Louis hubs and reduced service at New York Kennedy. American has also reduced service at Chicago O'Hare.

In the 2005 merger between America West and US Airways, America West hubs at Las Vegas and Phoenix were added to US Airways hubs at Charlotte and Philadelphia. US Airways also had large operations at Boston, New York LaGuardia, Pittsburgh, and Washington Reagan. US Airways subsequently reduced service at Boston, Las Vegas, and New York LaGuardia, and closed the Pittsburgh hub. US Airways service at Reagan increased following a 2012 transaction with Delta in which US Airways relinquished landing-takeoff slots and facilities at LaGuardia in return for landing-takeoff slots at Reagan.

Aircraft Fleet. As of September 2013, American operated a fleet of 620 mainline aircraft – 221 B-737, 92 B-757, 70 B-767, 56 B-777, and 171 MD-80 – a reduction from 904 aircraft in the combined American-Trans World fleet in June 2001. The American Eagle airlines operated an additional 278 aircraft (ATR 72, CRJ 200, CRJ 700, ERJ 135, ERJ 140, ERJ 145, and E-175). US Airways operated a fleet of 344 mainline aircraft – 253 A320, 19 A330, 18 B-737, 24 B-757, 10 B-767, and 20 E-190. US Airways Express operated an additional 281 aircraft (DH-8, CRJ 200, CRJ 700, CRJ 900, E-170, and E-175).

In July 2011, American announced the largest aircraft order in aviation history as part of its strategy to modernize its fleet with more fuel-efficient aircraft. The firm order for 460 narrowbody aircraft to be delivered between 2013 and 2022 consists of 100 current-generation B-737, 100 next-generation B-737-MAX, 130 current-generation A320, and 130 next-generation A320-NEO aircraft. American intends to use the aircraft to replace MD-80, B-757, B-767-200, and older B-737 aircraft. The new aircraft will give American the flexibility to choose between variants of the B-737 and A320 to provide seating capacities ranging between 120 and 180 seats. American expects the new aircraft to be up to 35% more fuel efficient on a per-seat basis than the aircraft they are replacing. In addition to the 2011 narrowbody aircraft order, American has purchase commitments for 13 B-777-300 aircraft to be delivered in 2013 and 2014; 5 B-777-200 aircraft to be delivered between 2014 and 2016; and 42 B-787 aircraft to be delivered beginning in 2014.

In January 2013, American announced a 12-year agreement with Republic Airways to operate up to 100 E-175 aircraft as American Eagle. The aircraft seat 76 passengers in a two-cabin configuration and are the largest aircraft in the American Eagle fleet. The acquisition is part of American's strategy to better match aircraft size with market demand and was effected by the terms of the new pilot agreement as described in the later section "AMR Restructuring and Merger with US Airways." As of September 2013, Republic also operated 58 E-170 and E-175 aircraft for US Airways Express.

Oneworld and Other Alliances. American has increased the reach of its network through alliances and code-sharing agreements. American is a member of the Oneworld alliance, which includes Air Berlin, British Airways, Cathay Pacific Airways, Finnair, Iberia Airlines of Spain, Japan Airlines, LAN Airlines, Malaysia Airlines, TAM Airlines, Qantas Airways, Qatar Airways, Royal Jordanian Airlines, and S7 Airlines and their affiliates. Oneworld member airlines exchange passengers with one another on preferential terms and frequently code-share. As scheduled for July 2014, British Airways will provide nonstop service from the Airport to its London Heathrow hub, Qantas Airways to Brisbane, and Qatar Airways to its Doha hub. American provides nonstop service to Oneworld hub airports in Buenos Aires, Lima, Madrid, Santiago, and Tokyo. The Airport ranks as the third busiest Oneworld U.S. gateway, after Miami and New York Kennedy.

In July 2010, the U.S. Department of Transportation (DOT) granted antitrust immunity to American, British Airways, Finnair, Iberia, and Royal Jordanian, thereby permitting the airlines to coordinate transatlantic service, capacity, and airfares. In October 2010, American, British Airways, and Iberia agreed to the terms of a joint business agreement whereby revenues and costs will be shared on certain transatlantic routes. In November 2010, American received antitrust immunity for a similar transpacific joint business agreement with Japan Airlines.

As of March 2014, American also maintains code-sharing agreements and other commercial relationships with various airlines, including Alaska Airlines, which has served the Airport since September 2005, JetBlue Airways, which has served the Airport since May 2012, and WestJet, which has served the Airport since April 2013.

AMR Restructuring and Merger with US Airways

After reporting losses in 2001 through 2005, AMR reported net profits in 2006 and 2007 as average fares increased and growth in domestic capacity was contained. As discussed in the later section, "Key Factors Affecting Future Airline Traffic," high fuel prices precipitated a profitability crisis in the U.S. airline industry in the summer of 2008. The crisis led most U.S. airlines, including American, to reduce domestic capacity in the second half of 2008. Although fuel prices decreased in late 2008, airlines continued to reduce capacity as a result of the global economic recession and decreased passenger demand. American reduced its seat-mile capacity by 3.8% in 2008 and by a further 7.2% in 2009.

Restructuring in Bankruptcy. In October 2009, AMR announced its "FlightPlan 2020" strategy to achieve profitability. Key components of this strategy were emphasizing service from its "cornerstone" markets of Chicago, Dallas/Fort Worth, Los Angeles, Miami, and New York while closing its St. Louis hub and decreasing nonhub flights; pursuing joint venture and other commercial agreements with partner airlines, such as British Airways and Japan Airlines; and reducing its unit costs by replacing MD-80 aircraft with more fuel-efficient B-737 aircraft. While the FlightPlan 2020 strategy provided operational benefits, it did not adequately address structural deficiencies impeding American's ability to compete, and in November 2011, AMR filed for Chapter 11 bankruptcy protection, citing a need to reduce labor and other costs. In January 2012, US Airways announced that it had hired consultants to advise on a potential merger with American. In February 2012, AMR presented a restructuring plan for a standalone airline that envisioned annual cost reductions of $2 billion from restructuring debt and leases, grounding inefficient aircraft, improving supplier contracts, and reducing employee costs. The plan also envisioned annual revenue improvements of $1 billion from increased flying, to be made possible by the relaxation of work rules and scope provisions, fleet renewal and optimization, and service improvements.

Following unsuccessful negotiations between American and its nine employee workgroups, in March 2012, AMR filed a motion with the bankruptcy court seeking to reject all of its collective bargaining agreements. In April 2012, US Airways and all three unions representing American employees announced an agreement on terms for collective bargaining agreements in the event of an American-US Airways merger. The proposed merger had also gained the backing of creditors, and in August 2012, American and US Airways announced a nondisclosure agreement to share information related to a possible merger. In September 2012, the bankruptcy court approved American's request to reject its collective bargaining agreements, and by December 2012, all nine workgroups had approved new collective bargaining agreements with American. As well as providing for reduced employee benefit costs and increased productivity, these agreements allow American to increase the outsourcing of flying to the American Eagle airlines and to participate in domestic code-sharing. In January 2013, American announced a new corporate identity including a new logo and aircraft livery and other marketing initiatives and service enhancements.

American-US Airways Merger. In February 2013, American and US Airways announced an agreement under which the two airlines would combine in an all-stock transaction to form the world's largest airline as measured by seat-mile capacity. The merger was subject to approval by, among others, the bankruptcy court (through its approval of the reorganization plan) and the U.S. Department of Justice (through its review under the Hart-Scott-Rodino Antitrust Improvements Act).

In August 2013, the Department of Justice filed a lawsuit seeking to block the merger on the grounds that it would reduce competition and lead to higher airfares. A

settlement of the lawsuit was announced in November 2013. Under the settlement agreement, American will divest 52 pairs of landing-takeoff slots and five gates at Washington Reagan, 17 pairs of slots and two gates at New York LaGuardia, and two gates and associated airport facilities at Boston Logan, Chicago O'Hare, Dallas Love, Los Angeles, and Miami. Also as part of the settlement, the combined airline agreed to maintain hubs at Charlotte, Chicago O'Hare, New York Kennedy, Los Angeles, Miami, Philadelphia, and Phoenix for a period of three years "generally consistent with its historical operations." (The DFW hub was not mentioned in the settlement because the State of Texas withdrew as a plaintiff in the lawsuit.) The settlement agreement paved the way for American to emerge from bankruptcy and complete the merger with US Airways in December 2013. The integration of the airline under a single operating certificate is expected to be completed by the end of 2015.

The combined airline is named American, is headquartered in Fort Worth, and accounts for 24.7% of U.S. seat-mile capacity and 6.0% of worldwide airline seat-mile capacity (based on 2013 scheduled seat-mile capacity). The combined airline is a member of the Oneworld alliance (US Airways was formerly a member of the Star Alliance).

The merger creates a new holding company, the American Airlines Group, to replace AMR Corporation and US Airways Group. US Airways stockholders own 28% of the new holding company and American creditors and employees own the remaining 72%. Most senior management positions at the airline are held by ex-US Airways Group managers The board of the new holding company consists of three AMR representatives, four US Airways Group representatives, and five AMR creditor representatives. The new holding company also owns regional affiliate airlines Envoy, Executive, Piedmont, and PSA.

The merger announcement advertised the following air service features and benefits of the combination:

- Enhanced ability to compete with other global airlines, particularly United and Delta
- Improved financial performance through approximately $1.0 billion in synergies from increased revenues and decreased expenses
- Preservation of service to all destinations and continued operation of hubs at Charlotte, Chicago O'Hare, Dallas/Fort Worth, Los Angeles, Miami, New York Kennedy, Philadelphia, and Phoenix
- Increased choices and service for American corporate account holders and frequent flyers
- Enhanced employee compensation and benefits

Of the approximate $1.0 billion in expected synergies in 2015, $900 million are estimated to be in revenue benefits from a more extensive network, which makes the airline more attractive to corporate travel buyers and frequent flyers, and from a diverse fleet, which allows capacity to be better matched to demand route-by-route. One-time costs to combine operations are estimated to be approximately $1.2 billion over three years.

Unlike the earlier Delta-Northwest and United-Continental mergers, the rationale for the American-US Airways merger did not center on a more extensive international network. Of the 62 airports served by US Airways but not served by American, only 13 are outside of the United States, and all but one (Tel Aviv) are in Canada, Europe, or Latin America, regions both served by American. By contrast, Northwest added 18 international airports to Delta's route system, mostly in Asia where Delta's route system was weak, and Continental added 63 international airports to United's route system, mostly in Latin America, where United's route system was weak.

Analysts cite weakness in the combined American-US Airways network in Asia, where, in July 2014, American is scheduled to serve 4 airports, compared with 14 airports for Delta and 20 airports for United. American expects closer relationships with Oneworld partner airlines, in particular its joint business agreement with Japan Airlines, to counteract this weakness.

Airport's Role as an Air Cargo Hub

Table 12 presents data on the tonnage of cargo enplaned and deplaned at the busiest U.S. airports. In 2012, the Airport ranked eleventh among U.S. airports in terms of total air cargo tonnage. In common with most U.S. airports, the Airport has seen reduced air cargo activity. The cargo tonnage enplaned and deplaned at the Airport in 2012 was 33% less than in 2000. The Airport is one of five regional hubs for integrated cargo operator UPS Air Cargo. According to UPS, it operates a 49,000-square foot freight facility and a 323,000-square-foot sort facility with the capacity to sort 46,000 packages per hour. The airline operates an average of 8 daily flight departures per weekday from the Airport. In addition to UPS Air Cargo, as of December 2013, 14 other all-cargo airlines provided service at the Airport, as shown in the later Table 15.

Competition with Dallas Love Field

Dallas Love Field is the only other airport in the Dallas-Fort Worth-Arlington MSA that provides scheduled passenger airline service. Love Field is owned and operated by the City of Dallas and is located on 1,300 acres approximately 5 miles from downtown Dallas and 12 miles from the Airport. Love Field has two air carrier runways and its passenger terminal has 20 aircraft gates in use. Love Field also accommodates extensive general and business aviation activities.

Table 12
AIR CARGO AT BUSIEST U.S. AIRPORTS
Calendar Years

Rank 2012	City (airport)	Total cargo (metric tons in thousands) 2000	2004	2006	2008	2010	2012	Average annual percent increase (decrease) 2000-2008	2008-2012
1	Memphis	2,489	3,555	3,692	3,695	3,916	4,016	5.1%	2.1%
2	Anchorage	1,804	2,253	2,691	2,347	2,543	2,450	3.3	1.1
3	Louisville	1,520	1,739	1,983	1,975	2,188	2,168	3.3	2.4
4	Miami	1,643	1,779	1,831	1,807	1,842	1,930	1.2	1.7
5	Los Angeles	2,039	1,914	1,907	1,629	1,696	1,772	(2.8)	2.1
6	New York (Kennedy)	1,818	1,706	1,636	1,452	1,344	1,283	(2.8)	(3.0)
7	Chicago (O'Hare)	1,469	1,475	1,558	1,264	1,377	1,254	(1.9)	(0.2)
8	Indianapolis	1,165	932	987	1,040	1,013	989	(1.4)	(1.2)
9	Newark	1,082	985	975	887	856	744	(2.5)	(4.3)
10	Atlanta	894	862	747	655	659	646	(3.8)	(0.3)
11	**Dallas/Fort Worth**	**905**	**742**	**758**	**653**	**645**	**603**	**(4.0)**	**(2.0)**
12	Cincinnati	391	413	43	36	371	539	(25.7)	96.3
13	Oakland	685	645	668	622	511	481	(1.2)	(6.2)
14	Houston (Bush)	368	401	409	412	423	438	1.4	1.5
15	Ontario	464	549	494	437	356	413	(0.8)	(1.4)
16	Honolulu	441	435	444	411	441	412	(0.9)	0.1
17	Philadelphia	559	571	532	507	420	389	(1.2)	(6.4)
18	San Francisco	870	563	595	492	427	381	(6.9)	(6.2)
19	Seattle-Tacoma	457	347	342	291	283	284	(5.5)	(0.6)
20	Phoenix (Sky Harbor)	375	302	287	250	251	274	(4.9)	2.2
21	Washington (Dulles)	384	308	351	334	332	268	(1.7)	(5.4)
22	Boston	475	366	325	282	260	248	(6.3)	(3.1)
23	Denver	472	317	282	251	252	237	(7.6)	(1.5)
24	Detroit	298	222	214	211	193	219	(4.2)	0.9
25	Portland, Oregon	282	252	284	221	190	199	(3.0)	(2.6)
26	Minneapolis-Saint Paul	370	300	275	233	212	199	(5.6)	(3.9)
27	Orlando (International)	271	204	198	160	136	173	(6.4)	2.0
28	Salt Lake City	257	212	181	161	145	167	(5.7)	1.0
29	San Diego	153	138	189	123	115	141	(2.7)	3.4
30	Charlotte	185	122	148	115	122	127	(5.8)	2.6
	Average for airports listed							(0.9)%	0.5%

Notes: Airports shown are the 30 busiest U.S. airports, measured by total cargo tonnage (enplaned plus deplaned freight and mail) in 2012.

Calculated percentages may not match those shown because of rounding.

Source: Airports Council International.

According to schedules published by OAG Aviation Worldwide, 16,820 average daily departing seats are scheduled from Love Field for the second quarter of 2014, 97% of them on Southwest Airlines. Service is provided by Southwest (16,270 seats on 118 flights to 18 airports), United Express (310 seats on 6 flights to Houston Bush), Delta Connection (220 seats on 5 flights to Atlanta), and SeaPort Airlines (20 seats on 2 flights to El Dorado, Arkansas). Since 1998, Love Field has also been served at times by American, American Eagle, and Legend Airlines (now defunct).

Airline service from Love Field using aircraft with more than 56 seats is restricted by federal legislation. The Wright Amendment (1979) prohibited such nonstop service from Love Field to airports other than those in the bordering states of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. The Shelby Amendment (1997) added airports in Alabama, Kansas, and Mississippi to those permitted to receive nonstop service. In December 2005, the number of permitted airports was further expanded to include those in Missouri. These federal statutory limitations (referred to collectively in this report as the Wright Amendment) have had the intended effect that most airline service from Love Field meets short-haul regional travel demand and does not compete directly with medium-haul and long-haul flights from the Airport. Between the mid-1980s and 2006, Love Field accounted for between 9% and 11% of the combined number of passengers enplaned at Love Field and the Airport.

In November 2004, Southwest began public lobbying to repeal the Wright Amendment, arguing that it was anticompetitive. After much controversy and negotiation, in June 2006, the cities of Dallas and Fort Worth, the Dallas/Fort Worth International Airport Board, American, and Southwest reached agreement (documented in the Five Party Agreement) to repeal fully the Wright Amendment by 2014. As provided by the Five Party Agreement:

- Through-ticketing (i.e., issuance of a ticket for travel involving a change of flights at a permitted airport) is allowed for all domestic flights from Love Field.

- Nonstop flights from Love Field to international destinations are not permitted.

- The number of gates at Love Field is capped at 20, with Southwest having preferential-use rights to 16 gates and American and United each having rights to 2 gates; other gate facilities have been decommissioned or demolished. As discussed in the earlier section, "American-US Airways Merger," as part of the settlement with the Department of Justice, American is required to relinquish its two gates. An agreement whereby American will sublease the two gates to Virgin America has been approved by the Department of Justice and is awaiting approval by the City of Dallas.

- A voluntary curfew on aircraft operations between 11 p.m. and 6 a.m. applies at Love Field.

- The cities of Dallas and Fort Worth agree to oppose passenger service at airports within an 80-mile radius of Love Field other than the Airport (including Alliance and Meacham International airports, both operated by the City of Fort Worth). Southwest and American would be required to relinquish gates at Love Field should they or their affiliates or codeshare partners add service at any such airport.

- Southwest would be required to relinquish gates at Love Field if it or an affiliate or codeshare partner were to serve the Airport.

These provisions were enacted into law in October 2006 in the Wright Amendment Reform Act (Reform Act). Pursuant to the Reform Act, all restrictions on domestic airline service from Love Field will expire in October 2014. Southwest, American, and United have since executed use and lease agreements for Love Field with the City of Dallas, all with expiration dates in 2028.

Southwest began through-ticketing on flights from Love Field in October 2006. In December 2006, Southwest adjusted its schedules to provide direct flights (one stop, with no change of plane and minimized ground time at the intermediate airport) and convenient connecting flights in permitted states. As shown in the later Table 18, Love Field's share of the combined number of passengers enplaned at Love Field and the Airport increased from 9.7% in FY 2006, before the Reform Act was passed, to 12.3% in FY 2008, as Southwest increased service and Love Field captured a higher share of originating passengers in the Dallas-Fort Worth market.

As required by the Reform Act, the City of Dallas is implementing a terminal modernization plan for Love Field, which provides for expansion of the landside terminal building and construction of a 20-gate concourse to replace the existing concourses. Each gate accommodates standard narrowbody aircraft (such as the B-737). The terminal and concourse have a nominal design capacity of 8 million enplaned passengers, approximately twice the number enplaned at Love Field in 2013. The modernization plan is scheduled to be completed before October 2014, when the Wright Amendment restrictions expire.

In February 2014, Southwest announced that it will begin nonstop service from Love Field to 15 destinations not now permitted under the Wright Amendment restrictions effective October and November 2014. All 15 are among the top 25 destinations listed in the later Table 17. Service will be continued to all 16 destinations now served nonstop, but some of these will have reduced numbers of flights. Although Southwest has not yet published flight schedules to the 31 destinations, the airline has stated that it expects that approximately 140 departures per day will be operated initially, approximately 20 more than currently operated.

Competition with Fort Worth Alliance Airport

Fort Worth Alliance Airport, located 17 miles north of downtown Fort Worth and 16 miles northwest of the Airport, has two air carrier runways serving general

aviation, all-cargo, and aircraft maintenance operations. The airport is privately managed on behalf of the owner, the City of Fort Worth.

Alliance is part of a large mixed-use development and, among other aviation and aerospace businesses, accommodates FedEx's southwest regional hub. FedEx operates approximately 15 flight departures per weekday from its 600,000-square-foot facility at Alliance. Until December 2012, Alliance also accommodated a major American Airlines maintenance and engineering center, which was closed as part of the airline's bankruptcy restructuring.

Alliance opened in 1989 and began reporting significant amounts of air cargo tonnage in 1997, when FedEx opened its hub. According to the U.S. Department of Transportation, Bureau of Transportation Statistics, more than five times as much cargo tonnage was enplaned at the Airport than at Alliance in 2012. Alliance is not certified by the FAA for scheduled passenger airline service. As noted in the earlier discussion of the Reform Act, the City of Fort Worth has agreed that it will not promote passenger airline service at Alliance.

Competition with Fort Worth Meacham International Airport

Fort Worth Meacham International Airport is a general aviation airport, owned and operated by the City of Fort Worth, located 5 miles north of downtown Fort Worth. Meacham has not been served by scheduled passenger airlines since 1998 and is not certified by the FAA to accommodate scheduled passenger airline service (although it may accommodate unscheduled service). As noted in the earlier discussion of the Reform Act, the City of Fort Worth has agreed that it will not promote passenger airline service at Meacham.

HISTORICAL AIRLINE TRAFFIC

Enplaned Passengers

Table 13 presents historical data on numbers of domestic and international enplaned passengers at the Airport. Between FY 1990 and FY 2000, the number of enplaned passengers at the Airport increased an average of 2.3% per year compared with an average increase of 3.8% per year for the United States as a whole.

Between FY 2000 and FY 2002, the number of enplaned passengers at the Airport decreased 15.5% as a result of the decline in airline travel following the September 11, 2001, attacks and reduced airline service. With the return of passenger confidence in the security of airline travel and the widespread availability of low fares, traffic growth returned. Between FY 2002 and FY 2004, enplaned passenger numbers at the Airport increased an average of 6.5% per year, compared with 8.4% per year for the nation as a whole.

Table 13

HISTORICAL DOMESTIC AND INTERNATIONAL ENPLANED PASSENGERS

Dallas/Fort Worth International Airport

Fiscal Years ended September 30

Fiscal Year	Passengers (thousands)			Percent international	Annual percent increase (decrease)		
	Domestic	International	Total		Domestic	International	Total
1990	22,957	1,368	24,325	5.6%			
1991	22,826	1,306	24,132	5.4	(0.6)%	(4.5)%	(0.8)%
1992	24,343	1,378	25,721	5.4	6.6	5.5	6.6
1993	23,738	1,452	25,190	5.8	(2.5)	5.4	(2.1)
1994	24,191	1,541	25,732	6.0	1.9	6.1	2.2
1995	25,300	1,655	26,955	6.1	4.6	7.4	4.8
1996	25,754	1,733	27,487	6.3	1.8	4.7	2.0
1997	26,426	1,892	28,318	6.7	2.6	9.2	3.0
1998	26,334	2,116	28,450	7.4	(0.3)	11.8	0.5
1999	26,245	1,824	28,069	6.5	(0.3)	(13.8)	(1.3)
2000	28,218	2,371	30,589	7.8	7.5	30.0	9.0
2001	26,447	2,433	28,880	8.4	(6.3)	2.6	(5.6)
2002	23,658	2,182	25,840	8.4	(10.5)	(10.3)	(10.5)
2003	24,038	2,191	26,230	8.4	1.6	0.4	1.5
2004	26,790	2,516	29,305	8.6	11.4	14.8	11.7
2005	26,736	2,777	29,514	9.4	(0.2)	10.4	0.7
2006	27,308	2,840	30,149	9.4	2.1	2.3	2.2
2007	27,092	2,760	29,852	9.2	(0.8)	(2.8)	(1.0)
2008	26,322	2,716	29,038	9.4	(2.8)	(1.6)	(2.7)
2009	25,430	2,516	27,946	9.0	(3.4)	(7.4)	(3.8)
2010	25,526	2,662	28,188	9.4	0.4	5.8	0.9
2011	26,097	2,769	28,867	9.6	2.2	4.0	2.4
2012	26,204	2,956	29,160	10.1	0.4	6.8	1.0
2013	26,835	3,292	30,128	10.9	2.4	11.4	3.3
First 3 months (October-December)							
2013	6,532	772	7,305	10.6%			
2014	6,551	798	7,348	10.9	0.3%	3.3%	0.6%

Notes: The international-domestic split for FY 1990 through FY 1998 was estimated using the U.S. Department of Transportation T100 database.

Prior to FY 2000, enplaned passenger numbers exclude nonrevenue passengers, which, since FY 2000, have typically accounted for less than 2% of the total.

Rows may not add to totals shown and calculated percentages may not match those shown because of rounding.

Sources: Dallas/Fort Worth International Airport records, except as noted.

Notwithstanding Delta's closure of its connecting hub at the Airport in January 2005, enplaned passenger numbers increased an average of 1.4% per year between FY 2004 and FY 2006 (compared with an increase of 3.2% per year for the nation), as American and other airlines replaced service withdrawn by Delta and load factors increased.

Between FY 2006 and FY 2009, enplaned passenger numbers at the Airport decreased an average of 2.5% per year as a result of American and other airlines reducing seat capacity in response to the contraction of demand during the 2008-2009 recession and increased operating expenses. Between FY 2006 and FY 2009, enplaned passenger numbers decreased an average of 1.7% per year for the nation as a whole. With the resumption of economic growth, enplaned passenger numbers at the Airport increased an average of 1.9% per year between FY 2009 and FY 2013, compared with an average of 1.2% per year for the nation. The Airport accounted for an estimated 3.8% of passengers enplaned at all U.S. airports in FY 2013, a decrease from 4.4% in FY 2000.

Between FY 1990 and FY 2000, the number of passengers enplaning on international flights increased an average of 5.7% per year as international travel demand to and from the MSA grew and American and foreign-flag airlines increased service. During the decade, the number of domestic enplaned passengers at the Airport increased an average of 2.1% per year.

Between FY 2000 and FY 2009, international enplaned passenger numbers increased an average of 0.7% per year, while domestic enplaned passenger numbers decreased an average of 1.1% per year. Between FY 2009 and FY 2013, international enplaned passenger numbers increased an average of 7.0% per year, largely as a result of increased international service by American and new international service by Qantas Airways and Emirates Airlines, while domestic enplaned passenger numbers increased an average of 1.4% per year. In FY 2013, international passengers accounted for 10.9% of all passengers enplaned at the Airport, an increase from 5.6% in FY 1990.

Originating and Connecting Passengers

Table 14 presents historical data on originating and connecting passengers at the Airport. Between FY 1990 and FY 2000, the number of passengers originating their air journeys at the Airport increased an average of 4.3% per year, higher than the average increase for connecting passengers (1.2% per year). In FY 2000, originating passengers accounted for an estimated 40.4% of all enplaned passengers.

Between FY 2004 and FY 2007, originating passenger numbers grew strongly as American competed with Southwest service from Love Field by lowering fares in certain markets from the Airport. During this period, originating passenger numbers increased an average of 4.3% per year while connecting passenger numbers decreased an average of 1.9% per year. In FY 2007, the peak historical year for originating passenger numbers at the Airport, originating passengers accounted for an estimated 43.4% of all enplaned passengers.

Table 14

HISTORICAL ORIGINATING AND CONNECTING PASSENGERS

Dallas/Fort Worth International Airport

Fiscal Years ended September 30

Fiscal Year	Enplaned passengers (in thousands)			Annual percent increase (decrease)			Percent	Percent
	Originating	Connecting	Total	Originating	Connecting	Total	Originating	Connecting
1990	8,100	16,225	24,325				33.3%	66.7%
1991	8,000	16,132	24,132	(1.2)%	(0.6)%	(0.8)%	33.2	66.8
1992	8,600	17,121	25,721	7.5	6.1	6.6	33.4	66.6
1993	8,400	16,790	25,190	(2.3)	(1.9)	(2.1)	33.3	66.7
1994	8,600	17,132	25,732	2.4	2.0	2.2	33.4	66.6
1995	9,400	17,555	26,955	9.3	2.5	4.8	34.9	65.1
1996	9,900	17,587	27,487	5.3	0.2	2.0	36.0	64.0
1997	10,300	18,018	28,318	4.0	2.5	3.0	36.4	63.6
1998	10,900	17,550	28,450	5.8	(2.6)	0.5	38.3	61.7
1999	11,000	17,069	28,069	0.9	(2.7)	(1.3)	39.2	60.8
2000	12,360	18,229	30,589	12.4	6.8	9.0	40.4	59.6
2001	11,680	17,200	28,880	(5.5)	(5.6)	(5.6)	40.4	59.6
2002	10,410	15,430	25,840	(10.9)	(10.3)	(10.5)	40.3	59.7
2003	10,460	15,770	26,230	0.5	2.2	1.5	39.9	60.1
2004	11,420	17,885	29,305	9.2	13.4	11.7	39.0	61.0
2005	12,150	17,364	29,514	6.4	(2.9)	0.7	41.2	58.8
2006	12,590	17,559	30,149	3.6	1.1	2.2	41.8	58.2
2007	12,950	16,902	29,852	2.9	(3.7)	(1.0)	43.4	56.6
2008	12,530	16,508	29,038	(3.2)	(2.3)	(2.7)	43.2	56.8
2009	11,360	16,586	27,946	(9.3)	0.5	(3.8)	40.6	59.4
2010	11,490	16,698	28,188	1.1	0.7	0.9	40.8	59.2
2011	12,110	16,757	28,867	5.4	0.4	2.4	42.0	58.0
2012	12,270	16,890	29,160	1.3	0.8	1.0	42.1	57.9
2013	12,600	17,528	30,128	2.7	3.8	3.3	41.8	58.2

Note: Prior to FY 2000, enplaned passenger numbers exclude nonrevenue passengers, which since FY 2000 have typically accounted for less than 2% of the total.

Calculated percentages may not match those shown because of rounding.

Sources: Enplaned passengers: Dallas/Fort Worth International Airport records.
Originating passengers: LeighFisher estimates based on U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic and International,* Databank 1B and T100 databases, accessed February 2014.

Between FY 2007 and FY 2009, originating passenger numbers decreased as a result of the recession and decreased airline aircraft seat capacity. Over the 2 years, originating passenger numbers decreased an average of 6.3% per year, while connecting passenger numbers decreased an average of 0.9% per year. With the resumption of economic growth, between FY 2009 and FY 2013, originating passenger numbers increased an average of 2.6% per year, while connecting passenger numbers increased an average of 1.4% per year. In FY 2013, originating passengers accounted for an estimated 41.8% of enplaned passengers at the Airport.

Airline Aircraft Departures and Fleet Mix

Between FY 2000 and FY 2006, the average number of daily scheduled departing flights at the Airport decreased at a faster average annual rate (-3.0%) than the number of passengers (-0.2%). Over the 6-year period, the average seating capacity of airline aircraft serving the Airport and passenger load factors both gradually increased. The average number of passengers per departure increased from 76.0 in FY 2000 to 90.4 in FY 2006. By FY 2013, the regional aircraft share of departures had increased to 37.6%, and the average number of passengers per departure was 92.0.

Airline Competition and Market Shares

Table 15 lists the airlines providing service at the Airport as scheduled for July 2014. All of the mainline U.S. airlines except Southwest serve the Airport. AirTran stopped service at the Airport in November 2011 following its acquisition by Southwest. Virgin America began domestic service at the Airport in December 2010; Spirit began domestic service in May 2011; and JetBlue began domestic service in May 2012. Recent new international service at the Airport is provided by Qantas, a Oneworld alliance member, (to Brisbane, May 2011), Emirates (to Dubai, February 2012), and WestJet with which American has code-sharing and other marketing relationships (to Calgary, April 2013).

Airline Shares of Enplaned Passengers. Table 16 presents historical data on airline shares of enplaned passengers at the Airport. Figure 8 presents a comparison of airline shares of enplaned passengers at the Airport in FY 1993, the peak market-share year for Delta and Delta Connection, and FY 2013. As shown, the combined share of passengers enplaned on the flights of American, American Eagle, US Airways, and US Airways Express (domestic and international) increased from 65.0% in FY 1993 to 85.5% in FY 2013. The combined share for Delta, Delta Connection, and Northwest (which merged with Delta in October 2008) decreased from 30.9% in FY 1993 to 3.8% in FY 2013

Airline Shares of Originating Passengers. Figure 9 presents a comparison of airline shares of originating passengers at the Airport in FY 1993 and FY 2013. The combined share of originating passengers enplaned on the flights of American, American Eagle, US Airways, and US Airways Express (domestic and international) increased from 64.7% in FY 1993 to 66.0% in FY 2013. The combined share for Delta, Delta Connection, and Northwest decreased from 26.5% in FY 1993 to 7.6% in FY 2013.

Table 15
AIRLINES SERVING THE AIRPORT
Dallas/Fort Worth International Airport
July 2014

Scheduled passenger airlines *(a)*		
Domestic service	International service	All-cargo airlines *(b)*
Mainline	***U.S.-flag airlines***	Air China Cargo
Alaska Airlines	American Airlines *(c)*	Airborne Express
American Airlines *(c)*	Envoy Air *(c) (d)*	Ameriflight
Delta Air Lines	Spirit Airlines	Asiana Cargo
Frontier Airlines	Sun Country Airlines	Cargolux
JetBlue Airways		Cathay Pacific Cargo
Spirit Airlines	***Foreign-flag airlines***	China Airlines Cargo
Sun Country Airlines	Aeromexico Connect *(e)*	EVA Airways
United Airlines	Avianca (formerly TACA)	FedEx
US Airways	British Airways *(c)*	Korean Air Cargo
Virgin America	Cayman Airways	Lufthansa Cargo
	Emirates Airlines	Martinaire
Regional	KLM-Royal Dutch Airlines	Nippon Cargo Airlines (NCA)
Compass Airlines *(g)*	Korean Air	Singapore Airlines Cargo
Envoy Air *(c) (d)*	Lufthansa German Airlines	UPS Air Cargo
ExpressJet Airlines *(d) (g) (h)*	Qantas Airways *(c)*	
Endeavor Air *(f)*	Qatar Airways *(c) (i)*	
Mesa Airlines *(h)*	Sky Regional Airlines *(f)*	
Shuttle America *(g) (h)*	WestJet	
SkyWest Airlines *(g) (h)*		

(a) Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.
(b) Source: Dallas/Fort Worth International Airport records as of December 2013.
(c) Flights marketed under the Oneworld alliance.
(d) Airline operating as American Eagle affiliate of American Airlines.
(e) Airline operating as affiliate of Aeromexico.
(f) Airline operating as affiliate of Air Canada.
(g) Airline operating as Delta Connection.
(h) Airline operating as United Express.
(i) Qatar begins nonstop service to Doha on July 1, 2014.

Table 16

HISTORICAL AIRLINE SHARES OF ENPLANED PASSENGERS

Dallas/Fort Worth International Airport

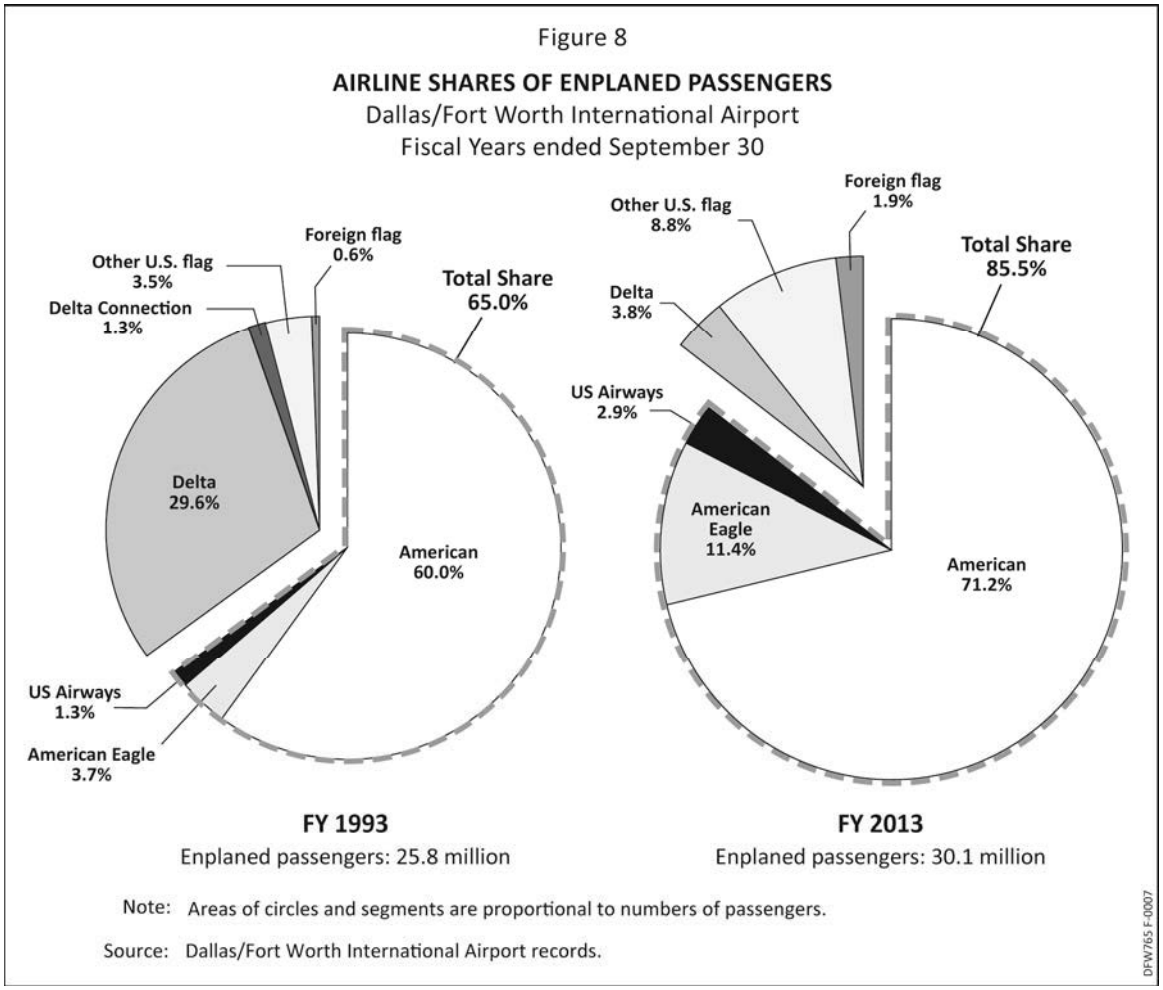
Fiscal Years ended September 30

	2000	2002	2004	2006	2008	2009	2010	2011	2012	2013
Domestic										
American and affiliates										
American	57.7%	55.8%	57.4%	64.9%	66.0%	66.3%	65.8%	64.9%	64.2%	63.1%
American Eagle	7.8	7.5	8.3	11.8	11.5	12.1	12.1	11.8	11.5	10.8
US Airways	1.7	2.3	0.4	2.6	2.7	2.9	3.1	3.2	3.0	2.9
Subtotal American	67.2%	65.6%	68.1%	79.4%	80.2%	81.2%	81.1%	79.9%	78.6%	76.8%
Delta	18.4%	19.2%	17.3%	3.8%	3.7%	3.7%	3.6%	3.7%	3.8%	3.8%
Spirit	--	--	--	--	--	--	--	0.4	1.8	3.4
United	3.8	3.7	3.2	3.8	3.5	3.2	3.0	3.1	3.1	2.8
Virgin America	--	--	--	--	--	--	--	0.5	0.8	0.7
Frontier	0.5	0.6	0.7	0.9	1.0	1.0	1.0	0.9	0.8	0.7
Alaska	--	--	--	0.3	0.5	0.5	0.4	0.5	0.5	0.4
JetBlue	--	--	--	--	--	--	--	--	0.2	0.4
Sun Country	0.3	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
AirTran *(a)*	0.6	0.6	1.0	1.5	1.1	1.1	1.1	1.1	0.1	--
ATA	0.4	0.6	0.7	0.6	0.2	--	--	--	--	--
National	0.3	0.5	--	--	--	--	--	--	--	--
Vanguard	0.3	0.3	--	--	--	--	--	--	--	--
Other	0.4	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.1	0.0
Subtotal	25.1	25.9	23.3	11.2	10.4	9.8	9.5	10.5	11.2	12.2
Total domestic	92.2%	91.6%	91.4%	90.6%	90.6%	91.0%	90.6%	90.4%	89.9%	89.1%
International										
American and affiliates										
American	5.7%	6.6%	6.9%	7.5%	7.3%	7.2%	7.7%	7.8%	7.9%	8.1%
American Eagle	--	0.1	0.2	0.4	0.5	0.4	0.4	0.5	0.6	0.6
Subtotal American	5.7%	6.7%	7.1%	7.9%	7.8%	7.6%	8.1%	8.3%	8.4%	8.7%
Other U.S.-flag airlines	0.7	0.5	0.6	0.7	0.4	0.2	0.2	0.2	0.2	0.3
Foreign-flag airlines	1.4	1.2	0.8	0.9	1.1	1.2	1.1	1.1	1.5	1.9
Total international	7.8%	8.4%	8.6%	9.4%	9.4%	9.0%	9.4%	9.6%	10.1%	10.9%
Airport total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: Columns may not add to totals shown because of rounding. Shares include affiliates of airlines shown.

(a) Southwest does not serve the airport.

Source: Dallas/Fort Worth International Airport records.



Domestic Passenger Demand and Airline Service by Destination

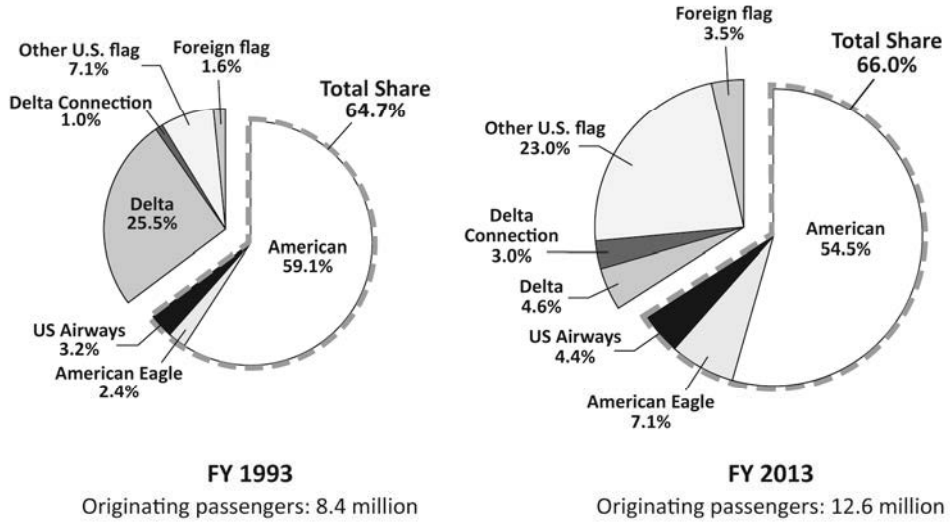
Table 17 and Figure 10 present data on the top 25 markets as ranked by domestic originating passengers at the Airport in FY 2013. Also shown in the table are the numbers of average daily scheduled seats by airport as scheduled for July 2014 and the airlines providing nonstop service from the Airport to the 25 markets. The top five markets – Los Angeles, New York, Chicago, Washington, D.C., and San Francisco – accounted for 25.5% of originating passengers at the Airport in FY 2013. In July 2014, American is scheduled to provide nonstop flights to all 25 markets. Other airlines are scheduled to provide competing service to all of the top 10 markets and 21 of the top 25 markets (all except Charlotte, Nashville, Pittsburgh, and St. Louis). Spirit is scheduled to provide nonstop flights to the top 13 markets. In addition, Southwest is scheduled to provide nonstop or direct (one-stop, no change of plane) service to 21 of the top 25 markets (all except Detroit, Charlotte, Salt Lake City, and Pittsburgh) from Love Field.

Figure 9

AIRLINE SHARES OF ORIGINATING PASSENGERS

Dallas/Fort Worth International Airport

Fiscal Years ended September 30



FY 1993
Originating passengers: 8.4 million

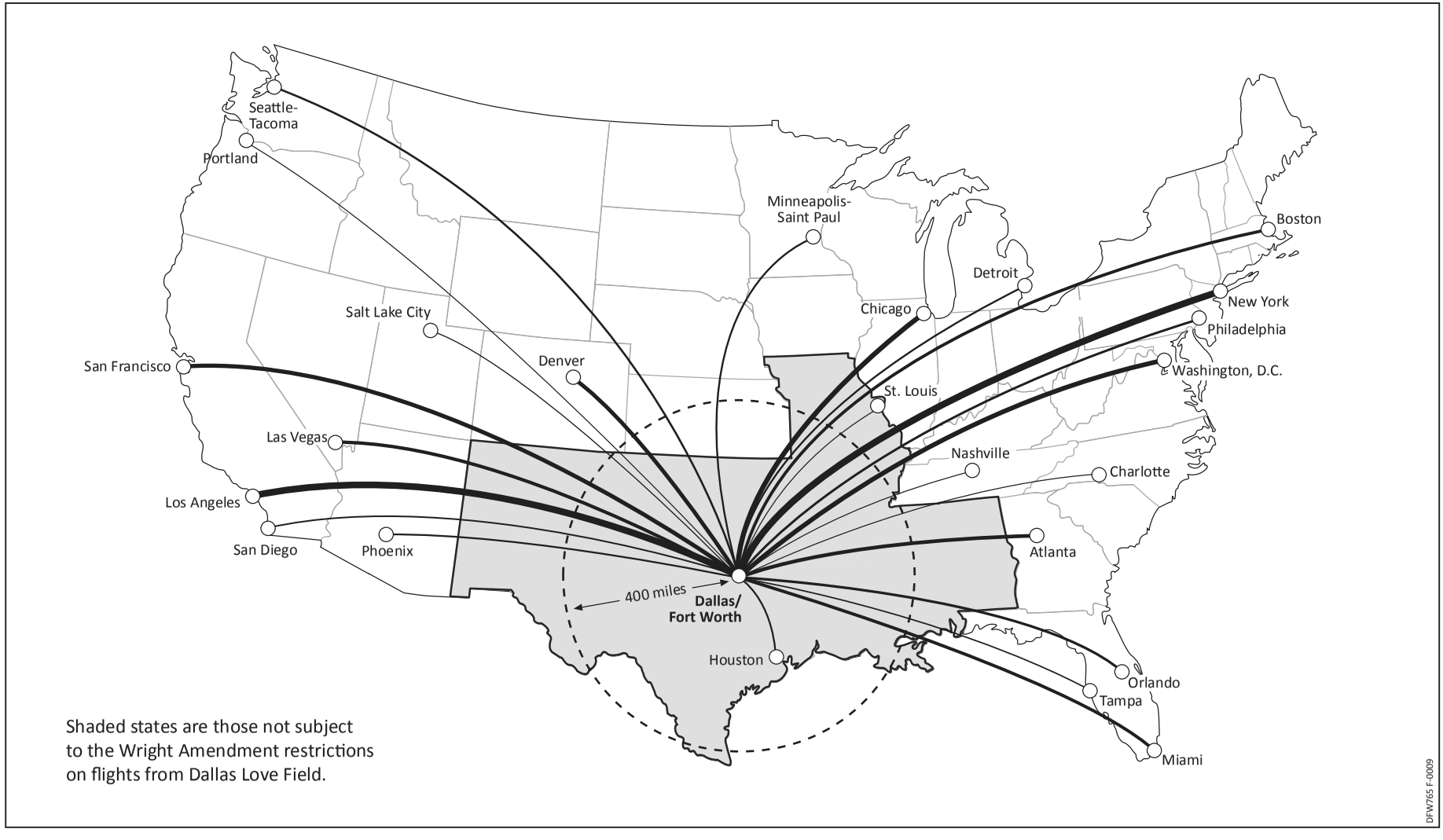
FY 2013
Originating passengers: 12.6 million

Note: Areas of circles and segments are proportional to numbers of passengers.

Sources: LeighFisher analysis of U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic and International,* Databank 1A, 1B, and T100 databases, accessed February 2014.

DFW765 F-0008

Figure 11 shows trends in domestic passenger airline yields (revenue per passenger-mile) for American at the Airport, all other airlines at the Airport, and all airlines nationwide from FY 2000 through FY 2013. The figure illustrates how the "yield premium" historically enjoyed by American decreased between FY 2000 and FY 2005, as a result of fare competition with other airlines at the Airport and with Southwest at Love Field. In FY 2006, yields increased for American and for all other airlines serving the Airport after Delta closed its hub. Between FY 2006 and FY 2009, yields decreased slightly as a result of intensified fare competition, partly with Southwest at Love Field following the relaxation of some of the Wright Amendment restrictions. Between FY 2009 and FY 2013, as the economy improved and the airlines restricted capacity and increased fares, the average domestic passenger yield at the Airport increased, consistent with the national trend.



Note: Markets shown accounted for 1% or more of total inbound and outbound passengers on scheduled airlines at Dallas/Fort Worth International Airport in a 10% sample for the 12 months ended September 30, 2013. The width of the lines is proportional to the share of domestic originating passengers from the Airport to each market.

Source: U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic*, Databank 1B, accessed March 2014.

Figure 10

DOMESTIC PASSENGER ORIGIN-DESTINATION PATTERN

Dallas/Fort Worth International Airport

Table 17

SCHEDULED DOMESTIC AIRLINE SERVICE BY DESTINATION

Dallas/Fort Worth International Airport

Originating passenger rank FY 2013	City/airport	Air miles from DFW	FY 2013 (ended September 30) *(a)* Average daily originating passengers	FY 2013 (ended September 30) *(a)* Percent of originating passengers	July 2014 *(b)* Average daily scheduled seats	July 2014 *(b)* Airlines offering nonstop service *(c)*
1	Los Angeles					
	Los Angeles	1,247	1,278	4.1 %	3,670	American, Spirit, United, Virgin America *(d)*
	John Wayne (Orange County)	1,217	473	1.5	1,403	American
	LA/Ontario	1,202	173	0.6	560	American
	Bob Hope (Burbank)	1,244	23	0.1	--	
	Long Beach	1,221	14	0.0	--	
	Subtotal		1,960	6.3%	5,633	
2	New York					
	LaGuardia	1,377	1,201	3.8%	2,627	American, Delta, Spirit *(d)*
	Newark	1,361	611	2.0	1,199	American, United *(d)*
	Kennedy	1,379	96	0.3	226	American, Delta
	White Plains	1,403	25	0.1	--	
	MacArthur (Islip)	1,428	8	0.0	--	
	Subtotal		1,942	6.2%	4,052	
3	Chicago					
	O'Hare	801	1,460	4.7%	3,462	American, Spirit, United
	Midway	797	8	0.0	--	*(d)*
	Subtotal		1,468	4.7%	3,462	
4	Washington, D.C.					
	Reagan National	1,180	575	1.8%	1,478	American *(d)*
	Baltimore/Washington	1,205	484	1.5	860	American, Spirit *(d)*
	Dulles	1,160	315	1.0	948	American, United
	Subtotal		1,374	4.4%	3,286	

Table 17 *(page 2 of 3)*
SCHEDULED DOMESTIC AIRLINE SERVICE BY DESTINATION
Dallas/Fort Worth International Airport

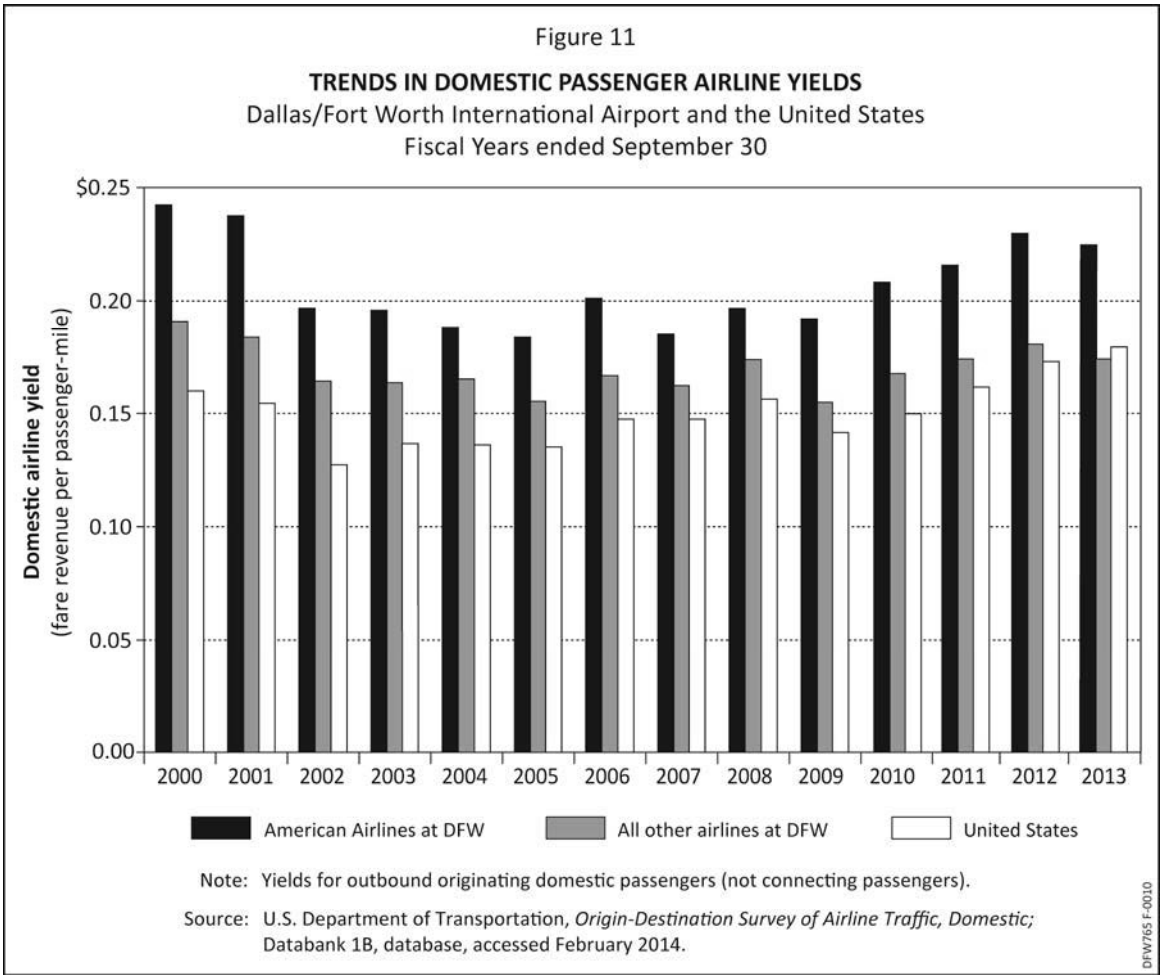
Originating passenger rank FY 2013	City/airport	Air miles from DFW	FY 2013 (ended September 30) *(a)* Average daily originating passengers	FY 2013 (ended September 30) *(a)* Percent of originating passengers	July 2014 *(b)* Average daily scheduled seats	July 2014 *(b)* Airlines offering nonstop service *(c)*
5	San Francisco					
	San Francisco	1,478	916	2.9%	2,296	American, United, Virgin America
	Mineta San José	1,451	231	0.7	682	American *(d)*
	Oakland	1,457	81	0.3	168	Spirit *(d)*
	Subtotal		1,228	3.9%	3,146	
6	Denver	657	1,150	3.7%	2,686	American, Froniter, Spirit, United *(d)*
7	Atlanta	716	1,086	3.5	3,454	American, Delta, Spirit *(d) (e)*
8	Las Vegas	1,070	978	3.1	1,945	American, Spirit *(d)*
9	Miami					
	Fort Lauderdale	1,099	490	1.6%	1,241	American, Spirit *(d)*
	Miami	1,102	329	1.1	1,778	American
	West Palm Beach	1,083	114	0.4	280	American
	Subtotal		933	3.0%	3,299	
10	Boston					
	Logan	1,551	831	2.7%	1,618	American, JetBlue, Spirit *(d)*
	T.F. Green (Providence)	1,529	37	0.1	--	
	Manchester-Boston	1,552	24	0.1	--	
	Subtotal		892	2.9%	1,618	
11	Orlando	964	751	2.4	1,659	American, Spirit *(d)*
12	Philadelphia	1,291	686	2.2	1,694	American, Spirit, *(d)*
13	Phoenix					
	Sky Harbor	882	533	1.7%	2,111	American, US Airways (d)
	Mesa Gateway	875	100	0.3	--	Spirit
	Subtotal		633	2.0%	2,111	
14	Seattle-Tacoma	1,673	619	2.0	1,774	Alaska, American *(d)*
15	Minneapolis-Saint Paul	859	562	1.8	1,750	American, Delta, Spirit, Sun Country *(d)*

Table 17 *(page 3 of 3)*
SCHEDULED DOMESTIC AIRLINE SERVICE BY DESTINATION
Dallas/Fort Worth International Airport

Originating passenger rank FY 2013	City/airport	Air miles from DFW	FY 2013 (ended September 30) *(a)* Average daily originating passengers	FY 2013 (ended September 30) *(a)* Percent of originating passengers	July 2014 *(b)* Average daily scheduled seats	July 2014 *(b)* Airlines offering nonstop service *(c)*
16	Detroit	981	550	1.8	1,554	American, Delta, Spirit
17	Houston					
	Bush	210	421	1.3%	1,857	American, United *(e)*
	Hobby	232	113	0.4	412	American *(e)*
	Subtotal		534	1.7%	2,269	
18	San Diego	1,183	474	1.5	1,537	American, Spirit *(d)*
19	Tampa	910	402	1.3	1,070	American, Spirit *(d)*
20	Charlotte	922	376	1.2	2,281	American
21	Salt Lake City	1,003	330	1.1	1,338	American, Delta
22	Nashville	620	292	0.9	1,242	American *(d)*
23	Portland, OR	1,630	282	0.9	984	Alaska, American, Spirit *(d)*
24	Pittsburgh	1,068	274	0.9	700	American
25	St. Louis	547	272	0.9	1,084	American *(d) (e)*
	Subtotal airports listed		17,662	56.5%	49,691	
	All other U.S. airports		13,571	43.5	43,083	
	Airport total		31,233	100.0%	92,774	

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

(a) Source: LeighFisher estimates based on U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic,* Databank 1B and T100 databases, accessed February 2014.
(b) Source: OAG Aviation Worldwide Ltd, OAG Analyser, accessed February 2014.
(c) Including flights operated by regional affiliates.
(d) One-stop direct service (no change of plane required) also offered from Dallas Love Field.
(e) Nonstop service also offered from Dallas Love Field.



Passenger yields for all airlines at the Airport have historically been higher than passenger yields for airlines in the nation as a whole, although the margin decreased from 48% above the U.S. average in FY 2000 to 26% above the U.S. average in FY 2013 for American, and from 19% above the U.S. average in FY 2000 to 3% below the U.S. average in FY 2013 for all other airlines. The relatively high average yields at the Airport are attributable, in part, to the shorter average itinerary length of airline service at the Airport (an average of 1,070 miles, which is approximately 11% shorter than the national average) and, in part, to the status of the Airport as a connecting hub, with American dominating service in many travel markets.

Distribution of Passengers between the Airport and Love Field

Table 18 shows the distribution of originating and enplaned passengers in the Dallas-Fort Worth market between the Airport and Love Field.

Distribution of Originating Passengers. In FY 2000, Love Field accounted for 19.3% of originating passengers in the Dallas-Fort Worth market. In FY 2005, Love Field's share of originating passengers had decreased to 15.6%. (Short-haul traffic was affected disproportionately by the additional security measures following the September 2001 terrorist attacks.) In FY 2006, after service to Missouri airports became permitted under the Wright Amendment, Love Field's share increased to 17.1%.

Since passage of the 2006 Reform Act, Love Field's share of originating passengers has increased to 18.9% in FY 2013 as a result of fare competition and new direct service to airports outside the Wright Amendment states. Over the 6 years FY 2007 to FY 2013, the overall number of originating passengers in the Dallas-Fort Worth market decreased, from approximately 16.0 million to 15.5 million.

Distribution of Enplaned Passengers. Between FY 2000 and FY 2006, before the Reform Act was passed, Love Field accounted for between 9% and 11% of enplaned passengers in the Dallas-Fort Worth market. Since FY 2006, Love Field's share of enplaned passengers has been approximately 12%.

Passenger Service by Airline

Table 19 presents data on scheduled passenger airline service from the Airport to domestic and international destinations in July 2013 and July 2014. Table 20 provides additional information on passenger airline service to international destinations as scheduled for July in 2000 through 2014.

For July 2014, 944 average daily aircraft departures are scheduled to 197 airports (143 domestic and 54 international) from the Airport. American and American Eagle together are scheduled to serve 189 destinations nonstop, 141 of the 143 domestic destinations (all except Myrtle Beach and Oakland) and 48 of the 54 international destinations (all except Amsterdam, Brisbane, Doha, Dubai, Grand Cayman, and Punta Cana).

Table 18

SHARES OF ORIGINATING AND ENPLANED PASSENGERS

Dallas/Fort Worth International Airport (DFW) and Dallas Love Field (DAL)

Fiscal Years ended September 30

(passengers in thousands)

	Originating passengers *(a)*			Enplaned passengers			Shares of Originating passengers		Shares of Enplaned passengers	
	DFW	DAL	Total	DFW *(b)*	DAL *(c)*	Total	DFW	DAL	DFW	DAL
2000	12,360	2,960	15,320	30,589	3,502	34,092	80.7%	19.3%	89.7%	10.3%
2001	11,680	2,980	14,660	28,880	3,541	32,420	79.7	20.3	89.1	10.9
2002	10,410	2,290	12,700	25,840	2,819	28,659	82.0	18.0	90.2	9.8
2003	10,460	2,230	12,690	26,230	2,781	29,011	82.4	17.6	90.4	9.6
2004	11,420	2,220	13,640	29,305	2,905	32,211	83.7	16.3	91.0	9.0
2005	12,150	2,250	14,400	29,514	2,976	32,490	84.4	15.6	90.8	9.2
2006	12,590	2,590	15,180	30,149	3,244	33,393	82.9	17.1	90.3	9.7
2007	12,950	3,020	15,970	29,852	3,911	33,763	81.1	18.9	88.4	11.6
2008	12,530	3,050	15,580	29,038	4,068	33,106	80.4	19.6	87.7	12.3
2009	11,360	2,710	14,070	27,946	3,872	31,818	80.7	19.3	87.8	12.2
2010	11,490	2,780	14,270	28,188	3,949	32,137	80.5	19.5	87.7	12.3
2011	12,110	2,790	14,900	28,867	4,017	32,884	81.3	18.7	87.8	12.2
2012	12,270	2,880	15,150	29,160	4,073	33,234	81.0	19.0	87.7	12.3
2013	12,600	2,940	15,540	30,128	4,205	34,332	81.1	18.9	87.8	12.2

Note: Calculated percentages may not match those shown and rows may not add to totals shown because of rounding.

(a) LeighFisher analysis of U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic and International*, Databank 1B and T100 databases, accessed February 2014.

(b) Dallas/Fort Worth International Airport records.

(c) City of Dallas, Aviation Department records.

Table 19
SCHEDULED SERVICE BY PASSENGER AIRLINE
Dallas/Fort Worth International Airport

Airline	Average daily aircraft departures July 2013	Average daily aircraft departures July 2014	Average daily departing seats July 2013	Average daily departing seats July 2014	Airports served nonstop *(a)* July 2013	Airports served nonstop *(a)* July 2014
American and affiliates						
American	491	499	73,798	73,193	109	114
American Eagle	295	286	14,239	13,748	89	86
US Airways	19	19	2,829	3,167	3	3
US Airways Express	-- *(b)*	--	19	--	1	--
Subtotal American	805	804	90,885	90,108	186	189
Other U.S.-flag airlines						
Spirit	30	28	4,614	4,496	25	22
Delta *(c)*	38	42	4,014	4,435	8	8
United *(c)*	35	34	2,890	2,744	8	8
Sun Country	5	5	758	773	8	7
Virgin America	6	6	785	746	2	2
Frontier *(c)*	4	5	593	694	1	1
Alaska	3	4	500	529	1	2
JetBlue	3	3	381	331	1	1
Subtotal other U.S.-flags	124	126	14,534	14,748	41	37
Foreign-flag airlines						
Qantas	1	1	353	353	1	1
Korean Air	1	1	301	301	1	1
British Airways	1	1	345	299	1	1
Emirates	1	1	266	266	1	1
Qatar	--	1	--	259	--	1
Lufthansa	1	1	217	221	1	1
Air Canada *(c)*	3	3	198	200	1	1
Aeromexico *(c)*	3	2	309	198	2	1
KLM	1	1	172	170	1	1
WestJet	1	1	136	136	1	1
Avianca (formerly TACA)	1	1	96	98	1	1
Cayman Airways	-- *(b)*	-- *(b)*	35	35	1	1
Subtotal foreign-flags	14	14	2,429	2,537	12	12
Total all airlines	943	944	107,847	107,393	196	197

Notes: Data shown are for scheduled domestic and international service from the Airport in July 2013 and July 2014.

Columns may not add to totals shown because of rounding.

(a) Numbers of airports served nonstop are not additive because some airports receive nonstop service by more than one airline.
(b) Less than one average daily departure.
(c) Includes regional affiliates.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

Table 20

SCHEDULED INTERNATIONAL AIRLINE SERVICE

Dallas/Fort Worth International Airport

	Weekly scheduled aircraft departures							
July	Asia and Pacific	Canada	Caribbean	Central America	Europe and Middle East	Mexico	South America	Total
2000	24	108	30	21	49	182	31	445
2001	24	105	28	21	63	183	31	456
2002	14	83	30	28	49	190	28	422
2003	14	94	28	30	54	164	21	404
2004	14	94	35	31	60	196	33	463
2005	17	103	35	29	56	247	40	528
2006	24	89	32	27	49	233	33	488
2007	17	89	37	30	49	279	27	528
2008	18	74	33	35	49	237	29	474
2009	18	80	24	30	60	188	25	424
2010	17	80	27	37	60	237	25	484
2011	21	80	33	37	59	262	29	522
2012	26	81	38	39	74	281	29	567
2013	35	88	38	40	68	345	39	652
2014	49	95	38	45	75	331	39	672
	Average annual percent increase (decrease)							
2000-2004	(12.9)%	(3.5)%	3.9%	10.2%	5.3%	1.9%	1.6%	1.0%
2004-2008	7.0	(5.9)	(1.8)	3.0	(5.1)	4.8	(3.2)	0.6
2008-2014	18.1	4.3	2.5	4.5	7.3	5.7	5.1	6.0

	Weekly scheduled departing seats							
July	Asia and Pacific	Canada	Caribbean	Central America	Europe and Middle East	Mexico	South America	Total
2000	6,076	13,808	5,273	3,028	11,235	22,571	6,327	68,319
2001	6,250	13,733	4,928	3,241	15,071	20,723	6,450	70,397
2002	3,539	11,302	5,273	3,948	11,753	21,861	5,509	63,186
2003	3,552	11,741	5,241	4,217	12,927	20,175	4,373	62,226
2004	3,552	11,731	6,255	5,048	13,683	24,956	6,419	71,644
2005	4,431	13,161	5,903	4,499	13,097	31,077	7,905	80,074
2006	5,840	12,499	5,222	4,296	11,592	28,213	6,723	74,384
2007	4,188	11,827	6,004	4,742	11,711	32,935	5,821	77,228
2008	4,527	9,860	5,106	5,313	11,889	26,366	6,302	69,363
2009	4,613	10,302	4,105	4,537	14,440	20,844	5,863	64,705
2010	4,410	10,641	4,649	5,654	14,933	26,755	5,957	72,997
2011	6,205	10,400	5,619	5,626	15,135	26,932	6,666	76,583
2012	7,424	10,451	6,194	5,713	18,870	28,635	6,624	83,911
2013	9,765	11,494	6,086	5,735	18,131	37,449	8,670	97,330
2014	13,664	11,926	6,002	6,576	19,166	36,115	8,885	102,334
	Average annual percent increase (decrease)							
2000-2004	(12.6)%	(4.0)%	4.4%	13.6%	5.1%	2.5%	0.4%	1.2%
2004-2008	6.3	(4.3)	(4.9)	1.3	(3.5)	1.4	(0.5)	(0.8)
2008-2014	20.2	3.2	2.7	3.6	8.3	5.4	5.9	6.7

Table 20 *(page 2 of 2)*
SCHEDULED INTERNATIONAL AIRLINE SERVICE
Dallas/Fort Worth International Airport

	Destinations served nonstop							
July	Asia and Pacific	Canada	Caribbean	Central America	Europe and Middle East	Mexico	South America	Total
2000	3	4	2	3	4	8	4	28
2001	3	4	1	3	5	10	4	30
2002	2	4	2	4	4	8	4	28
2003	2	4	1	5	4	8	3	27
2004	2	4	2	4	4	10	5	31
2005	2	4	2	4	4	15	5	36
2006	3	4	3	5	4	13	4	36
2007	2	4	3	5	4	13	4	35
2008	2	4	4	6	4	13	4	37
2009	2	4	3	6	5	12	4	36
2010	2	4	4	6	5	12	4	37
2011	3	4	6	6	6	18	5	48
2012	3	4	7	6	6	17	5	48
2013	3	4	6	6	6	18	6	49
2014	5	5	6	7	7	17	7	54

Note: Rows may not add to totals shown and calculated percentages may not match those shown because of rounding.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2014.

Spirit Airlines began serving the Airport in May 2011 with flights to Fort Lauderdale-Hollywood and Las Vegas. Spirit has since begun service to 18 additional domestic destinations and 2 international destinations. Not all service operates year-round. For July 2014, Spirit is scheduling 28 average daily departures from the Airport to 22 airports, making the Airport the second busiest in Spirit's system after Fort Lauderdale (where it operates 45 average daily departures to 42 airports).

As shown in Table 20, most of the Airport's international service is to Mexico, which has increased as American has added service to secondary cities in Mexico using regional jet aircraft. For July 2014, 35.3% of weekly international departing seats are scheduled to airports in Mexico, followed by Europe and the Middle East (18.7%), Asia and the Pacific (13.4%), Canada (11.7%), South America (8.7%), Central America (6.4%), and the Caribbean (5.9%).

Air Cargo

Airlines providing all-cargo service at the Airport are listed in Table 15. Table 21 presents historical data on air cargo weight enplaned and deplaned. Cargo tonnage (carried by all-cargo aircraft and as belly cargo on passenger airline aircraft) increased each year between FY 1990 and FY 2000, at an average of 5.0% per year. Between FY 2000 and FY 2003, cargo tonnage decreased 25.1% partly as a result of post-September 2001 security restrictions on the carriage of freight and mail on passenger aircraft. Between FY 2003 and FY 2006, cargo tonnage increased 14.8%, as the local economy improved and all-cargo operators decided to increase service at the Airport. Between FY 2006 and FY 2013, cargo tonnage decreased 23.3% as a result of service decisions by the all-cargo airlines and the global economic recession. In FY 2013, UPS accounted for 25.0% of the air cargo tonnage enplaned and deplaned at the Airport.

Aircraft Operations

Table 22 presents historical data on aircraft operations (landings and takeoffs) at the Airport. Aircraft operations increased an average of 1.6% per year between FY 1991 and FY 2000, as passenger and all-cargo airlines increased service at the Airport. Between FY 2000 and FY 2012, aircraft operations decreased an average of 2.2% per year. The distribution of aircraft operations in FY 2013 was: air carrier, 66.8%; air taxi and commuter, 32.3%; and general aviation, 0.9%. Military operations have historically accounted for a negligible percentage of aircraft operations at the Airport.

Aircraft Landed Weight

Table 23 presents historical aircraft landed weight at the Airport, which generally correlates closely with airline aircraft departures. In FY 2013, approximately 99% of landed weight was accounted for by airlines signatory to the Airline Agreement. In FY 2013, American, American Eagle, US Airways, and US Airways Express together accounted for approximately 76% of landed weight, other passenger airlines accounted for approximately 15%, and the all-cargo airlines accounted for approximately 9%.

Table 21
HISTORICAL AIR CARGO
Dallas/Fort Worth International Airport
Fiscal Years ended September 30

Fiscal Year	Weight of cargo enplaned and deplaned (tons) *(a)*	Annual percent increase (decrease)
1990	597,000	
1991	606,000	1.5%
1992	624,000	3.0
1993	664,000	6.4
1994	772,000	16.3
1995	857,000	11.0
1996	872,000	1.8
1997	894,000	2.5
1998	902,000	0.9
1999	931,000	3.2
2000	977,000	4.9
2001	900,000	(7.9)
2002	734,000	(18.4)
2003	732,000	(0.3)
2004	803,000	9.7
2005	827,000	3.0
2006	840,000	1.6
2007	808,000	(3.8)
2008	754,000	(6.7)
2009	628,000	(16.7)
2010	711,000	13.2
2011	671,000	(5.6)
2012	660,000	(1.6)
2013	644,000	(2.4)
First 3 months (October-December)		
2013	168,000	
2014	175,000	4.2%

	Average annual percent increase (decrease)
1990-2000	5.0%
2000-2013	(3.2)

Note: Calculated percentages may not match those shown because of rounding.

(a) On all-cargo and passenger aircraft.

Source: Dallas/Fort Worth International Airport records.

Table 22
HISTORICAL AIRCRAFT OPERATIONS
Dallas/Fort Worth International Airport
Fiscal Years ended September 30

Fiscal Year	Air carrier	Air taxi/ commuter	General aviation	Military	Total
1991	547,253	167,346	15,525	727	730,851
1992	571,384	175,406	15,775	967	763,532
1993	591,793	182,478	13,793	975	789,039
1994	611,456	205,244	13,005	723	830,428
1995	634,661	222,626	13,876	1,298	872,461
1996	612,269	228,401	13,841	1,107	855,618
1997	614,664	224,242	11,736	687	851,329
1998	606,441	230,686	10,910	446	848,483
1999	594,170	213,903	12,566	206	820,845
2000	609,829	218,971	16,413	213	845,426
2001	585,729	212,446	13,106	266	811,547
2002	493,826	243,946	12,819	222	750,813
2003	482,483	269,943	6,862	123	759,411
2004	518,397	278,872	6,530	120	803,919
2005	492,428	233,288	6,695	152	732,563
2006	479,807	214,548	6,279	95	700,729
2007	475,219	206,008	5,903	326	687,456
2008	481,600	181,308	5,876	949	669,733
2009	472,554	158,512	4,800	582	636,448
2010	470,969	173,257	5,149	489	649,864
2011	470,851	173,474	6,087	216	650,628
2012	445,404	194,982	5,874	186	646,446
2013	451,992	218,507	6,359	143	677,001
First 3 months (October-December)					
2013	110,018	51,813	1,657	56	163,544
2014	110,289	52,481	1,792	40	164,602
	Average annual percent increase (decrease)				
1991-2000	1.2%	3.0%	0.6%	(12.8)%	1.6%
2000-2013	(2.3)	(0.0)	(7.0)	(3.0)	(1.7)
	Annual percent increase (decrease)				
First 3 months 2013-2014	0.2%	1.3%	8.1%	(28.6)%	0.6%

Note: Calculated percentages may not match those shown because of rounding.

Source: Dallas/Fort Worth International Airport records.

Table 23

HISTORICAL AIRCRAFT LANDED WEIGHT

Dallas/Fort Worth International Airport

Fiscal Years ended September 30

Fiscal Year	Total landed weight (1,000-pound units) *(a)*	Annual percent increase (decrease)
1991	45,455,874	
1992	46,759,128	2.9%
1993	48,401,939	3.5
1994	47,348,143	(2.2)
1995	48,156,275	1.7
1996	45,631,620	(5.2)
1997	45,800,077	0.4
1998	45,008,547	(1.7)
1999	45,057,954	0.1
2000	46,706,347	3.7
2001	46,460,534	(0.5)
2002	42,037,204	(9.5)
2003	41,034,795	(2.4)
2004	43,077,521	5.0
2005	40,979,227	(4.9)
2006	39,435,666	(3.8)
2007	39,117,706	(0.8)
2008	37,592,651	(3.9)
2009	36,185,328	(3.7)
2010	36,270,271	0.2
2011	36,321,677	0.1
2012	36,449,422	0.4
2013	38,254,504	5.0

	Average annual percent increase (decrease)
1991-2000	0.3%
2000-2013	(1.5)

Note: Calculated percentages may not match those shown because of rounding.

(a) Landed weight of corporate and general aviation is excluded.

Source: Dallas/Fort Worth International Airport records.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In addition to the population and economy of the Airport service region, discussed in the earlier section "Airport Service Region," key factors that will affect future airline traffic at Dallas/Fort Worth International Airport include:

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

Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Recession in the U.S. economy in 1990-1991, 2001, and 2008-2009 and associated high unemployment reduced discretionary income and contributed to reduced airline travel demand in those years.

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

Financial Health of the Airline Industry

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

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

Between 1995 and 2000, the airline industry as a whole was profitable, but as a result of the 2001 economic recession, the disruption of the airline industry that followed

the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry again experienced huge financial losses. In 2001 through 2005, the major U.S. passenger airlines collectively recorded net losses of approximately $61 billion.

To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreement with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. US Airways twice filed for bankruptcy protection, in August 2002 and September 2004, and emerged in September 2005 following its merger with America West Airlines. United Airlines filed for bankruptcy protection in December 2002 and emerged in February 2006. American avoided filing for bankruptcy protection in 2003 only after obtaining labor cost concessions from its employees. Northwest filed for bankruptcy protection in September 2005, emerged in May 2007, and subsequently merged with Delta.

In 2006 and 2007, the U.S. passenger airline industry as a whole was profitable, recording net income of approximately $23 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. In 2008 and 2009, the U.S. passenger airline industry recorded net losses of approximately $27 billion. The industry responded by grounding older, less fuel-efficient aircraft, adopting fuel-saving operating practices, hedging fuel requirements, reducing scheduled seat capacity, eliminating unprofitable routes and hubs, laying off employees, reducing employee compensation, reducing other nonfuel expenses, increasing airfares, and imposing ancillary fees and charges. Between 2007 and 2009, the U.S. passenger airlines collectively reduced domestic capacity (as measured by available seat-miles) by approximately 10%.

In 2010 through 2013, the U.S. passenger airline industry as a whole recorded net income of approximately $8 billion, in spite of sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, recording high load factors, and increasing ancillary revenues. Over the four years 2009 to 2013, the airlines collectively increased domestic seat-mile capacity by an average of just 1.0% per year. As discussed in the earlier section "AMR Restructuring and Merger with US Airways," AMR Corporation and its subsidiaries American and American Eagle filed for Chapter 11 bankruptcy protection in November 2011. American's future profitability will depend largely on the contribution from its operations at the Airport.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to allow increased airfares, and stable fuel prices. Consolidation of the airline industry has resulted in four airlines (American, Delta, Southwest, and United) now accounting for approximately 90% of domestic capacity. Such consolidation is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy

protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide.

Airline Service and Routes

The Airport serves as a gateway to the Dallas-Fort Worth MSA and as a connecting hub. The number of origin and destination passengers at the Airport depends on the intrinsic attractiveness of the MSA as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided at the Airport and Love Field. The number of connecting passengers, on the other hand, depends entirely on the airline service provided.

The large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically reduced at many former connecting hub airports, including those serving St. Louis (American 2003-2005), Dallas-Fort Worth (Delta 2005), Pittsburgh (US Airways 2006-2008), Las Vegas (US Airways 2007-2010), Cincinnati (Delta 2009-2011), Memphis (Delta 2011-2013), and Cleveland (United 2014).

As discussed in the earlier section, "Airport Role," the Airport is the busiest connecting hub in American's system, and most passengers at the Airport are connecting between flights. As a result, passenger traffic at the Airport largely results from the route networks and flight schedules of American rather than the economy of the Airport service region. It is expected that the Airport will continue to be the busiest connecting hub in the combined American-US Airways system, but if American were to reduce connecting service at the Airport, such service would not necessarily be replaced by other airlines. The potential effects on passenger traffic of a reduction in connecting airline service at the Airport are discussed in the later section "Stress Test Forecast and Assumptions."

Airline Competition and Airfares

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

passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S. airlines decreased from 16.1 cents to 13.8 cents per passenger-mile. In 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased to 15.9 cents per passenger-mile. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased to 17.5 cents per passenger-mile by 2013. Beginning in 2006, ancillary charges have been introduced by most airlines for services such as checked baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than these yield figures indicate.

As discussed in the earlier section, "Airport Role," the Airport competes with Love Field on airline service and airfares for certain origin and destination passengers. As a result of the Wright Amendment restrictions, such competition has been limited. When the remaining Wright Amendment restrictions expire in October 2014, Southwest and other airlines will be permitted to offer nonstop service from Love Field to all airports in the United States. The effects of expiration of the Wright Amendment restrictions will depend on air service and pricing decisions by Southwest and other airlines serving Love Field, and the competitive response from American and other airlines serving the Airport. While such competition could reduce airfares in certain markets and increase overall passenger demand, traffic at the Airport could be reduced as airlines operating at Love Field capture an increased share of passengers. The magnitude of any such reduction will be constrained by the 20-gate capacity limitation at Love Field.

Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. In April 2001, American completed an acquisition of failing Trans World Airlines. In September 2005, US Airways and America West Airlines merged. In October 2009, Republic Airways Holdings completed purchases of Frontier and Midwest airlines. In December 2009, Delta and Northwest completed their merger. In October 2010, United and Continental airlines completed their merger and have now integrated most operations. In May 2011, Southwest completed its acquisition of AirTran, and expects to integrate operations in 2014.

As discussed in the earlier section "AMR Restructuring and Merger with US Airways," in December 2013, American and US Airways completed their merger to create the world's largest airline as measured by seat-mile capacity. Management of the merged airline has stated its intention to maintain all hubs in the combined

system. How airline service at the Airport might change following the merger is not yet known.

Alliances, joint ventures, and other business arrangements provide airlines with many of the advantages of mergers; all of the large U.S. network airlines are members of such alliances with foreign-flag airlines. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes. As discussed earlier in the section "Airport's Role in American's System," American is a member of the Oneworld alliance and participates in joint ventures, code-sharing, and other commercial arrangements with several airlines.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Beginning in 2003, fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Fuel prices fell sharply in the second half of 2008 as demand declined worldwide, but have since increased as global demand has increased. In 2011 and 2012, political instability and conflicts in North Africa and the Middle East contributed to volatility in fuel prices. Average fuel prices decreased overall between 2011 and 2013, partly as a result of increased supply from U.S. domestic production. At the end of 2013, average aviation fuel prices were approximately 2.5 times the prices prevailing in 2003.

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

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

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand.

Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

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

Public health and safety concerns have also affected airline travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. In April 2010, airspace and airports in much of Europe were closed for several days because of the threat to flight safety related to the ash cloud from the eruption of a volcano in Iceland. In March 2011, airline travel to and from Japan decreased following a destructive earthquake and tsunami.

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

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased as a result of reduced numbers of aircraft operations, but, as airline travel increases in the future, flight delays and restrictions may be expected.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and airport systems, future growth in airline traffic at the Airport will depend on the provision of capacity at the Airport itself.

With seven air carrier runways able to accommodate the simultaneous arrival of three aircraft in virtually all weather conditions, the Airport's airfield capacity is among the highest in the world. As discussed in the earlier section "Airport Facilities," certain gates at the Airport are not in use (or are not fully utilized) and will be available to accommodate aircraft operations during TRIP construction or increased numbers of aircraft operations. In a report on the capacity needs of the national airspace system released by the FAA in May 2007, the Airport was characterized as not needing additional capacity.

AIRLINE TRAFFIC FORECASTS

Forecasts of airline traffic at the Airport through FY 2020 were developed taking into account analyses of the economic basis for airline traffic at the Airport, trends in historical airline traffic, and key factors likely to affect future airline traffic, all as discussed in earlier sections.

In developing the forecasts, it was assumed that airline traffic at the Airport will increase as a function of the growth in the population and economy of the Airport service region and the continued operation of the Airport as a connecting hub. It was assumed that airline service at the Airport will not be constrained by the availability of aviation fuel, limitations on the capacity of the air traffic control system or the Airport, charges for the use of aviation facilities, or government policies or actions that constrain Airport operations. Forecasts developed in connection with terminal planning studies for Love Field and forecasts developed by the FAA for the Airport and Love Field were also considered.

Passenger numbers for FY 2014 were estimated on the basis of actual numbers recorded through December 2013 and scheduled airline seat capacity published by OAG Aviation Worldwide for January through July 2014. The estimated number of enplaned passengers at the Airport in FY 2014, 30.6 million, is a 1.6% increase from the 30.1 million enplaned in FY 2013.

Two passenger forecasts were developed, a base forecast and a stress test forecast, as presented in Table 24. The forecasts are presented graphically on Figure 12.

Table 24

AIRLINE TRAFFIC FORECASTS

Dallas/Fort Worth International Airport

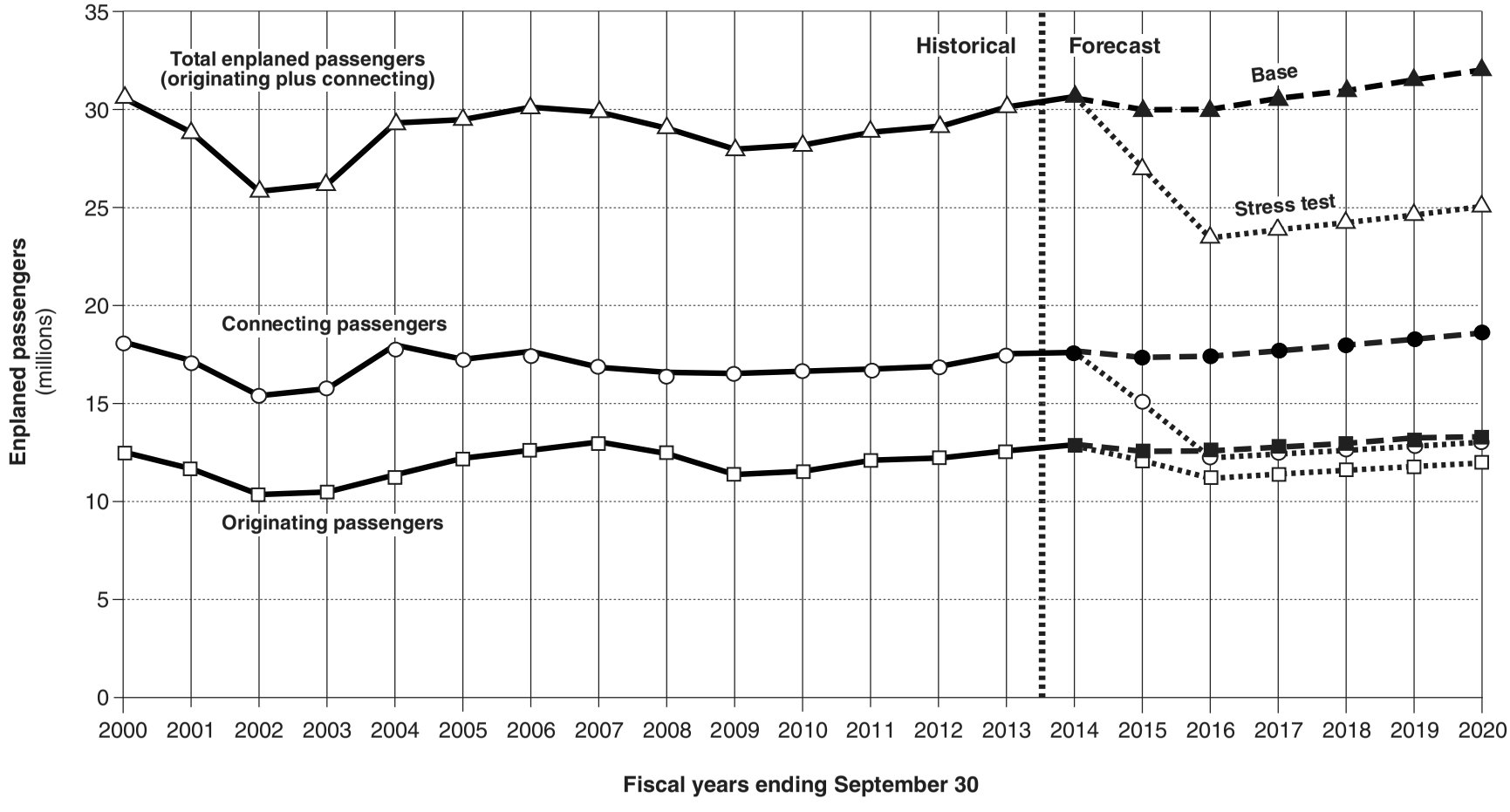
Fiscal Years ended September 30

(in thousands)

The forecasts presented in this table were prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Forecast							Average annual increase
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2013-2020
BASE FORECAST												
Enplaned passengers (millions)												
Domestic	25,526	26,098	26,204	26,836	27,200	26,500	26,400	26,800	27,200	27,600	28,000	0.6%
International	2,662	2,769	2,956	3,292	3,400	3,500	3,600	3,700	3,800	3,900	4,000	2.8
Total	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000	0.9
Percent international	10.4%	10.6%	11.3%	12.3%	12.5%	13.2%	13.6%	13.8%	14.0%	14.1%	14.3%	
Percent annual change	0.9%	2.4%	1.0%	3.3%	1.6%	(2.0%)	0.0%	1.7%	1.6%	1.6%	1.6%	
Originating	11,490	12,110	12,270	12,600	12,900	12,600	12,600	12,800	13,000	13,200	13,400	0.9%
Connecting	16,698	16,757	16,890	17,528	17,700	17,400	17,400	17,700	18,000	18,300	18,600	0.9
Total	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000	0.9
Percent originating	40.8%	42.0%	42.1%	41.8%	42.2%	42.0%	42.0%	42.0%	41.9%	41.9%	41.9%	
STRESS TEST FORECAST												
Enplaned passengers (millions)												
Originating					12,900	12,000	11,200	11,400	11,600	11,800	12,000	
Connecting					17,700	14,900	12,200	12,400	12,600	12,800	13,000	
Total					30,600	26,900	23,400	23,800	24,200	24,600	25,000	
Percent originating					42.2%	44.6%	47.9%	47.9%	47.9%	48.0%	48.0%	
Percent reduction from base forecast												
Originating					0.0%	(4.8%)	(11.1%)	(10.9%)	(10.8%)	(10.6%)	(10.4%)	
Connecting					0.0	(14.4)	(29.9)	(29.9)	(30.0)	(30.1)	(30.1)	
Total enplaned					0.0	(10.3)	(22.0)	(22.0)	(21.9)	(21.9)	(21.9)	

Source: Historical: Dallas/Fort Worth International Airport records.
Forecast: LeighFisher, March 2014.



DFW765 F-0012

The forecasts presented in this figure were prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Sources: Historical—Dallas/Fort Worth International Airport records.
Forecast—LeighFisher, March 2014.

Figure 12
FORECAST ENPLANED PASSENGERS
Dallas/Fort Worth International Airport

Base Forecast and Assumptions

For the base forecast, it was assumed that, beginning in FY 2015:

- The U.S. economy will experience sustained growth averaging approximately 2.5% per year.
- The economy of the Airport service region will grow at a similar rate as that of the United States as a whole.
- A generally stable international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.
- There will be no major disruption of airline service or airline travel behavior as a result of international hostilities or terrorist acts or threats.
- American will successfully integrate its operations with those of US Airways, and will add the seat capacity required to accommodate additional demand.
- The Airport will continue to be the principal connecting hub in the combined American-US Airways system, and the percentage of passengers connecting at the Airport will not change materially.
- Competition among airlines serving the Airport and Love Field will ensure competitive airfares for flights from the Airport.
- The Airport will continue to be the only international passenger gateway to the Dallas-Fort Worth market, as provided for by the Reform Act.
- International traffic will grow at a faster rate than domestic traffic as a result of increased globalization and relaxation of international trade and travel restrictions.
- Upon expiration of the Wright Amendment restrictions, Southwest and other airlines serving Love Field will gradually make full use of the 20 gates at the new terminal to provide nonstop service in key markets. Airfare competition in such markets among airlines serving the Airport and Love Field will result in a stimulation of demand in the Dallas-Fort Worth market as a whole. Increased numbers of passengers on new nonstop services from Love Field will result in reduced passenger numbers at the Airport, but such reductions will be relatively small because of the gate limitation at Love Field and will be offset by increased passenger numbers associated with economic growth and airline service and fare competition. The share of Dallas-Fort Worth domestic passengers served from the Airport will

decrease from approximately 86.5% in FY 2014 to approximately 81.5% in FY 2016.

As a result of offsetting influences, the number of domestic enplaned passengers at the Airport is forecast to be reduced slightly in FY 2015 and FY 2016. An average increase of 1.5% per year is then forecast between FY 2016 and FY 2020.

The number of international enplaned passengers is forecast to increase steadily at an average of 2.8% per year between FY 2013 and FY 2020.

Overall, the number of enplaned passengers at the Airport is forecast to increase from 30.1 million in FY 2013 to 32.0 million in FY 2020, or an average of 0.9%. In its most recent *Terminal Area Forecast* (published February 2014), the FAA forecasts an average annual increase of 2.5% in enplaned passengers at the Airport over the same period.

Stress Test Forecast and Assumptions

The stress test forecast of enplaned passengers was developed to provide the basis for a sensitivity test of the Airport's financial results to a hypothetical reduction in passenger numbers. The same assumptions underlie the stress test forecast as the base forecast except that passenger traffic at the Airport was assumed to be decreased as result of reduced connecting airline service and weak economic conditions. It was hypothesized for the stress test that, between FY 2014 and FY 2016, both originating and connecting passenger numbers would be reduced. In FY 2016 through FY 2020 passenger numbers would then increase at rates similar to those for the baseline forecast.

In FY 2020, the overall number of enplaned passengers is 25.0 million for the stress test forecast, compared with 32.0 million for the base forecast. Relative to the base forecast, in FY 2020, the number of originating passengers is approximately 10% lower, the number of connecting passengers is approximately 30% lower, and the total number of enplaned passengers is approximately 22% lower. Originating passengers account for approximately 48% of the total in the stress test forecast compared with 42% in the base forecast.

Landed Weight Forecast and Assumptions

Forecasts of Signatory Airline landed weight are shown in Exhibit E-1 at the end of the report. In the base forecast, landed weight is forecast to increase from 37.4 million pounds in FY 2013 to 40.1 million pounds in FY 2020. The forecast growth rate for landed weight was assumed to be approximately the same as that for enplaned passengers. Corresponding assumptions were made for the stress test forecast.

FINANCIAL ANALYSIS

FRAMEWORK FOR AIRPORT FINANCIAL OPERATIONS

The Dallas/Fort Worth International Airport Board established and developed the Airport under the terms of a 1968 Contract and Agreement between the City of Dallas and the City of Fort Worth, joint owners of the Airport. Construction began in 1969 and the Airport opened in 1974. Under the terms of the Contract and Agreement, the Board is authorized to develop, operate, and maintain the Airport on behalf of the Cities.

The Board has 11 voting members, 7 from the City of Dallas and 4 from the City of Fort Worth, who are appointed by the respective City Councils. A twelfth, non-voting, member representing one of the four cities neighboring the Airport (Irving, Grapevine, Euless, and Coppell) is appointed on an annual rotating basis. The Board operates the Airport with approximately 1,850 staff members under the direction of a Chief Executive Officer.

Bond Ordinances

The financial operations of the Airport are governed, in large part, by the Master Bond Ordinance adopted by the Cities in September 2010. The Master Bond Ordinance amended and restated the Regional Airport Concurrent Bond Ordinance adopted by the Cities in November 1968 (the 1968 Ordinance) under which the Airport was originally financed with Joint Revenue Bonds, and which was subsequently amended and supplemented. In particular, the Thirtieth Supplement, adopted in February 2000, established many key provisions governing Airport financial operations. The provisions of the Master Bond Ordinance regarding the Rate Covenant and the calculation and application of Gross Revenues (as shown in Exhibit I) are the same as those of the 1968 Ordinance as amended and supplemented. The Master Bond Ordinance and supplemental ordinances are collectively referred to in this report as the Bond Ordinances.

In the Rate Covenant (Section 6.3(b) of the Master Bond Ordinance), the Cities covenant that the Board will place into effect Airport rentals, fees, and charges that are reasonably estimated to produce, in each Fiscal Year, Net Revenues (Gross Revenues less Operation and Maintenance Expenses) that will meet at least 125% of the debt service requirements of all Bonds and other parity Obligations plus at least 100% of the requirements of any subordinate obligations.

The Bond Ordinances provide for the issuance of additional Bonds and prescribe the application of Airport Revenues to the funds and accounts established under the Bond Ordinances, as described in the later section "Application of Revenues."

Airline Agreement

Effective the beginning of FY 2011, the Board executed an Airport Use and Lease Agreement (the Airline Agreement) with American and other Signatory Airlines that collectively account for essentially all enplaned passengers and landed weight at the Airport and extends through FY 2020, the forecast period covered by this report*. As described in the later sections "Landing Fees" and "Airline Terminal Rents and Use Fees," the Airline Agreement provides for the calculation of Signatory Airline rentals, fees, and charges according to cost-recovery principles to ensure that the requirements of the Rate Covenant are met or exceeded. Airline revenues presented in this report were forecast on the assumption that American and the other Signatory Airlines will pay rentals, fees, and charges in accordance with the provisions of the Airline Agreement.

CAPITAL PROGRAM

As part of the Airline Agreement, the Board, American, and the other Signatory Airlines agreed to a scope of work and funding plan for the Terminal Renewal and Improvement Program (TRIP), scheduled to be completed in September 2018, and other capital improvements at the Airport being implemented through FY 2020. The TRIP and other improvements are collectively referred to in this report as the Capital Program. Estimated project costs and funding sources for the Capital Program are shown in Exhibit A.

Terminal Renewal and Improvement Program

The TRIP is a phased renewal of Terminals A, B, C, and E as the buildings and their systems reach the end of their 40-year useful lives. As part of the TRIP, the terminals are being renovated and their electrical, plumbing, heating, cooling, security, conveyance, telecommunications, lighting, fire protection, and information technology systems replaced to extend the useful lives of the terminals for at least 35 years. Various operational improvements benefiting the airlines, other Airport tenants, and passengers are being incorporated and concession and passenger services are being upgraded and consolidated into concession "villages" similar to those at Terminal D.

Also as part of the TRIP, the parking garages at the terminals are being reconstructed and various improvements are being made to the roadways and curbsides serving the terminals.

---

*As of the date of this report, all airlines providing scheduled service at the Airport are signatory to the Airline Agreement except Aeromexico Connect and Sky Regional Airlines, which together accounted for less than 0.5% of enplaned passengers in FY 2013.

Other Capital Program Elements

Other Airport renewal, replacement, and upgrade needs anticipated during the forecast period are:

- **Terminal:** Renewal and replacement of terminal facilities and systems not provided for in the TRIP.
- **Airfield:** Reconstruction of runway, taxiway, and apron pavements, and renewal of airfield lighting and other systems.
- **Roads and bridges:** Renewal, replacement, extension, and expansion of Airport access roads and bridges.
- **Skylink:** Renewal and replacement of facilities and systems for the Skylink inter-terminal automated people mover system.
- **Parking:** Renewal and upgrade of parking garages and lots and replacement of shuttle buses and vans serving employee and public parking.
- **Other:** Renovation and upgrades to utility, environmental, information technology, aircraft rescue and fire fighting (ARFF), safety, security, and other Airport support facilities and systems.

SOURCES OF FUNDS

Exhibit A summarizes estimated funding sources for the TRIP and other elements of the Capital Program. The funding sources are as agreed upon with the Signatory Airlines under the Airline Agreement.

Federal Grants-in-Aid

The Board is eligible to receive grants-in-aid under the FAA's Airport Improvement Program (AIP) for up to 75% of the costs of airfield and other approved projects. Certain of these grants are entitlement grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and landed weight of all-cargo aircraft at the Airport. Other, discretionary, grants are awarded on the basis of the FAA's determination of the priorities for projects at the Airport and at other airports in the nation. In FY 2004 through FY 2013, the Board received an average of $9.0 million per year in entitlement grants and an average of $10.8 million per year in discretionary grants, for a total of $19.9 million per year.

In the Board's funding plan for the Capital Program shown in Exhibit A, AIP grants totaling $172.3 million ($17.2 million per year on average) were assumed to be received in FY 2011 through FY 2020 for airfield, safety, and security projects.

Passenger Facility Charge Revenues

The Board has approval from the FAA to impose a PFC per eligible enplaned passenger at the Airport. The PFC was imposed at $3.00 in May 1994 and increased to $4.50 in July 2002. Through September 2013, cumulative PFC revenues, including investment earnings, totaled $1,814.6 million, of which $1,803.7 million had been expended for approved project costs: $734.1 million funded "pay-as-you-go" and $1,069.6 million for Bond debt service.

Since FY 2011, the Board has applied to the payment of Bond debt service all PFC revenues derived from the $4.50 PFC now in effect. The Board intends to continue such application of PFC revenues. By agreement with the Signatory Airlines, additional PFC revenues derived from any future increase in the PFC, up to a maximum of $7.50 per eligible enplaned passenger, are also to be used to pay Bond debt service to the maximum extent that such PFC revenues are approved by the FAA for the payment of eligible Bond debt service. Under the FAA Modernization and Reform Act of 2012, $4.50 is the maximum PFC that may be imposed through FY 2015.

Exhibit F presents historical and forecast sources and uses of PFC revenues by year, assuming continued imposition of a $4.50 PFC.

Joint Revenue Bonds

Exhibit B presents the estimated sources and uses for the proposed 2014 New Money Bonds and planned 2016 Bonds. Financing assumptions for the proposed 2014 New Money Bonds, proposed 2014 Refunding Bonds, and planned 2016 Bonds, as provided by First Southwest Company, the Board's co-financial advisors, are shown on the following page.

The estimated sources of Bond funds are proceeds from the sale of the Bonds after original issue discount. Investment earnings on available amounts in the Construction Fund and Capitalized Interest Account during construction are also to be available. However, no such investment earnings were assumed for purposes of this report.

The estimated uses of Bond funds are (1) deposits to the Construction Fund to pay project costs; (2) escrow deposits to refund outstanding Bonds; (3) deposits to the Capitalized Interest Account to pay Bond interest during construction; (4) deposits to meet the Debt Service Reserve Requirement, if any; and (5) payment of underwriters' discount, financing, legal, and other Bond issuance expenses.

The proposed 2014 Refunding Bonds are being issued to refund all outstanding 2004B Bonds and 2007 Bonds to restructure the principal payment schedule and lower interest costs so as to limit increases in required airline rentals, fees, and charges.

	Proposed 2014 New Money Bonds			
	2014B	2014C	2014D	2014G
Bond proceeds (par amount in thousands)	$182,250	$129,930	$258,645	$54,945
Project costs to be funded (in thousands)	$147,707	$111,775	$208,313	$50,000
Final maturity	2045	2045	2045	2037
Tax status	AMT	Non-AMT	AMT	Taxable
Interest rate for final maturity	5.50%	5.50%	5.50%	5.89%
Interest to be capitalized in part through	2017	2016	2018	2015
Principal amounts to be made in	2025-2045	2018-2045	2025-2045	2018-2037
Debt service reserve requirement	Funded from Bond proceeds	Funded from Bond proceeds	Funded from Bond proceeds	Funded from Bond proceeds

	Proposed 2014 Refunding Bonds		Planned 2016 New Money Bonds		
	2014E	2014F	2016A	2016B	2016BC
Bond proceeds (par amount in thousands)	$83,710	$104,600	$106,265	$535,625	$108,505
Project costs to be funded or Bond principal to be redeemed (in thousands)	$89,099	$97,382	$83,902	$430,958	$101,740
Final maturity	2026	2027	2045	2045	2045
Tax status	AMT	Non-AMT	Non-AMT	AMT	AMT
Interest rate for final maturity	5.25%	5.25%	5.63%	5.63%	6.50%
Interest to be capitalized in part through	None	None	2019	2018	2016
Principal amounts to be made in	2014-2026	2014-2027	2026-2045	2025-2045	2026-2045
Debt service reserve requirement	Met from existing balances	Met from existing balances	Funded from Bond proceeds	Funded from Bond proceeds	Funded from Bond proceeds

Bond Debt Service Requirements

Exhibit C presents the Bond debt service requirements of outstanding Bonds, proposed and planned new money Bonds, and changes in debt service requirements that have resulted or are estimated to result from the refunding of outstanding Bonds. Debt service requirements are allocated to Airport cost centers in accordance with the provisions of the Airline Agreement.

Effective FY 2010, the Board changed the annual period for which it accrues debt service requirements for the purposes of calculating rentals, fees, and charges from the Bond Year ended November 1 to the Fiscal Year ended September 30. Consequently, the debt service requirements for outstanding Bonds shown in Exhibit C for FY 2010 are for the 11 months November 2009 through September 2010. Debt service requirements shown for FY 2011 through FY 2014 are the amounts accrued for the Fiscal Year ended September 30. Debt service requirements shown for FY 2015 through FY 2020 are the amounts for the Bond Years ending November 1.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents Operation and Maintenance (O&M) Expenses by type and by Airport cost center. Data for FY 2008 through FY 2010 are from the Board's annual *Rates, Fees, and Charges Settlement* reports; data for FY 2011 through FY 2013 are from the Board's *Rates, Fees, and Charges Year End Reconciliation* reports; and data for FY 2014 are from the Board's *FY 2014 Forecast* report. Beginning in FY 2011, expenses are allocated to cost centers in accordance with the provisions of the Airline Agreement.

The line items of Operation and Maintenance Expenses shown in Exhibit D were forecast, using the FY 2014 forecast as the base, by taking into account increases in unit costs as a result of inflation, forecast aircraft and passenger activity, and planned terminal development. In particular, the following assumptions were made:

1. To account for inflation, the unit costs of salaries, wages, benefits, materials, services, and supplies will increase an average of approximately 3% per year.

2. In addition to inflation-related increases, the costs of operating, maintaining, and administering airfield, terminal, and other Airport facilities will increase as a function of the forecast increases in passenger and aircraft activity documented in the earlier section, "Airline Traffic Forecasts."

3. Implementation of the TRIP will result in efficiencies so that facility and transportation management expenses will be reduced by approximately 2% in each of FY 2016, FY 2017, and FY 2018.

Operation and maintenance expenses for Terminals A and C are paid directly by American and are not shown in Exhibit D. Similarly, operation and maintenance expenses for the Hotel (which are the responsibility of the Public Facility Improvement Corporation) and for the shuttle bus system serving the consolidated rental car center are not shown in Exhibit D. The Board incurs certain operating and maintenance expenses for the rental car center, but treats such expenses as a "pass-through," so that they are not shown in Exhibit D.

REVENUES

Exhibit E presents operating revenues. Data for FY 2008 through FY 2010 are from the Board's annual *Rates, Fees, and Charges Settlement* reports; data for FY 2011 through FY 2013 are from the Board's *Rates, Fees, and Charges Year End Reconciliation* reports; and data for FY 2014 are from the *FY 2014 Forecast* report. The distribution of operating revenues by major category in FY 2013 was as follows:

	Revenues	Share
Airline revenues		
Airfield	$114,894,000	21.4%
Terminal	144,296,000	26.9
Subtotal	$259,190,000	48.3%
Nonairline revenues		
Terminal concessions	$ 62,340,000	11.6%
Parking and ground transportation	152,460,000	28.4
Commercial development and other	63,040,000	11.7
Subtotal	$277,840,000	51.7%
Total	$537,030,000	100.0%

Individual components of Revenues shown in Exhibit E were forecast, using FY 2014 estimates as the base, taking into account allowances for unit price inflation at 3.0% per year, planned terminal redevelopment, and the provisions of the Airline Agreement and other leases and agreements with users and tenants of the Airport. Forecasts documented in the *FY 2014 Financial Plan* as prepared by DFW staff were also taken into account.

Revenues from sources related to passenger numbers, such as concession and parking revenues, and from sources related to aircraft movements, such as landing fees, were forecast as a function of the forecast airline activity described in the earlier section "Airline Traffic Forecasts." The specific assumptions underlying individual components of Revenues are described in the following sections.

AIRLINE REVENUES

Capitalized terms in this section are used as defined in the Airline Agreement, except as otherwise defined. Airline revenues shown in Exhibits E and E-1 are as calculated under the provisions of prior agreements for FY 2008 through FY 2010

and as calculated under the provisions of the Airline Agreement for FY 2011 through FY 2020.

Airport Cost Centers

The Airline Agreement establishes three direct cost centers for the accounting of Airport revenues and expenses and to provide the basis for calculating rentals, fees, and charges, as follows.

Airfield: Runways, taxiways, aprons, airfield grounds, air navigation aids, aircraft fueling facilities, general aviation facilities, and associated airfield land and facilities. The Signatory Airlines pay Landing Fees, calculated according to a cost-recovery methodology to ensure that net Airfield Cost Center requirements are met, as described in the later section "Landing Fees."

Terminal: All space and facilities in the terminals, including airline leased space, common-use space, international arrivals space, and vacant space. The Signatory Airlines pay Terminal Rents, calculated according to a cost-recovery methodology to ensure that net Terminal Cost Center requirements are met, as described in the later section "Airline Terminal Rents."

DFW: Public and employee parking garages and lots, associated shuttle bus systems, Skylink, rental car facilities, terminal concession revenues (but not the cost of terminal concession space), air cargo facilities, aircraft maintenance hangars, nonterminal hotels, and other commercial land, development, and concessions. The DFW Cost Center consists of the Passenger Services and Commercial Development sub-cost centers. After certain transfers and credits to the Airfield and Terminal costs centers are made, all net revenues from the DFW Cost Center are deposited into the DFW Capital Account for Airport renewal and replacement needs, other capital investments, and other Airport purposes at the discretion of the Board.

In addition, the Airline Agreement establishes the following indirect cost centers.

Overhead: Operation, maintenance, and other expenses and liabilities associated with operation of the Airport that are not directly associated with the functions of the direct cost centers, such as insurance, pensions, information technology, general and administrative functions, roadways and bridges, utilities, and infrastructure.

Department of Public Safety: Operation, maintenance, and other expenses and liabilities associated with police, ARFF, and safety and security functions and services.

Allocation of Requirements to Cost Centers

Under the provisions of the Airline Agreement, requirements are to be allocated to the three direct cost centers, as follows.

Operation and Maintenance Expenses: Charged directly to the cost centers generating the expenses.

Operating Reserve Account deposit: Allocated pro rata according to each cost center's share of O&M Expenses.

Overhead: Allocated pro rata according to each cost center's share of O&M Expenses (including Department of Public Safety expenses).

Department of Public Safety expenses: As budgeted based on actual use of Department of Public Safety services in the prior Fiscal Year.

Existing debt service: Principal and interest payments on Bonds outstanding as of September 30, 2010 (and on Bonds issued to refund such Bonds), allocated 60% to the Airfield, 11% to the Terminal, and 29% to the DFW cost centers.

Future debt service: Principal and interest payments on Bonds issued after September 30, 2010, allocated in proportion to the project costs funded (net of any grants or PFC revenues).

Incremental coverage: Allocated pro rata according to each cost center's share of the change in debt service.

Landing Fees

Exhibit E-1 shows historical and forecast Landing Fees and Signatory Airline Landing Fee rates per 1,000 pounds of landed weight. Under the provisions of the Airline Agreement, the Signatory Airlines pay Landing Fees calculated to allow the recovery of the net cost of the Airfield Cost Center, calculated as the sum of allocable requirements less credits for other Airfield revenues. The net Airfield cost is further adjusted to reflect the credit or charge resulting from the reconciliation of actual versus budgeted amounts for the prior Fiscal Year and any Capital Threshold Adjustment Amounts (calculated as described in the next paragraph). Landing Fees are recalculated each Fiscal Year (or more frequently if required) to reflect the budgeted net Airfield cost and landed weight.

The Capital Threshold Adjustment Amounts are calculated to ensure minimum annual deposits to the DFW Capital Account (the Lower Capital Threshold). Of any amounts above a maximum (the Upper Capital Threshold), 75% is credited to the Signatory Airlines against the Landing Fee requirement and 25% is deposited to the DFW Capital Account. For FY 2014, the Lower Capital Threshold is $42.9 million and the Upper Capital Threshold is $64.3 million. Accumulated unassigned balances in the DFW Capital Account are also subject to a limit (the Cumulative Capital Threshold), $107.2 million for FY 2014. All threshold amounts are adjusted annually by the Consumer Price Index (CPI). For the financial forecasts in this report, a CPI of 3.0% was assumed. It was also assumed that expenditures from the

DFW Capital Account will cause the Cumulative Capital Threshold Amounts not to be exceeded.

Landing Fees decreased in FY 2011 as a result of the rate-making methodology in the Airline Agreement. Airlines that are not signatory to the Airline Agreement pay a landing fee rate that is set at the Signatory Airline rate plus 25%. For the financial forecasts in this report, it was assumed that airlines accounting for substantially all landed weight at the Airport will pay Landing Fees at the Signatory Airline rate.

Airline Terminal Rents and Use Fees

Airline Terminal Rents. Exhibit E-1 shows historical and forecast Airline Terminal Rents and the average terminal rental rate per square foot of rented space. Under the provisions of the Airline Agreement, the Signatory Airlines pay Terminal Rents calculated to allow for the recovery of the net cost of the Terminal Cost Center, calculated as the sum of allocable requirements as adjusted for the credit or charge resulting from the reconciliation of actual versus budgeted amounts for the prior Fiscal Year and the credit of all other revenues attributable to the Terminal. Such other revenues include fees for the use of the international arrivals areas at Terminal D, fees for the use of other common-use terminal facilities, rents paid by the TSA and other tenants, reimbursements of O&M expenses by concessionaires, and fees for catering services.

The calculation of the net Terminal requirement includes credits in the amount of agreed-upon transfers from the Joint Capital Account (the Annual Capital Transfer) equal to $28.0 million in FY 2011, and reduced by $4.0 million per year until phased out in FY 2017, as shown in Exhibit I. Also credited in the calculation are a Board contribution for costs allocable to vacant space, as calculated by formula, and other agreed-upon fixed amounts. Terminal Rents are recalculated each Fiscal Year (or more frequently if required) to reflect the budgeted net Terminal cost and leased space. Airline Terminal Rents increased in FY 2011 as a result of the rate-making methodology in the Airline Agreement.

Other Terminal Revenues. Also included in Exhibit E-1 are fees for the use of the Federal Inspection Services (FIS) facilities in Terminal D (FIS Facility Fees), fees for the use of common-use facilities in Terminals D and E (Common Use Space revenues), and rentals and O&M expense reimbursements paid by nonairline tenants. FIS Facility Fees are charged per deplaned international passenger (excluding passengers arriving from airports with U.S. Customs and Border Protection preclearance stations) and are set annually to recover the budgeted costs allocable to the FIS Facility. The FIS Facility Fee rate is shown in Exhibit E-1. Common Use Space revenues include use fees for gates ("turn fees") and rentals paid by the TSA and Airport tenants other than the Signatory Airlines. Different turn fee rates are charged for the use of domestic common-use gates in Terminal E and international common-use gates in Terminal D. The turn fee rates are adjusted annually by the percentage increase in the terminal rental rate.

Airline Payments per Enplaned Passenger

Exhibit E-1 summarizes all payments from the passenger airlines serving the Airport and the average of such payments per enplaned passenger. Excluded from Exhibit E-1 are payments made separately by American for the operation and maintenance of Terminals A and C. Such payments are estimated to have been approximately $37.9 million in FY 2013, or $1.26 per enplaned passenger averaged over all Airport enplaned passengers.

NONAIRLINE REVENUES

Exhibit E presents nonairline revenues grouped by (1) terminal concessions, (2) parking and ground transportation, and (3) commercial development and other. Assumptions underlying the forecasts of the major line items of revenues are described in the following sections. Terminal concession revenues are determined largely by the numbers of enplaned passengers (originating and connecting). Parking and ground transportation revenues are determined largely by numbers of originating passengers.

Terminal Concession Revenues

In FY 2013, concessions and other services in the terminals generated approximately 11.6% of Airport operating revenues, as follows:

	Revenues	Share
Food and beverage	$24,004,000	38.6%
Retail	17,859,000	28.7
Passenger services	3,642,000	5.9
Advertising	14,144,000	22.7
Telecommunications	1,944,000	3.1
Other	595,000	1.0
Total	$62,188,000	100.0%

The Board estimated that, in FY 2010, it earned approximately 50% more concession revenues per passenger from outlets in the then-new Terminal D than from outlets in other terminals as a result of more concession space per passenger and more attractive outlets. As discussed in the earlier section, "Capital Program," the TRIP includes the development of concession "villages" similar to those in Terminal D in all other terminals. The Board expects that these developments will increase average passenger concession spend rates in Terminals A, B, C, and E to levels similar to those in Terminal D.

Food and Beverage. Approximately 120 food and beverage outlets are operated in the terminals. In FY 2013, gross receipts for food and beverage concessions totaled approximately $185.7 million, or $6.16 per enplaned passenger. In FY 2013, the Board received approximately $24.0 million, or 12.9% of gross receipts, in food and beverage concession fees.

Retail. Approximately 100 news, gift, and other retail merchandise concession outlets are operated in the terminals. In FY 2013, gross receipts for retail merchandise concessions totaled $109.6 million, or $3.64 per enplaned passenger. In FY 2013, the Board received approximately $17.9 million, or 16.3% of gross receipts, from retail concessions.

Passenger Services. In FY 2013, gross receipts from passenger convenience services, such as ATMs, baggage cart rentals, currency exchange, locker rentals, vending machines, barber and shoeshine shops, and business services, accounted for approximately $6.4 million, or $0.21 per enplaned passenger. In FY 2013, the Board received approximately $3.6 million in privilege fees from such concessions.

Advertising. In FY 2013, the Board received approximately $14.1 million, or $0.47 per enplaned passenger, in advertising and related revenues.

Telecommunications. The Board receives revenues from communications services provided in the terminals, including long distance telephones, wired and wireless Internet access, and pay telephones. In FY 2013, the Board received approximately $1.9 million, or $0.06 per enplaned passenger, from such terminal telecommunications services.

Other. Other concessions and passenger services from which the Board derives revenues include storage, office space, recreation sites, and antenna and cell sites. In FY 2013, revenues from these services were approximately $0.6 million, or $0.02 per enplaned passenger.

Forecast Assumptions. It was assumed that terminal concession revenues will increase as a function of inflation and forecast increases in enplaned passengers, with allowances for increased sales per passenger resulting from the new concession facilities to be constructed in the terminals through the TRIP.

Parking Revenues

As of October 2013, the Board provided approximately 42,100 public parking spaces, of which approximately 3,300 were out of service for TRIP construction, as follows:

- Terminal parking in garages and "infield" lots within walking distance of each terminal (25,300 spaces net of 3,300 out of service for construction)
- North and south express parking lots providing covered and uncovered spaces with "car-to-gate" shuttle bus service (8,600 spaces)
- Remote north and south parking lots providing economy parking near the north and south entry and exit control plazas on International Parkway, also served by shuttle buses (4,900 spaces)

The Board operates all Airport public parking facilities and a fleet of 59 shuttle buses and vans to transport passengers between the express and remote parking lots and the terminals. (The Board also operates a fleet of 29 buses to transport passengers between the terminals.) In FY 2013, public parking revenues totaled approximately $116.1 million, or 21.6% of the total operating revenues shown in Exhibit E. The control plazas on International Parkway are equipped with an automated TollTag© debit system to collect terminal parking charges. The Board charges a "pass-through fee" of $2 for vehicles that enter and then exit the Airport within 8 minutes ($1 with TollTag©). A "drop-off fee" of $1 is charged for vehicles entering the Airport and leaving between 8 and 30 minutes later.

Terminal parking rates are $2 for up to 2 hours, $5 for 2 to 4 hours, $7 for 4 to 6 hours, and $20 for 6 to 24 hours ($18 with TollTag©). Terminal parking rates were last changed at the beginning of FY 2013, when the 6-to-24 hour rate was increased from $19 to $20. Rates for express parking are $13 per day covered (increased at the beginning of FY 2013 from $12), and $11 per day uncovered (increased at the beginning of FY 2013 from $10). The rate for remote parking is $9 per day (increased at the beginning of FY 2014 from $8). The Board also contracts with a third-party operator to provide valet parking at the terminals at a rate of $25 per day (increased at the beginning of FY 2013 from $23).

Various private operators provide approximately 7,500 parking spaces off Airport. Off-Airport parking rates are competitive with those charged for the Board's express and remote economy parking lots, ranging from approximately $7 per day for uncovered parking to $20 per day for covered valet parking, with various corporate discounts and amenities to attract patrons. The Board collects a privilege fee from six off-Airport parking operators calculated as 10% of their gross receipts. In FY 2013, off-Airport privilege fees totaled approximately $2.5 million (included in the $116.1 million shown for parking in Exhibit E.)

Parking revenues were forecast assuming that:

1. Parking demand will change from estimated FY 2013 levels in proportion to forecast changes in numbers of originating passengers.

2. Additional parking spaces will be made available as needed to accommodate demand while maintaining approximately the current balance between on-Airport and off-Airport facilities. (As part of the Capital Program, the Board plans to add approximately 4,400 public parking spaces.)

3. Parking rates will be increased every two years and productivity enhancements implemented so as to achieve increases in revenues per originating passenger averaging approximately 3.6% per year, consistent with the assumptions made by DFW staff documented in the *FY 2004 Financial Plan*.

4. All on-Airport parking facilities will continue to be operated by the Board.

Rental Car Privilege Fees

Rental car revenues (shown in Exhibit E) are derived from rental car concession privilege fees. The Board operates a 155-acre rental car facility located near the south entrance of the Airport and provides shuttle bus service between the facility and each terminal with a fleet of 54 buses. The rental car facility and shuttle bus service consolidate the operations of rental car companies that serve substantially all of the Airport rental car market.

The rental car companies operate under the terms of concession agreements that became effective when the consolidated rental car facility opened in 1999 and are scheduled to expire in 2025. Under these agreements, the companies pay 10% of their gross receipts, against minimum annual guaranteed amounts, for the privilege of operating on Airport. The rental car companies also reimburse the Board for certain O&M expenses. The rental car companies and their shares of gross revenues in FY 2013 were as follows:

Company	Revenues	Share
Hertz *(a)*	$ 68,493,000	26.8%
Avis *(b)*	53,039,000	20.8
Alamo/National *(c)*	50,728,000	19.8
Enterprise *(c)*	25,750,000	10.1
Budget *(b)*	22,950,000	9.0
Dollar *(a)*	14,545,000	5.7
Thrifty *(a)*	7,855,000	3.1
Advantage	5,994,000	2.3
E-Z	5,704,000	2.2
Silvercar	415,000	0.2
Total	$255,473,000	100.0%

(a) Operates as a subsidiary of Hertz Global Holdings, Inc.
(b) Operates as a subsidiary of Avis Budget Group.
(c) Operates as a subsidiary of Enterprise Holdings, Inc.

In FY 2013, rental car privilege fees totaled $26.8 million, or $2.12 per originating passenger. The privilege fees were forecast to increase with inflation and forecast increases in originating passengers.

On behalf of the Board, each on-Airport rental car company collects a customer facility charge (CFC) of $4.00 per transaction-day. Rental car revenue bonds were issued through the Facility Improvement Corporation in 1998 and 1999 to fund construction of the consolidated rental car facility. As discussed in the letter at the beginning of this report, the 2011A Bonds were issued to refund the Facility

Improvement Corporation's 1998 and 1999 bonds. Effective with the issuance of the 2011A Rental Car Refunding Bonds, the Public Facility Improvement Corporation (PFIC) assumed the obligations of the Facility Improvement Corporation. Under the provisions of a June 2011 agreement between the PFIC and the Board, CFC revenues are to be paid by the PFIC to the Board in amounts sufficient to meet the debt service requirements of the 2011A Bonds. Such CFC revenues are defined as Successor Rental Car Facility Charges. Forecasts of CFC revenues and their use to pay the debt service requirements of the proposed 2011A Rental Car Refunding Bonds are shown in Exhibit G. Successor Rental Car Facility Charges are included in Gross Revenues, as shown in Exhibit I.

Effective January 2008, the rental car companies also collect a customer transportation charge (CTC) of $2.20 per transaction-day to cover the operation and maintenance costs of the shuttle bus fleet. Such CTC revenues are not pledged to the repayment of Joint Revenue Bonds and are not included in Gross Revenues or shown in Exhibit E.

Ground Transportation Fees

In FY 2013, ground transportation fee revenues totaled approximately $8.2 million, or $0.65 per originating passenger and include revenues from commercial ground transportation operators, such as shared-ride, limousine, bus, taxicab, and hotel and parking lot courtesy vehicle operators. Commercial ground transportation operators pay permit, access, vehicle inspection, drivers' permit, decal, and TollTag© fees.

Nonterminal Concessions

Nonterminal (outside) concession revenues include revenues from gas stations and other commercial outlets. In FY 2013, such revenues totaled approximately $1.4 million, or $0.11 per originating passenger.

Commercial Development Revenues

The Board derives revenues from Airport property located outside the passenger terminal complex. Such commercial development revenues include rental revenues from ground leases, building and facility leases, and rental car facility ground leases (but not concession fee or CFC revenues). Commercial development revenues also include revenues from foreign trade zone tariffs, a hotel and recreation complex, and property and surface use fees (but not royalties) from natural gas drilling. In FY 2013, commercial development revenues from land and building rentals totaled approximately $41.2 million, or 7.7% of operating revenues. American Airlines and US Airways together accounted for approximately $8.5 million of FY 2013 land and building rentals.

Properties with access to the Air Operations Area (Airport Services rentals) are generally charged the same rental rate. Rental rates for other properties are separately negotiated, generally using a fair market value approach. Leases

generally include provisions allowing the rental rates to increase annually with inflation. Of the Airport's 17,200 acres, 13,020 acres are developable for aeronautical and nonaeronautical purposes. Of the developable land area, 8,180 acres have been developed and 4,840 acres are available for future development.

Facilities outside the passenger terminal complex were mostly constructed by tenants or third-party developers who pay ground rents under long-term leases. As the leases expire and the facilities revert to Board ownership, the Board charges facility rent in addition to ground rent.

A Hyatt Regency hotel, located adjacent to Terminal C on the east side of International Parkway, provides approximately 800 rooms, restaurants, and meeting facilities. Revenues paid to the Board are calculated as percentages, varying from 3.7% to 6.8%, of gross receipts.

New commercial development revenues were forecast to account for anticipated returns on investments in infrastructure and utilities. Beginning in FY 2015, revenues were forecast to be received from American Airlines in amounts equal to the debt service requirements (plus incremental coverage) of the proposed 2014G Bonds to be issued to finance an American flight training facility (see Exhibit C for debt service amounts).

Employee Transportation Fees

The Board operates four parking lots with approximately 7,500 spaces for airline flight crew and other employees. Transportation is provided between these lots and the terminals with a fleet of 32 buses. The Board charges fees, often paid by employers, to recover transportation costs. In FY 2013, such fees totaled approximately $12.3 million, or 2.3% of operating revenues. Employee transportation fees were forecast to increase with inflation.

Utilities Expense Reimbursements

In FY 2013, revenues from utilities expense reimbursements from nonairline tenants totaled approximately $5.0 million, or 0.9% of operating revenues. In FY 2011, utilities expense reimbursements decreased as reimbursements for terminal expenses under the Airline Agreement began to be included in the terminal rental rate calculation. Utilities expense reimbursements after FY 2013 were generally forecast to increase with inflation.

Miscellaneous Income

Additional revenue sources include miscellaneous permit, security, and accounting fees. In FY 2013, those revenues totaled approximately $2.9 million, or 0.5% of operating revenues. Other revenues were forecast to increase with inflation.

Investment Income

Investment income shown in Exhibit E represents investment earnings on balances in the Operating Revenue and Expense Fund, including balances attributable to the Debt Service Reserve Fund and the Rolling Coverage Account. In FY 2013, such revenues totaled $1.5 million, or 0.3% of operating revenues, and were forecast to increase as a result of higher balances and interest rates gradually increasing to an average of 2.5%.

Natural Gas Revenues

In October 2006, the Board entered into an agreement with Chesapeake Energy Company to allow natural gas exploration and extraction at the Airport. The agreement required payment of an upfront fee and a royalty fee, set at 25% of gross revenues, for the right to drill for and extract natural gas at the Airport. In addition, Chesapeake pays the Board property and surface use fees for the extraction and transportation of natural gas on and through the Airport.

The Board paid a portion of the upfront fee, with FAA approval, to the cities of Dallas and Fort Worth as reimbursement for their original capital contributions. To date, 112 gas wells have been drilled on the Airport, with 98 wells completed and producing gas for sale. In May 2009, Chesapeake stopped drilling new gas wells on the Airport because of the low price of natural gas.

Under the terms of the Bond Ordinances, both the upfront fee and all royalties are to be treated as proceeds from the sale of Airport property, deposited into the Capital Improvements Fund, and are not to be included in the calculation of Gross Revenues. Only property and surface use fee revenues are included as revenues in Exhibit E.

Hotel Revenues

As part of the Terminal D project, a Grand Hyatt hotel with approximately 300 rooms opened in 2005. The Hotel has a full-service restaurant and approximately 20,000 square feet of meeting and banquet space and is operated by Hyatt under a management contract. As discussed in the letter at the beginning of this report, certain costs of constructing the Hotel were financed with the 2001 PFIC Hotel Bonds. In 2012, the Board refunded the 2001 PFIC Hotel Bonds through the issuance of Joint Revenue Bonds (the 2012C Hotel Refunding Bonds). Under the provisions of an April 2012 agreement between the PFIC and the Board, revenues derived from operation of the Hotel are, to the extent available after the payment of certain operating expenses, to be paid by the PFIC to the Board in amounts sufficient to meet the debt service requirements (including 25% coverage) of the 2012C Hotel Refunding Bonds. The Board has pledged that, if net Hotel operating income is insufficient to pay such debt service requirements, it will use amounts in the DFW Capital Account to ensure that the debt service payments are made.

Forecasts of Hotel revenues and their use to pay the debt service requirements of the 2012C Hotel Refunding Bonds are shown in Exhibit H. Hotel revenues used to pay such debt service requirements are considered to be Gross Revenues of the Airport as shown in Exhibit I.

APPLICATION OF REVENUES

Exhibit I presents the application of Revenues in accordance with the Bond Ordinances and Airline Agreement.

Under the Bond Ordinances, all Airport operating revenues and PFC revenues committed as Gross Revenues are to be deposited into the Operating Revenue and Expense Fund. Revenues are applied or deposited into the funds and accounts established under the Bond Ordinances as follows:

- **Debt Service Fund**. Pay Accrued Aggregate Debt Service.
- **Debt Service Reserve Fund.** Maintain the Debt Service Reserve Requirement.
- **Operation and Maintenance Expenses**. Pay all Operation and Maintenance Expenses in accordance with the annual budget.
- **Operating Reserve Account**. Set aside an amount sufficient to pay Operation and Maintenance Expenses for 90 days.
- **Capital Improvements Fund**. Amounts remaining after all other funding requirements of the Bond Ordinances have been met are deposited into the Capital Improvements Fund and, under the terms of the Airline Agreement, allocated by formula to the DFW Capital Account, the Joint Capital Account, and the Rolling Coverage Account.

  Under Section 5.2(d) of the Master Bond Ordinance, the Board may, provided the requirements of the Rate Covenant are met, retain funds in the Operating Revenue and Expense Fund at the end of each Fiscal Year. Any such retained funds would be included in Gross Revenues for the following Fiscal Year. For the forecasts in this report, it was assumed that no such funds will be retained.

  Amounts in the DFW Capital Account may be used at the Board's discretion to pay the costs of renewal, replacement, or other capital projects or for any other Airport purpose. For purposes of this report, all DFW Capital Account amounts were assumed to be used for projects in the Capital Program. As shown in Exhibit I, beginning in FY 2015, annual transfers of $2.4 million are to be made to the Operating Revenue and Expense Fund as a contribution to the debt service requirements of the 2013G Bonds issued to finance a new Board headquarters building. The

amount of the annual deposit to the DFW Capital Account is calculated as described in the earlier section "Landing Fees."

Amounts in the Joint Capital Account are to be used to (1) pay the costs of projects in the preapproved Capital Program, (2) pay the costs of any additional projects approved by a majority-in-interest (MII) of the Signatory Airlines, and (3) make agreed-upon annual transfers to reduce Terminal Rents. As shown in Exhibit I and discussed in the earlier section, "Airline Terminal Rents," Annual Capital Transfer amounts are to be transferred annually from the Joint Capital Account to the Operating Revenue and Expense Fund and credited in the calculation of Terminal Rents.

Amounts in the Rolling Coverage Account are to be used to satisfy requirements of the Bond Ordinances. For this report, all amounts in the Rolling Coverage Account were assumed to be transferred annually to the Operating Revenue and Expense Fund to ensure that the debt service coverage requirements of the Rate Covenant are met or exceeded.

APPLICATION OF PFC REVENUES

All PFC revenues are deposited into the PFC Fund to be used for approved projects, either to pay project costs directly ("pay-as-you-go") or to pay debt service on Bonds. Under the Bond Ordinances, PFC revenues committed to the payment of Bond debt service (and authorized by the FAA to pay Bond principal and financing costs) are included in Gross Revenues. As shown in Exhibit F, beginning in FY 2011, all PFC revenues were assumed to be used to pay debt service on Bonds.

DEBT SERVICE COVERAGE

Exhibit I also shows the calculation of debt service coverage. As required by the Rate Covenant (Section 6.3(b) of the Master Bond Ordinance), Gross Revenues are forecast to be sufficient to pay Operation and Maintenance Expenses plus at least 125% of the Accrued Aggregate Debt Service requirements of all outstanding Bonds and other parity Obligations plus all other amounts required under the Bond Ordinances in each Fiscal Year of the forecast period.

As also required by the Rate Covenant (Section 6.3(c) of the Master Bond Ordinance), Current Gross Revenues are forecast to be sufficient to pay Operation and Maintenance Expenses plus at least 100% of the Accrued Aggregate Debt Service requirements of all outstanding Bonds and all other obligations plus all other amounts required under the Bond Ordinances in each Fiscal Year of the forecast period. Current Gross Revenues are defined as Gross Revenues less any amounts transferred to the Operating Revenue and Expense Fund from the Debt Service Reserve Fund, the Rolling Coverage Account, or other accounts in the Capital Improvements Fund.

BASE FORECASTS AND STRESS TEST PROJECTIONS

Exhibit J-1 summarizes the forecast financial results as presented in Exhibits A through I and discussed in the preceding sections assuming the "base" forecast of enplaned passengers and aircraft landed weight presented earlier in Table 24.

Exhibit J-2 is an identical presentation of financial results in which the projected revenues and expenses reflect the "stress test" forecast of enplaned passengers and aircraft landed weight, as presented in Table 24.

The assumptions underlying the stress test projections are the same as those for the base passenger forecasts, except:

1. Operating revenues related to passenger numbers, such as terminal concession revenues, parking, and rental car revenues, are reduced proportionately.

2. PFC revenues are similarly reduced in proportion to reduced passenger numbers and would cover a lower share of Bond debt service requirements.

3. Certain operating and maintenance expenses are reduced to reflect the lower passenger and flight activity (overall O&M Expenses in FY 2020 approximately 10% lower than for the base case).

4. As required by the Airline Agreement, the Signatory Airlines would pay the increased Bond debt service not paid from PFC revenues through higher Landing Fees and Terminal Rents.

For the stress test, the entire Capital Program was assumed to be implemented and Bond-funded to the same schedule as for the base case. Required airline payments per passenger are projected to increase, as shown on Exhibit J-2. Projected Bond debt service coverage ratios would still exceed the Rate Covenant requirements.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Exhibit A

PROJECT COSTS AND FUNDING SOURCES FOR THE CAPITAL PROGRAM

Dallas/Fort Worth International Airport

(in thousands)

	Project costs	FAA grants	Capital Improve-ments Fund	Net Bond funded
Terminal Renewal and Improvement Program				
Terminal buildings	$ 1,961,205	$ -	$ 23,517	$ 1,937,688
Parking garages	30,415	-	-	30,415
Roadway, rail, and other	219,494	-	-	219,494
Subtotal TRIP	$ 2,211,114	$ -	$ 23,517	$ 2,187,597
Other Capital Program				
Other Terminal	$ 487,926	$ -	$ 193,871	$ 294,055
Airfield	344,313	171,315	100,874	72,124
Roads, bridges, rail, and Skylink	178,924	-	69,092	109,832
Utilities	77,022	-	31,837	45,185
Parking	689,048	-	200,590	488,458
Commercial development	246,251	-	9,317	236,934
Information technology	112,344	-	112,344	-
Safety and security	114,184	566	47,699	65,919
Environmental and other	239,794	422	227,222	12,150
Subtotal other Capital Program	$ 2,489,806	$ 172,303	$ 992,846	$ 1,324,657
Total Capital Program	$ 4,700,920	$ 172,303	$ 1,016,363	$ 3,512,254

FAA = Federal Aviation Administration

Note: The American Airlines training center, shown in Exhibit B as being funded with the proposed 2013G Bonds, is not included in the Capital Program as defined.

Source: Dallas/Fort Worth International Airport records, January 27, 2014.

Exhibit B

SOURCES AND USES OF NEW MONEY BOND FUNDS

Dallas/Fort Worth International Airport

(in thousands)

	Outstanding 2010-2013 Bonds	Proposed 2014 New Money Bonds					Planned 2016 Bonds	Total
		2014B Bonds	2014C Bonds	2014D Bonds	2014G Bonds	Subtotal		
Sources of funds								
Par amount of Bonds	$ 2,819,975	$ 182,250	$ 129,930	$ 258,645	$ 54,945	$ 625,770	$ 750,395	$ 4,196,140
Original issue premium (discount)	167,088	(2,698)	1,121	(3,307)	-	(4,884)	(1,539)	160,665
Transfer from Debt Service Reserve Fund	12,869	-	-	-	-	-	-	12,869
Total sources	$ 2,999,932	$ 179,552	$ 131,051	$ 255,338	$ 54,945	$ 620,886	$ 748,856	$ 4,369,675
Uses of funds								
Project costs								
Terminal Renewal and Improvement Program (a)	$ 1,572,790	$ 67,611	$ 13,776	$ 163,106	$ -	$ 244,493	$ 370,314	$ 2,187,597
American Airlines training center					50,000	50,000		50,000
Other Capital Program (a)	855,070	80,096	97,999	45,208	-	223,302	246,286	1,324,657
	$ 2,427,860	$ 147,707	$ 111,775	$ 208,313	$ 50,000	$ 517,795	$ 616,600	$ 3,562,254
Refunding of 1998 and 1999 Rental Car CFC Bonds	114,556					-	-	114,556
Refunding of 2001 PFIC Hotel Bonds	72,210					-	-	72,210
Debt Service Reserve Fund	99,613	11,036	7,035	11,779	2,638	32,488	50,258	182,359
Capitalized Interest Account	262,082	19,153	11,058	32,886	1,700	64,796	71,401	398,279
Issuance expenses	23,612	1,657	1,183	2,359	608	5,807	10,598	40,017
Total uses	$ 2,999,933	$ 179,552	$ 131,051	$ 255,338	$ 54,945	$ 620,886	$ 748,856	$ 4,369,675

(a) See Exhibit A.

Source: First Southwest Company, March 3, 2014.

Exhibit C

BOND DEBT SERVICE REQUIREMENTS

Dallas/Fort Worth International Airport

(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pre-2000 Bonds as refunded														
2001A Refunding Bonds	[A]	$ 6,441	$ 6,448	$ 5,904	$ 6,137	$ 385	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2000-2009 Bonds as refunded														
2000A Bonds		$ 20,116	$ 20,116	$ 18,439	$ 17,993	$ 7,122	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2001A Bonds		34,044	34,046	31,208	33,225	15,384	503	-	-	-	-	-	-	-
2002A Bonds		24,077	24,079	22,085	24,088	24,092	2,008	-	-	-	-	-	-	-
2002B Bonds		4,395	4,572	4,191	4,196	1,902	-	-	-	-	-	-	-	-
2002C Bonds		2,834	3,048	2,794	2,894	1,271	-	-	-	-	-	-	-	-
2003A Bonds		75,567	75,567	69,269	74,900	66,688	68,611	3,302	-	-	-	-	-	-
2003C-1/2 Bonds		6,698	6,624	6,072	14,186	1,239	-	-	-	-	-	-	-	-
2004A-1/2 Bonds		5,676	5,697	-	-	-	-	-	-	-	-	-	-	-
2004B Bonds		10,819	10,820	9,918	10,819	10,508	6,589	6,381	6,383	6,378	6,379	6,378	11,696	11,766
2006A Refunding Bonds		44,642	40,424	-	-	-	-	-	-	-	-	-	-	-
2007 Refunding Bonds		6,070	6,045	5,540	6,050	6,049	7,346	7,305	7,290	12,797	13,302	13,301	13,296	13,302
2009A Refunding Bonds		-	-	33,513	30,135	36,724	39,177	39,341	39,359	35,772	30,331	7,696	7,697	7,693
2011C Refunding Bonds		-	-	-	3,046	9,950	8,476	7,396	7,304	7,304	7,304	7,304	12,239	12,227
2011D Refunding Bonds		-	-	-	1,302	15,611	11,174	11,690	11,733	11,693	11,653	13,993	18,184	24,692
2011E Refunding Bonds		-	-	-	-	18,608	14,276	9,147	18,707	18,723	18,739	18,747	-	-
2012B Refunding Bonds		-	-	-	-	24,372	33,774	21,437	20,382	20,382	20,382	31,577	32,392	32,374
2012E Refunding Bonds		-	-	-	-	1,214	17,023	14,340	14,072	14,072	14,072	14,072	21,147	17,174
2012F Refunding Bonds		-	-	-	-	179	16,128	18,338	14,535	12,938	12,938	22,553	21,079	21,053
2012G Refunding Bonds		-	-	-	-	-	16,080	17,428	17,308	14,245	15,600	15,466	15,878	15,810
2013D Refunding Bonds		-	-	-	-	-	3,261	24,013	28,065	35,379	45,241	36,098	36,130	36,167
2013E Refunding Bonds		-	-	-	-	-	1,005	28,169	21,471	27,520	27,620	33,273	25,434	31,075
2013F Refunding Bonds		-	-	-	-	-	141	16,944	15,693	12,722	13,997	20,374	28,195	22,620
2014A Refunding Bonds		-	-	-	-	-	-	-	10,378	10,377	10,377	10,377	10,376	10,380
Subtotal	[B]	$ 234,938	$ 231,038	$ 203,029	$ 222,834	$ 240,913	$ 245,572	$ 225,231	$ 232,680	$ 240,302	$ 247,935	$ 251,209	$ 253,743	$ 256,333
Subtotal includes savings from from 2011-2014A refundings		$ -	$ -	$ -	$ (2,092)	$ 3,750	$ (18,903)	$ (42,087)	$ (32,278)	$ (58,207)	$ (45,156)	$ (19,254)	$ (3,588)	$ (1,053)

Exhibit C (page 2 of 2)

BOND DEBT SERVICE REQUIREMENTS

Dallas/Fort Worth International Airport

Fiscal Years ending September 30

(dollars in thousands)

		Historical						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other outstanding Bonds														
2010A Bonds		$ -	$ -	$ -	$ -	$ -	$ 6,090	$ 9,902	$ 15,345	$ 15,345	$ 15,345	$ 15,345	$ 15,345	$ 15,345
2011A Rental Car Refunding Bonds		-	-	-	4,423	4,351	13,371	14,273	14,275	14,273	14,277	14,275	14,273	14,276
2012A Bonds		-	-	-	-	23	40	957	-	-	-	-	-	-
2012C Capital Program Bonds		-	-	-	-	117	4,139	9,019	10,079	10,278	10,398	10,629	10,629	10,629
2012C Hotel Refunding Bonds		-	-	-	-	1,102	3,432	3,671	3,828	3,975	4,120	4,753	4,921	5,095
2012D Bonds		-	-	-	-	447	7,839	11,057	21,766	22,800	23,441	23,750	23,750	23,750
2012H Bonds		-	-	-	-	-	7	1,211	20,420	23,344	23,344	23,344	23,344	23,344
2013A Bonds		-	-	-	-	-	-	1,383	5,276	17,826	18,612	18,612	18,612	18,612
2013B Bonds		-	-	-	-	-	380	856	15,952	21,664	21,664	21,664	21,664	21,664
2013C Bonds		-	-	-	-	-	89	1,774	7,968	11,666	12,126	12,126	12,126	12,126
2013G Bonds		-	-	-	-	-	-	2,012	4,744	5,488	5,488	9,978	9,978	9,977
Subtotal	[C]	$ -	$ -	$ -	$ 4,423	$ 6,040	$ 35,388	$ 56,114	$ 119,652	$ 146,658	$ 148,814	$ 154,474	$ 154,641	$ 154,817
Total all outstanding Bonds	[D=A+B+C]	$ 241,379	$ 237,486	$ 208,933	$ 233,394	$ 247,338	$ 280,960	$ 281,345	$ 352,332	$ 386,960	$ 396,749	$ 405,683	$ 408,384	$ 411,150
Less: Savings from planned refundings with 2014EF Bonds	[F]	$ -	$ -	$ -	$ -	$ -	$ -	$ 785	$ (2)	$ (9)	$ (7)	$ 2,434	$ 28	$ (7)
Proposed and planned new money Bonds														
2014B Bonds		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,069	$ 3,454	$ 9,559	$ 9,713	$ 9,713	$ 9,713
2014C Bonds		-	-	-	-	-	-	-	473	4,726	6,926	9,221	9,220	9,229
2014D Bonds		-	-	-	-	-	-	-	8,884	13,271	13,804	13,856	13,860	13,860
2014G Bonds		-	-	-	-	-	-	-	1,457	2,914	2,914	4,304	4,666	4,666
2016A Bonds		-	-	-	-	-	-	-	-	-	2,084	4,875	4,875	5,928
2016B Bonds		-	-	-	-	-	-	-	-	-	3,661	22,120	29,879	29,879
2016C Bonds		-	-	-	-	-	-	-	-	4,216	7,019	7,019	7,019	7,019
Subtotal	[G]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,882	$ 28,581	$ 45,967	$ 71,107	$ 79,232	$ 80,294
Total all Bonds	[H=D+E+F+G]	$ 241,379	$ 237,486	$ 208,933	$ 233,394	$ 247,338	$ 280,960	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Plus: Variable rate bond remarketing fees		1,438	-	-	-	-	-	-	-	-	-	-	-	-
Less: Investment income (a)		(2,935)	(992)	(125)	(94)	(165)	(106)	-	-	-	-	-	-	-
Net debt service		$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Less: Paid from PFC revenues (b)		(123,536)	(123,755)	(112,971)	(130,500)	(138,522)	(137,053)	(111,495)	(125,756)	(111,945)	(113,811)	(115,677)	(117,542)	(119,408)
Less: Paid from CFC revenues (c)		-	-	-	(4,423)	(4,351)	(13,371)	(14,273)	(14,275)	(14,273)	(14,277)	(14,275)	(14,273)	(14,276)
Less: Paid from Hotel revenues (d)		-	-	-	-	(1,102)	(3,432)	(3,671)	(3,828)	(3,975)	(4,120)	(4,753)	(4,921)	(5,095)
Net paid from other Revenues		$ 116,346	$ 112,739	$ 95,837	$ 98,377	$ 103,198	$ 126,998	$ 152,691	$ 220,353	$ 285,339	$ 310,501	$ 344,520	$ 350,908	$ 352,658
Allocation to cost centers														
Airfield					$ 59,026	$ 61,690	$ 65,521	$ 68,751	$ 64,153	$ 77,009	$ 80,470	$ 82,780	$ 81,737	$ 82,151
Terminal					10,821	11,723	25,895	37,933	92,512	126,959	145,363	168,313	175,885	177,017
DFW					28,530	29,785	35,582	46,007	63,688	81,371	84,668	93,427	93,286	93,490
Total					$ 98,377	$ 103,198	$ 126,998	$ 152,691	$ 220,353	$ 285,339	$ 310,501	$ 344,520	$ 350,908	$ 352,658

(a) Amounts earned on balances in the Debt Service Fund.

(b) Special Revenues. See Exhibit F.

(c) Successor Rental Car Facility Charges. See Exhibit G.

(d) See Exhibit H.

Sources: Dallas/Fort Worth International Airport records and First Southwest Company, January 15, 2014. Amounts are net of capitalized interest. See text for assumptions.

May 1, 2014

[THIS PAGE INTENTIONALLY LEFT BLANK]

Exhibit D

OPERATION AND MAINTENANCE EXPENSES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

	Historical (a)						Forecast						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses by type													
Salaries and wages	$ 103,332	$ 105,408	$ 107,666	$ 109,770	$ 114,454	$ 113,096	$ 118,428	$ 121,893	$ 125,549	$ 130,029	$ 134,656	$ 139,436	$ 144,371
Benefits	53,549	55,514	60,341	56,292	60,676	56,387	61,825	63,447	65,155	67,303	69,517	72,013	74,598
Contract services	109,683	104,285	104,540	110,686	112,560	126,229	126,966	131,543	134,206	138,536	142,990	148,955	155,150
Equipment and supplies	16,613	13,757	16,605	17,810	16,248	16,064	19,666	19,973	20,317	20,929	21,554	22,470	23,421
Utilities	36,901	33,696	29,450	27,657	26,916	25,642	24,976	25,259	25,537	26,215	26,904	28,123	29,391
Insurance	4,327	4,321	4,590	4,118	4,307	5,177	5,821	5,996	6,176	6,361	6,552	6,749	6,951
General, administrative, and other	6,266	4,264	4,840	5,655	6,286	7,099	8,832	7,044	7,252	7,478	7,712	7,958	8,212
Total	$ 330,670	$ 321,246	$ 328,032	$ 331,988	$ 341,447	$ 349,694	$ 366,514	$ 375,155	$ 384,192	$ 396,851	$ 409,885	$ 425,704	$ 442,094
Expenses by department													
Facility and transportation management	$ 132,952	$ 126,172	$ 125,057	$ 122,602	$ 122,426	$ 121,984	$ 124,329	$ 125,771	$ 127,321	$ 130,835	$ 134,413	$ 140,458	$ 146,745
Public safety	49,941	49,438	52,083	56,429	60,275	60,499	63,537	65,159	67,115	69,362	71,681	74,074	76,543
Parking operations	37,328	36,748	37,143	38,707	40,882	46,494	46,880	47,368	48,790	50,908	53,106	55,390	57,762
Information technology	26,931	27,633	28,120	29,793	31,285	34,102	35,979	36,977	38,086	39,297	40,545	41,832	43,160
Customer service	10,541	10,219	10,546	10,963	11,808	8,086	9,520	12,076	12,437	12,986	13,557	14,151	14,768
Airport operations	9,491	9,099	9,464	9,393	10,349	10,320	11,246	11,433	11,775	12,255	12,756	13,275	13,812
Commercial management	12,645	11,842	12,135	13,365	14,751	16,769	18,571	19,086	19,659	20,289	20,937	21,604	22,293
Planning and development	8,832	7,817	6,116	6,731	7,456	7,729	8,168	8,386	8,637	8,915	9,203	9,501	9,808
Administration and overhead	42,009	42,279	47,368	44,005	42,215	43,711	48,284	48,899	50,372	52,004	53,687	55,419	57,203
Total	$ 330,670	$ 321,246	$ 328,032	$ 331,988	$ 341,447	$ 349,694	$ 366,514	$ 375,155	$ 384,192	$ 396,851	$ 409,885	$ 425,704	$ 442,094
Expenses by Cost Center													
Airfield	$ 131,288	$ 129,269	$ 107,975	$ 65,575	$ 67,075	$ 71,165	$ 72,031	$ 72,688	$ 74,768	$ 77,091	$ 79,578	$ 82,303	$ 85,172
Terminal	87,101	84,127	80,490	131,428	138,281	140,495	149,779	153,044	156,753	161,209	166,120	172,183	178,795
DFW	112,281	107,850	139,567	134,985	136,091	138,034	144,704	149,423	152,671	158,551	164,187	171,218	178,127
Total	$ 330,670	$ 321,246	$ 328,032	$ 331,988	$ 341,447	$ 349,694	$ 366,514	$ 375,155	$ 384,192	$ 396,851	$ 409,885	$ 425,704	$ 442,094
Annual percent change	2.6%	(2.8%)	2.1%	1.2%	2.8%	2.4%	4.8%	2.4%	2.4%	3.3%	3.3%	3.9%	3.9%
Operating Reserve Account deposit (b)	$ -	$ -	$ -	$ 479	$ 2,520	$ 3,197	$ 2,281	$ 2,160	$ 2,259	$ 3,165	$ 3,259	$ 3,955	$ 4,098

Note: Expenses are allocated to cost centers in accordance with the provisions of the prior airline agreement through FY 2010 and the Airline Agreement beginning in FY 2011.

(a) Source: *Rates, Fees, and Charges Settlement (or Reconciliation)* reports, Dallas/Fort Worth International Airport Board.

(b) Deposits to maintain a balance of at least 90 days' budgeted Operation and Maintenance Expenses for the ensuing Fiscal Year.

Exhibit E

OPERATING REVENUES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

	Historical (a)						Forecast						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airfield Cost Center													
Landing Fees													
Signatory Airlines	$ 162,657	$ 162,740	$ 161,077	$ 103,509	$ 106,839	$ 103,041	$ 106,259	$ 118,700	$ 138,093	$ 131,043	$ 137,407	$ 127,730	$ 128,860
Nonsignatory airlines	1,795	1,688	1,921	1,625	1,845	1,352	1,334	1,337	1,481	1,538	1,582	1,591	1,626
Subtotal	$ 164,452	$ 164,428	$ 162,998	$ 105,134	$ 108,684	$ 104,393	$ 107,593	$ 120,037	$ 139,574	$ 132,582	$ 138,989	$ 129,320	$ 130,486
Other													
Fuel farm rentals	$ 5,710	$ 5,350	$ 5,260	$ 5,417	$ 5,417	$ 5,504	$ 5,603	$ 5,771	$ 5,944	$ 6,122	$ 6,306	$ 6,495	$ 6,690
Aircraft parking fees	355	383	446	262	243	280	109	112	116	119	123	127	130
Corporate aviation and other	1,475	2,574	2,337	5,000	5,303	4,717	4,210	4,289	4,418	4,550	4,687	4,827	4,972
Subtotal	$ 7,540	$ 8,307	$ 8,043	$ 10,679	$ 10,963	$ 10,501	$ 9,922	$ 10,172	$ 10,477	$ 10,792	$ 11,116	$ 11,449	$ 11,792
Total Airfield Cost Center	$ 171,991	$ 172,735	$ 171,041	$ 115,813	$ 119,647	$ 114,894	$ 117,516	$ 130,209	$ 150,051	$ 143,373	$ 150,104	$ 140,769	$ 142,279
Annual percent change	2.7%	0.4%	-1.0%	-32.3%	3.3%	-4.0%	2.3%	10.8%	15.2%	-4.5%	4.7%	-6.2%	1.1%
Terminal Cost Center													
Airline Terminal Rents	$ 17,539	$ 19,040	$ 11,485	$ 65,124	$ 73,431	$ 95,297	$ 123,685	$ 190,351	$ 222,019	$ 242,539	$ 271,344	$ 279,439	$ 283,900
FIS Facility fees	10,632	9,938	10,557	14,979	19,007	23,859	19,736	16,406	16,971	17,510	18,041	18,658	19,325
Common Use Space revenues	8,019	7,613	7,243	7,889	9,112	11,816	13,144	20,557	23,977	26,630	30,281	31,687	32,704
Other (b)	6,176	5,885	6,069	12,361	12,640	13,323	13,038	13,291	13,553	13,822	14,099	14,385	14,679
Total Terminal Cost Center	$ 42,366	$ 42,477	$ 35,354	$ 100,353	$ 114,190	$ 144,296	$ 169,603	$ 240,605	$ 276,520	$ 300,501	$ 333,765	$ 344,169	$ 350,609
Annual percent change	-3.4%	0.3%	-16.8%	183.9%	13.8%	26.4%	17.5%	41.9%	14.9%	8.7%	11.1%	3.1%	1.9%
Total airline revenues	$ 214,358	$ 215,212	$ 206,395	$ 216,166	$ 233,837	$ 259,190	$ 287,118	$ 370,814	$ 426,572	$ 443,874	$ 483,869	$ 484,938	$ 492,887
Annual percent change	1.5%	0.4%	-4.1%	4.7%	8.2%	10.8%	10.8%	29.2%	15.0%	4.1%	9.0%	0.2%	1.6%
Airline revenues as share of operating revenues	44.6%	47.5%	46.6%	46.4%	47.6%	48.3%	49.8%	55.1%	57.4%	56.4%	57.5%	56.2%	55.8%
Terminal concessions													
Food and beverage	$ 18,989	$ 17,761	$ 19,604	$ 20,647	$ 21,550	$ 24,004	$ 25,272	$ 26,286	$ 27,886	$ 30,078	$ 31,488	$ 32,956	$ 34,483
Retail	16,009	14,998	15,136	17,221	17,207	17,859	18,471	19,212	20,382	21,983	23,014	24,087	25,203
Passenger services	2,922	2,894	2,851	2,390	3,299	3,642	3,835	3,989	4,232	4,564	4,778	5,001	5,233
Advertising	8,279	7,807	8,101	8,391	9,801	14,144	14,891	15,488	16,432	17,723	18,554	19,419	20,319
Telecommunications	2,383	2,228	2,360	2,536	2,595	1,944	2,047	2,129	2,259	2,436	2,550	2,669	2,793
Other	522	496	524	490	458	595	627	652	692	746	781	818	855
Adjustment (c)	317	30	349	43	(100)	151	-	-	-	-	-	-	-
Total terminal concessions	$ 49,420	$ 46,213	$ 48,925	$ 51,717	$ 54,809	$ 62,340	$ 65,144	$ 67,756	$ 71,882	$ 77,531	$ 81,166	$ 84,949	$ 88,886
Annual percent change	8.0%	-6.5%	5.9%	5.7%	6.0%	13.7%	4.5%	4.0%	6.1%	7.9%	4.7%	4.7%	4.6%
Enplaned passengers	29,038	27,946	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000
Revenue per enplaned passenger	$1.70	$1.65	$1.74	$1.79	$1.88	$2.07	$2.13	$2.26	$2.40	$2.54	$2.62	$2.70	$2.78

May 1, 2014

Exhibit E (page 2 of 2)

OPERATING REVENUES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

	Historical (a)						Forecast						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Parking and ground transportation													
Parking (d)	$ 103,875	$ 92,728	$ 97,329	$ 107,519	$ 110,841	$ 116,092	$ 124,093	$ 126,777	$ 128,678	$ 140,642	$ 144,983	$ 156,046	$ 158,410
Rental car privilege fees	24,294	21,825	21,655	23,519	23,472	26,767	26,150	26,840	27,377	28,368	29,387	30,436	31,515
Ground transportation fees	6,696	5,827	7,168	7,705	8,248	8,156	8,537	8,569	8,741	9,057	9,382	9,717	10,062
Non-terminal concessions	1,770	1,573	1,557	1,337	1,253	1,445	1,626	1,533	1,579	1,652	1,728	1,807	1,890
Total parking and ground transportation	$ 136,635	$ 121,953	$ 127,710	$ 140,080	$ 143,814	$ 152,460	$ 160,406	$ 163,719	$ 166,374	$ 179,719	$ 185,480	$ 198,006	$ 201,877
Annual percent change	-2.5%	-10.7%	4.7%	9.7%	2.7%	6.0%	5.2%	2.1%	1.6%	8.0%	3.2%	6.8%	2.0%
Originating passengers	12,530	11,360	11,490	12,110	12,270	12,600	12,900	12,600	12,600	12,800	13,000	13,200	13,400
Revenue per originating passenger	$10.90	$10.74	$11.11	$11.57	$11.72	$12.10	$12.43	$12.99	$13.20	$14.04	$14.27	$15.00	$15.07
Commercial development and other													
Land and building rentals	$ 33,845	$ 33,335	$ 33,358	$ 40,723	$ 38,742	$ 41,211	$ 41,073	$ 42,633	$ 47,088	$ 49,765	$ 54,389	$ 57,685	$ 61,367
Employee transportation	8,358	8,383	7,747	8,119	10,200	12,345	13,492	12,591	12,843	13,100	13,362	13,629	13,902
Utilities expense reimbursements	18,217	16,795	14,793	3,529	4,903	5,022	5,338	5,499	5,663	5,833	6,008	6,189	6,374
Miscellaneous income	4,422	3,042	3,087	2,775	3,067	2,917	2,973	3,044	3,117	3,192	3,268	3,346	3,427
Investment income (e)	15,634	8,573	934	3,159	2,301	1,545	1,206	6,605	9,979	13,431	13,633	14,020	14,120
Total commercial development and other	$ 80,476	$ 70,127	$ 59,918	$ 58,305	$ 59,213	$ 63,039	$ 64,082	$ 70,372	$ 78,691	$ 85,321	$ 90,661	$ 94,870	$ 99,190
Annual percent change	-16.8%	-12.9%	-14.6%	-2.7%	1.6%	6.5%	1.7%	9.8%	11.8%	8.4%	6.3%	4.6%	4.6%
Total nonairline revenues	$ 266,532	$ 238,293	$ 236,553	$ 250,102	$ 257,836	$ 277,840	$ 289,631	$ 301,847	$ 316,947	$ 342,571	$ 357,307	$ 377,826	$ 389,953
Annual percent change	-5.7%	-10.6%	-0.7%	5.7%	3.1%	7.8%	4.2%	4.2%	5.0%	8.1%	4.3%	5.7%	3.2%
Airline revenues as share of operating revenues	55.4%	52.5%	53.4%	53.6%	52.4%	51.7%	50.2%	44.9%	42.6%	43.6%	42.5%	43.8%	44.2%
Total operating revenues	$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 672,661	$ 743,519	$ 786,445	$ 841,177	$ 862,764	$ 882,841
Annual percent change	-2.6%	-5.7%	-2.3%	5.3%	5.4%	9.2%	7.4%	16.6%	10.5%	5.8%	7.0%	2.6%	2.3%

Note: Airline revenues are calculated in accordance with the provisions of the prior airline agreement through FY 2010 and the Airline Agreement beginning in FY 2011.

(a) Source: *Rates, Fees, and Charges Settlement (or Reconciliation)* reports, Dallas/Fort Worth International Airport Board.

(b) Rentals and expense reimbursements paid by nonairline tenants.

(c) Adjustment to reconcile historical concession revenues as reported in detailed concession reports and *Rates, Fees, and Charges Settlement (or Reconciliation)* reports.

(d) Gross public parking revenues before operating expenses.

(e) Amounts earned on Operating Revenue and Expense Fund balances, including balances attributable to the Debt Service Reserve Fund and the Rolling Coverage Account.

Exhibit E-1

CALCULATION OF PASSENGER AIRLINE PAYMENTS

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical (a)						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airfield Cost Center														
Landing Fees	[A]	$ 164,452	$ 164,428	$ 162,998	$ 105,134	$ 108,684	$ 104,393	$ 107,593	$ 120,037	$ 139,574	$ 132,582	$ 138,989	$ 129,320	$ 130,486
Landed weight	[B]	37,593	36,185	36,270	36,279	36,452	37,359	38,384	37,640	37,640	38,260	38,881	39,501	40,122
Average landing fee rate (b) (per 1,000 lbs of landed weight)	[A/B]	$4.37	$4.54	$4.49	$2.90	$2.98	$2.79	$2.80	$3.19	$3.71	$3.47	$3.57	$3.27	$3.25
Aircraft parking fees	[C]	$ 355	$ 383	$ 446	$ 262	$ 243	$ 280	$ 109	$ 112	$ 116	$ 119	$ 123	$ 127	$ 130
Less: Cargo airline Landing Fees	[D]	(15,105)	(13,994)	(13,715)	(8,959)	(8,931)	(8,381)	(8,873)	(10,263)	(11,918)	(11,349)	(11,891)	(11,090)	(11,194)
Total airfield cost center	[E=A+C+D]	$ 149,702	$ 150,817	$ 149,729	$ 96,437	$ 99,995	$ 96,293	$ 98,830	$ 109,886	$ 127,772	$ 121,351	$ 127,220	$ 118,357	$ 119,422
Terminal Cost Center														
Airline Terminal Rents	[F]	$ 17,539	$ 19,040	$ 11,485	$ 65,124	$ 73,431	$ 95,297	$ 123,685	$ 190,351	$ 222,019	$ 242,539	$ 271,344	$ 279,439	$ 283,900
Total Airline Leasable Square Footage	[G]	1,268	1,268	1,268	1,268	1,267	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252
Average terminal rental rate per sq ft	[F/G]	$13.83	$15.02	$9.06	$51.36	$57.95	$76.13	$98.78	$152.03	$177.32	$193.71	$216.71	$223.18	$226.74
FIS Facility fees	[H]	$ 10,632	$ 9,938	$ 10,557	$ 14,979	$ 19,007	$ 23,859	$ 19,736	$ 16,406	$ 16,971	$ 17,510	$ 18,041	$ 18,658	$ 19,325
International deplaned passengers (c)	[I]	2,045	1,917	2,259	2,633	2,448	2,763	2,853	2,937	3,021	3,105	3,189	3,273	3,357
FIS Facility fee rate (per international deplaned passenger)	[H/I]	$5.20	$5.18	$4.67	$5.69	$7.76	$8.64	$6.92	$5.59	$5.62	$5.64	$5.66	$5.70	$5.76
Common Use Space revenues	[J]	$ 8,019	$ 7,613	$ 7,243	$ 7,889	$ 9,112	$ 11,816	$ 13,144	$ 20,557	$ 23,977	$ 26,630	$ 30,281	$ 31,687	$ 32,704
Total Terminal Cost Center	[K=F+H+J]	$ 36,190	$ 36,592	$ 29,285	$ 87,992	$ 101,550	$ 130,972	$ 156,565	$ 227,314	$ 262,968	$ 286,679	$ 319,666	$ 329,784	$ 335,929
Total airline payments	[L=E+K]	$ 185,892	$ 187,409	$ 179,014	$ 184,429	$ 201,545	$ 227,265	$ 255,395	$ 337,200	$ 390,739	$ 408,030	$ 446,886	$ 448,141	$ 455,352
Utilities reimbursements and other (d)	[M]	13,867	15,697	12,979	1,493	(1,074)	151	1,323	-	-	-	-	-	-
Less: Air service incentive credits	[N]	(850)	(2,732)	(2,007)	(4,202)	(9,676)	(10,373)	(10,585)	(13,873)	(12,295)	(5,758)	(6,000)	(6,000)	(6,000)
Net airline payments	[O=L+M+N]	$ 198,909	$ 200,375	$ 189,986	$ 181,720	$ 190,795	$ 217,043	$ 246,133	$ 323,326	$ 378,444	$ 402,272	$ 440,886	$ 442,141	$ 449,352
Annual percent change		3.0%	0.7%	-5.2%	-4.4%	5.0%	13.8%	13.4%	31.4%	17.0%	6.3%	9.6%	0.3%	1.6%
Enplaned passengers	[P]	29,038	27,946	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000
Passenger airline payments per enplaned passenger	**[O/P]**	**$6.85**	**$7.17**	**$6.74**	**$6.30**	**$6.54**	**$7.20**	**$8.04**	**$10.78**	**$12.61**	**$13.19**	**$14.22**	**$14.04**	**$14.04**

Note: Does not include payments for maintenance of Terminals A and C, which are made separately by American Airlines.

(a) Source: *Rates, Fees, and Charges Settlement (or Reconciliation)* reports, Dallas/Fort Worth International Airport Board.

(b) Effective average rate paid by Signatory Airlines and nonsignatory airlines taking into account year-end reconciliation adjustments.

(c) Excludes passengers arriving from international airports with U.S. Customs and Border Protection preclearance stations.

(d) Includes utilities expense reimbursements through FY 2010 and net year-end reconciliation adjustments.

Exhibit F

SOURCES AND USES OF PFC REVENUES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

	Historical (a)						Forecast						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sources of PFC revenues													
Enplaned passengers	29,038	27,946	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000
Net PFC per passenger (b)	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
Percent passengers paying PFC	79.5%	84.8%	84.2%	85.9%	85.3%	87.4%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
PFC receipts	$ 101,283	$ 104,097	$ 104,206	$ 108,915	$ 109,149	$ 115,602	$ 114,184	$ 111,945	$ 111,945	$ 113,811	$ 115,677	$ 117,542	$ 119,408
Investment earnings	5,809	2,374	933	363	161	60	-	-	-	-	-	-	-
Total PFC revenues	$ 107,092	$ 106,471	$ 105,139	$ 109,278	$ 109,310	$ 115,663	$ 114,184	$ 111,945	$ 111,945	$ 113,811	$ 115,677	$ 117,542	$ 119,408
Uses of PFC revenues													
Pay-as-you-go expenditures	$ 8,022	$ 4,923	$ 7,043	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt service on Bonds	$ 123,536	$ 123,755	$ 112,971	$ 130,500	$ 138,522	$ 137,053	$ 111,495	$ 125,756	$ 111,945	$ 113,811	$ 115,677	$ 117,542	$ 119,408
Total PFC expenditures	$ 131,558	$ 128,678	$ 120,014	$ 130,500	$ 138,522	$ 137,053	$ 111,495	$ 125,756	$ 111,945	$ 113,811	$ 115,677	$ 117,542	$ 119,408
PFC revenues minus expenditures	$ (24,466)	$ (22,207)	$ (14,875)	$ (21,222)	$ (29,212)	$ (21,390)	$ 2,689	$ (13,811)	$ -	$ -	$ -	$ -	$ -
PFC Fund balance	$ 120,027	$ 97,820	$ 82,945	$ 61,723	$ 32,511	$ 11,121	$ 13,811	$ -	$ -	$ -	$ -	$ -	$ -

(a) Sources: PFC reports and *Rates, Fees, and Charges Settlement (or Reconciliation)* reports, Dallas/Fort Worth International Airport Board.

(b) $4.50 less airline collection fee of $0.11 per passenger effective July 2002.

Exhibit G

SOURCES AND USES OF RENTAL CAR CFC REVENUES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical (a)						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sources of rental car CFC revenues														
Originating passengers	[A]	12,530	11,360	11,490	12,110	12,270	12,600	12,900	12,600	12,600	12,800	13,000	13,200	13,400
Rental car transaction-days per originating passenger	[B]	0.39	0.36	0.37	0.39	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Rental car transaction-days	[C=AxB]	4,941	4,128	4,227	4,747	4,889	5,043	5,163	5,043	5,043	5,123	5,204	5,284	5,364
CFC revenues per transaction-day	[D]	$4.00	$4.00	$3.95	$4.00	$4.00	$4.00	$4.00	$4.00	$4.00	$4.00	$4.00	$4.00	$4.00
Total CFC revenues	[E=CxD]	$ 19,765	$ 16,510	$ 16,712	$ 18,989	$ 19,556	$ 20,174	$ 20,654	$ 20,174	$ 20,174	$ 20,494	$ 20,814	$ 21,134	$ 21,455
Annual percent change		-3.2%	-16.5%	1.2%	13.6%	3.0%	3.2%	2.4%	-2.3%	0.0%	1.6%	1.6%	1.5%	1.5%
Uses of rental car CFC revenues														
Debt service requirements of														
1998 Rental Car Facility Charge Bonds		$ 12,789	$ 12,791	$ 12,785	$ 11,051	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1999 Rental Car Facility Charge Bonds		1,898	1,898	1,896	1,900	-	-	-	-	-	-	-	-	-
2011A Rental Car Refunding Bonds		-	-	-	4,423	4,351	13,371	14,273	14,275	14,273	14,277	14,275	14,273	14,276
Subtotal debt service requirements	[F]	$ 14,686	$ 14,690	$ 14,681	$ 17,374	$ 4,351	$ 13,371	$ 14,273	$ 14,275	$ 14,273	$ 14,277	$ 14,275	$ 14,273	$ 14,276
Incremental Coverage		-	-	-	886	201	2,254	223	1	-	1	-	-	1
Total uses of CFC revenues	[H=F+G]	$ 14,686	$ 14,690	$ 14,681	$ 18,260	$ 4,552	$ 15,626	$ 14,496	$ 14,276	$ 14,273	$ 14,278	$ 14,275	$ 14,273	$ 14,277
Annual percent change		0.0%	0.0%	-0.1%	24.4%	-75.1%	243.3%	-7.2%	-1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Remaining CFC revenues	[E-H]	$ 5,078	$ 1,820	$ 2,031	$ 729	$ 15,004	$ 4,548	$ 6,158	$ 5,898	$ 5,901	$ 6,216	$ 6,539	$ 6,862	$ 7,178
Coverage of rental car CFC debt service requirements by CFC revenues	[E/H]	**135%**	**112%**	**114%**	**104%**	**430%**	**129%**	**142%**	**141%**	**141%**	**144%**	**146%**	**148%**	**150%**
Successor Rental Car Facility Charges (b)					$ 5,309	$ 4,552	$ 15,626	$ 14,496	$ 14,276	$ 14,273	$ 14,278	$ 14,275	$ 14,273	$ 14,277

(a) *Required Supplemental Information, Rental Car Facility Bonds, Series 1998 and 1999, Continuing Disclosure Statements,* DFW Airport Board.

(b) Beginning FY 2011, transfer from the Public Facility Improvement Corporation to the Operating Revenue and Expense Fund of an amount equal to the lesser of (1) the sum of debt service requirements of the 2011A Rental Car Refunding Bonds plus Incremental Coverage or (2) CFC revenues.

Exhibit H

SOURCES AND USES OF HOTEL REVENUES

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical (a)						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sources of Hotel revenues														
Rooms		$ 16,214	$ 14,023	$ 13,918	$ 14,566	$ 15,582	$ 16,741	$ 17,427	$ 17,760	$ 18,293	$ 18,842	$ 19,407	$ 19,989	$ 20,589
Food and beverage		11,480	10,635	11,235	10,415	12,262	13,390	13,824	14,205	14,632	15,071	15,523	15,988	16,468
Telecommunications and other		540	632	539	499	639	872	854	925	953	981	1,011	1,041	1,072
Total Hotel revenues	[A]	$ 28,234	$ 25,290	$ 25,692	$ 25,481	$ 28,484	$ 31,003	$ 32,105	$ 32,891	$ 33,878	$ 34,894	$ 35,941	$ 37,019	$ 38,129
Annual percent change		5.1%	-10.4%	1.6%	-0.8%	11.8%	8.8%	3.6%	2.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Uses of Hotel revenues														
Direct operating expenses (b)		$ 10,202	$ 9,974	$ 11,015	$ 10,605	$ 11,649	$ 12,813	$ 13,057	$ 13,448	$ 13,852	$ 14,267	$ 14,695	$ 15,136	$ 15,590
Indirect operating expenses (b)		6,350	5,650	5,926	6,150	6,456	6,808	7,065	7,277	7,495	7,720	7,951	8,190	8,435
Priority management fees (c)		719	740	750	754	781	842	894	921	948	977	1,006	1,036	1,067
FF&E replacement reserves (d)		908	1,012	1,083	1,274	1,424	1,550	1,605	1,645	1,694	1,745	1,797	1,851	1,906
Subtotal operating expenses	[B]	$ 18,179	$ 17,376	$ 18,773	$ 18,784	$ 20,310	$ 22,013	$ 22,620	$ 23,290	$ 23,989	$ 24,708	$ 25,450	$ 26,213	$ 27,000
Net Hotel operating income	[C=A-B]	$ 10,055	$ 7,913	$ 6,918	$ 6,697	$ 8,173	$ 8,990	$ 9,485	$ 9,601	$ 9,889	$ 10,185	$ 10,491	$ 10,806	$ 11,130
Annual percent change		5.4%	-21.3%	-12.6%	-3.2%	22.0%	10.0%	5.5%	1.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt service requirements														
2001 PFIC Hotel Bonds		$ 4,476	$ 4,445	$ 4,574	$ 4,527	$ 2,809	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2012C Hotel Refunding Bonds		-	-	-	-	1,102	3,432	3,671	3,828	3,975	4,120	4,753	4,921	5,095
Incremental Coverage		-	-	-	-	275	583	60	39	37	36	158	42	44
Subtotal debt service requirements	[D]	$ 4,476	$ 4,445	$ 4,574	$ 4,527	$ 4,186	$ 4,015	$ 3,731	$ 3,867	$ 4,012	$ 4,157	$ 4,911	$ 4,963	$ 5,139
Net Hotel income after payment of debt service requirements	[E=C-D]	$ 5,579	$ 3,468	$ 2,344	$ 2,170	$ 3,987	$ 4,975	$ 5,754	$ 5,734	$ 5,877	$ 6,029	$ 5,580	$ 5,843	$ 5,991
Other uses														
Subordinate management fees		$ 437	$ 450	$ 454	$ 457	$ 474	$ 511	$ 543	$ 559	$ 576	$ 593	$ 611	$ 629	$ 648
Capital replacement reserves (e)		-	-	-	-	576	620	642	658	677	698	719	740	763
Subtotal other uses	[F]	$ 437	$ 450	$ 454	$ 457	$ 1,049	$ 1,131	$ 1,185	$ 1,217	$ 1,253	$ 1,291	$ 1,330	$ 1,370	$ 1,411
Remaining Hotel revenues	[E-F]	$ 5,142	$ 3,018	$ 1,890	$ 1,713	$ 2,938	$ 3,844	$ 4,569	$ 4,517	$ 4,623	$ 4,738	$ 4,251	$ 4,473	$ 4,580
Coverage of Hotel debt service requirements by net Hotel operating income	**[C/D]**	**225%**	**178%**	**151%**	**148%**	**195%**	**224%**	**254%**	**248%**	**246%**	**245%**	**214%**	**218%**	**217%**
Transfer from PFIC to Operating Revenue and Expense Fund (f)						$ 1,377	$ 4,015	$ 3,731	$ 3,867	$ 4,012	$ 4,157	$ 4,911	$ 4,963	$ 5,139

(a) Summary operating statements and annual business plans, Public Facility Improvement Corporation, DFW Airport Board.

(b) Not included in Operation and Maintenance Expenses (per Exhibit D) pursuant to the Bond Ordinances. Excludes depreciation and amortization.

(c) Forecast priority management fees calculated as 70% of management fees payable to Hyatt.

(d) Forecast contributions to reserve for renewal and replacement of furnishings, fixtures, and equipment (FF&E) calculated as 5% of Hotel revenues.

(e) Forecast contributions to reserve for replacement of and additions to capital items calculated as 2% of Hotel revenues.

(f) Beginning FY 2011, transfer from the Public Facility Improvement Corporation to the Operating Revenue and Expense Fund of an amount equal to the lesser of (1) the sum of debt service requirements of the 2012C Hotel Refunding Bonds plus Incremental Coverage or (2) net Hotel operating income.

May 1, 2014

Exhibit I

APPLICATION OF REVENUES AND DEBT SERVICE COVERAGE

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical (a)						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation of Gross Revenues														
Operating revenues (b)		$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 672,661	$ 743,519	$ 786,445	$ 841,177	$ 862,764	$ 882,841
Special Revenues (c)		123,536	123,755	112,971	130,500	138,522	137,053	111,495	125,756	111,945	113,811	115,677	117,542	119,408
Successor Rental Car Facility Charges (d)		-	-	-	5,309	4,552	15,626	14,496	14,276	14,273	14,278	14,275	14,273	14,277
Hotel revenues (e)		-	-	-	-	1,377	4,015	3,731	3,867	4,012	4,157	4,911	4,963	5,139
Current Gross Revenues	[A]	$ 604,425	$ 577,260	$ 555,919	$ 602,077	$ 636,124	$ 693,723	$ 706,471	$ 816,559	$ 873,749	$ 918,691	$ 976,039	$ 999,542	$ 1,021,664
Operating Revenue and Expense Fund transfers (f)														
Rolling Coverage Account		$ -	$ -	$ -	$ 57,093	$ 58,105	$ 61,793	$ 70,221	$ 70,584	$ 91,053	$ 103,883	$ 110,677	$ 119,806	$ 121,911
Joint Capital Account (g)		29,171	39,602	29,619	28,000	24,000	20,000	16,000	12,000	8,000	4,000	-	-	-
DFW Capital Account (h)		-	-	-	-	-	-	-	2,400	2,400	2,400	2,400	2,400	2,400
Subtotal	[B]	$ 29,171	$ 39,602	$ 29,619	$ 85,093	$ 82,105	$ 81,793	$ 86,221	$ 84,984	$ 101,453	$ 110,283	$ 113,077	$ 122,206	$ 124,311
Gross Revenues	[C=A+B]	$ 633,596	$ 616,863	$ 585,538	$ 687,170	$ 718,229	$ 775,516	$ 792,693	$ 901,543	$ 975,202	$ 1,028,974	$ 1,089,116	$ 1,121,748	$ 1,145,975
Application of Gross Revenues														
Accrued Aggregate Debt Service (i)	[D]	$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Debt Service Reserve Fund deposit		-	-	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance Expenses (j)	[E]	330,670	321,246	328,032	331,988	341,447	349,694	366,514	375,155	384,192	396,851	409,885	425,704	442,094
Operating Reserve Account deposit (j)	[F]	3,432	-	(3,506)	479	2,520	3,197	2,281	2,160	2,259	3,165	3,259	3,955	4,098
Subtotal	[G=D+E+F]	$ 573,985	$ 557,741	$ 533,334	$ 565,767	$ 591,140	$ 633,745	$ 650,925	$ 741,527	$ 801,984	$ 842,725	$ 892,368	$ 917,303	$ 937,629
Remaining amount available to apply to Capital Improvements Fund	[C-G]	$ 59,612	$ 59,122	$ 52,203	$ 121,403	$ 127,089	$ 141,771	$ 141,768	$ 160,016	$ 173,219	$ 186,249	$ 196,748	$ 204,445	$ 208,346
Application to Capital Improvements Fund														
To DFW Capital Account		$ -	$ -	$ -	$ 63,298	$ 65,296	$ 71,550	$ 71,184	$ 68,963	$ 69,336	$ 75,572	$ 76,942	$ 82,534	$ 85,486
To Joint Capital Account		-	-	-	-	-	-	-	-	-	-	-	-	-
To Rolling Coverage Account (k)		-	-	-	58,105	61,793	70,221	70,584	91,053	103,883	110,677	119,806	121,911	122,859
Subtotal		$ -	$ -	$ -	$ 121,403	$ 127,089	$ 141,771	$ 141,767	$ 160,016	$ 173,219	$ 186,249	$ 196,748	$ 204,445	$ 208,345
Rolling Coverage Account balance														
Beginning balance		$ -	$ -	$ -	$ 57,093	$ 58,105	$ 61,793	$ 70,221	$ 70,584	$ 91,053	$ 103,883	$ 110,677	$ 119,806	$ 121,911
Incremental Coverage (l)		-	-	-	1,232	3,688	8,421	312	20,469	12,830	6,794	9,129	2,105	948
Ending balance		$ -	$ -	$ -	$ 58,325	$ 61,793	$ 70,214	$ 70,533	$ 91,053	$ 103,883	$ 110,677	$ 119,806	$ 121,911	$ 122,859

Exhibit I (page 2 of 2)

APPLICATION OF REVENUES AND DEBT SERVICE COVERAGE

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(dollars in thousands)

		Historical (a)						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation of Gross Revenues coverage (m)														
Gross Revenues	[C]	$ 633,596	$ 616,863	$ 585,538	$ 687,170	$ 718,229	$ 775,516	$ 792,693	$ 901,543	$ 975,202	$ 1,028,974	$ 1,089,116	$ 1,121,748	$ 1,145,975
Less: Operation and Maintenance Expenses (j)	[E]	(330,670)	(321,246)	(328,032)	(331,988)	(341,447)	(349,694)	(366,514)	(375,155)	(384,192)	(396,851)	(409,885)	(425,704)	(442,094)
Less: Operating Reserve Account deposit (j)	[F]	(3,432)	-	3,506	(479)	(2,520)	(3,197)	(2,281)	(2,160)	(2,259)	(3,165)	(3,259)	(3,955)	(4,098)
Net Gross Revenues	[H=C-E-F]	$ 299,494	$ 295,616	$ 261,011	$ 354,703	$ 374,262	$ 422,625	$ 423,898	$ 524,228	$ 588,751	$ 628,958	$ 675,972	$ 692,089	$ 699,783
Accrued Aggregate Debt Service (i)	[D]	$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Debt service coverage	**[H/D]**	**125%**	**125%**	**125%**	**152%**	**151%**	**150%**	**150%**	**144%**	**142%**	**142%**	**141%**	**142%**	**142%**
Requirement		125%	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%
Calculation of Current Gross Revenues coverage (n)														
Current Gross Revenues	[A]	$ 604,425	$ 577,260	$ 555,919	$ 602,077	$ 636,124	$ 693,723	$ 706,471	$ 816,559	$ 873,749	$ 918,691	$ 976,039	$ 999,542	$ 1,021,664
Less: Operation and Maintenance Expenses (j)	[E]	(330,670)	(321,246)	(328,032)	(331,988)	(341,447)	(349,694)	(366,514)	(375,155)	(384,192)	(396,851)	(409,885)	(425,704)	(442,094)
Less: Operating Reserve Account deposit (j)	[F]	(3,432)	-	3,506	(479)	(2,520)	(3,197)	(2,281)	(2,160)	(2,259)	(3,165)	(3,259)	(3,955)	(4,098)
Net Current Gross Revenues	[I=A-E-F]	$ 270,323	$ 256,014	$ 231,392	$ 269,610	$ 292,157	$ 340,832	$ 337,676	$ 439,244	$ 487,298	$ 518,675	$ 562,895	$ 569,883	$ 575,472
Accrued Aggregate Debt Service (i)	[D]	$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Debt service coverage	**[I/D]**	**113%**	**108%**	**111%**	**116%**	**118%**	**121%**	**120%**	**121%**	**117%**	**117%**	**117%**	**117%**	**117%**
Requirement		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) Source: *Rates, Fees, and Charges Settlement (or Reconciliation)* reports, Dallas/Fort Worth International Airport Board.
(b) See Exhibit E.
(c) PFC revenues used to pay debt service. See Exhibit F.
(d) Transfers from the Public Facility Improvement Corporation to pay debt service on the 2011A Rental Car Refunding Bonds. See Exhibit G.
(e) Transfers from the Public Facility Improvement Corporation to pay debt service on the 2012C Hotel Refunding Bonds. See Exhibit H.
(f) Transfers from the Capital Improvements Fund in accordance with Section 5.2(d) of the Master Bond Ordinance.
(g) Transfers to the Terminal Cost Center rate base requirement to reduce Airline Terminal Rents pursuant to the Airline Agreement.
(h) Transfers to the Operating Revenue and Expense Fund to pay debt service on the 2013G Bonds.
(i) See Exhibit C. Amount is net of investment income on balances in the Debt Service Fund.
(j) See Exhibit D.
(k) Includes Incremental Coverage.
(l) Deposits to maintain a balance of 25% of Accrued Aggregate Debt Service for the then-current Fiscal Year.
(m) Rate Covenant coverage calculation pursuant to Section 6.3(b) of the Master Bond Ordinance.
(n) Rate Covenant coverage calculation pursuant to Section 6.3(c) of the Master Bond Ordinance.

Exhibit J-1

SUMMARY OF FORECAST FINANCIAL RESULTS: BASE CASE PASSENGER FORECAST

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material.

		Historical						Forecast						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Requirements														
Accrued Aggregate Debt Service	[A]	$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Less: Special Revenues		(123,536)	(123,755)	(112,971)	(130,500)	(138,522)	(137,053)	(111,495)	(125,756)	(111,945)	(113,811)	(115,677)	(117,542)	(119,408)
Less: Successor Rental Car Facility Charges		-	-	-	(5,309)	(4,552)	(15,626)	(14,496)	(14,276)	(14,273)	(14,278)	(14,275)	(14,273)	(14,277)
Less: Hotel revenues		-	-	-	-	(1,377)	(4,015)	(3,731)	(3,867)	(4,012)	(4,157)	(4,911)	(4,963)	(5,139)
Net debt service	[B]	$ 116,346	$ 112,739	$ 95,837	$ 97,491	$ 102,722	$ 124,161	$ 152,408	$ 220,314	$ 285,302	$ 310,464	$ 344,362	$ 350,866	$ 352,614
Debt Service Reserve Fund deposits		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operation and Maintenance Expenses		330,670	321,246	328,032	331,988	341,447	349,694	366,514	375,155	384,192	396,851	409,885	425,704	442,094
Operating Reserve Fund deposits		3,432	-	(3,506)	479	2,520	3,197	2,281	2,160	2,259	3,165	3,259	3,955	4,098
Incremental Coverage		-	-	-	1,232	3,688	8,421	312	20,469	12,830	6,794	9,129	2,105	948
Subtotal other requirements	[C]	$ 334,102	$ 321,246	$ 324,527	$ 333,699	$ 347,655	$ 361,312	$ 369,107	$ 397,784	$ 399,281	$ 406,810	$ 422,273	$ 431,764	$ 447,140
Less: Annual Capital Transfer	[D]	(29,171)	(39,602)	(29,619)	(28,000)	(24,000)	(20,000)	(16,000)	(12,000)	(8,000)	(4,000)	-	-	-
Net requirements	[E=B+C+D]	$ 421,278	$ 394,383	$ 390,745	$ 403,190	$ 426,377	$ 465,473	$ 505,515	$ 606,098	$ 676,583	$ 713,274	$ 766,635	$ 782,630	$ 799,754
Operating revenues														
Passenger airline payments	[F]	$ 185,892	$ 187,409	$ 179,014	$ 184,429	$ 201,545	$ 227,265	$ 255,395	$ 337,200	$ 390,739	$ 408,030	$ 446,886	$ 448,141	$ 455,352
Other airline cost center revenues		28,466	27,803	27,381	31,737	32,291	31,925	31,724	33,615	35,833	35,844	36,983	36,797	37,536
Terminal concessions		49,420	46,213	48,925	51,717	54,809	62,340	65,144	67,756	71,882	77,531	81,166	84,949	88,886
Parking and ground transportation		136,635	121,953	127,710	140,080	143,814	152,460	160,406	163,719	166,374	179,719	185,480	198,006	201,877
Commercial development and other		80,476	70,127	59,918	58,305	59,213	63,039	64,082	70,372	78,691	85,321	90,661	94,870	99,190
Subtotal	[G]	$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 672,661	$ 743,519	$ 786,445	$ 841,177	$ 862,764	$ 882,841
Enplaned passengers	[H]	29,038	27,946	28,188	28,867	29,160	30,128	30,600	30,000	30,000	30,500	31,000	31,500	32,000
Originating passengers	[I]	12,530	11,360	11,490	12,110	12,270	12,600	12,900	12,600	12,600	12,800	13,000	13,200	13,400
Originating percentage	[H/I]	43.2%	40.6%	40.8%	42.0%	42.1%	41.8%	42.2%	42.0%	42.0%	42.0%	41.9%	41.9%	41.9%
Airline payments per enplaned passenger	[F/H]	**$6.85**	**$7.17**	**$6.74**	**$6.30**	**$6.54**	**$7.20**	**$8.04**	**$10.78**	**$12.61**	**$13.19**	**$14.22**	**$14.04**	**$14.04**
Net Gross Revenues														
Operating revenues		$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 672,661	$ 743,519	$ 786,445	$ 841,177	$ 862,764	$ 882,841
Other revenues		123,536	123,755	112,971	135,809	144,451	156,693	129,722	143,899	130,230	132,246	134,863	136,778	138,823
Less: Operation and Maintenance Expenses		(330,670)	(321,246)	(328,032)	(331,988)	(341,447)	(349,694)	(366,514)	(375,155)	(384,192)	(396,851)	(409,885)	(425,704)	(442,094)
Less: Operating Reserve Fund deposits		(3,432)	-	3,506	(479)	(2,520)	(3,197)	(2,281)	(2,160)	(2,259)	(3,165)	(3,259)	(3,955)	(4,098)
Net Current Gross Revenues	[I]	$ 270,323	$ 256,014	$ 231,392	$ 269,610	$ 292,157	$ 340,832	$ 337,676	$ 439,244	$ 487,298	$ 518,675	$ 562,895	$ 569,883	$ 575,472
Operating Revenue and Expense Fund Transfers	[J]	29,171	39,602	29,619	85,093	82,105	81,793	86,221	84,984	101,453	110,283	113,077	122,206	124,311
Net Gross Revenues	[K=I+J]	$ 299,494	$ 295,616	$ 261,011	$ 354,703	$ 374,262	$ 422,625	$ 423,898	$ 524,228	$ 588,751	$ 628,958	$ 675,972	$ 692,089	$ 699,783
Debt service coverage														
Gross Revenues calculation	[K/A]	**125%**	**125%**	**125%**	**152%**	**151%**	**150%**	**150%**	**144%**	**142%**	**142%**	**141%**	**142%**	**142%**
Current Gross Revenues calculation	[I/A]	113%	108%	111%	116%	118%	121%	120%	121%	117%	117%	117%	117%	117%

Sources: See preceding exhibits and accompanying text.

Exhibit J-2

SUMMARY OF PROJECTED FINANCIAL RESULTS: STRESS TEST PASSENGER FORECAST

Dallas/Fort Worth International Airport

For Fiscal Years ending September 30

(in thousands except per passenger rates and percentages)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projected and actual results, and those differences may be material.

		Historical						Projected						
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Requirements														
Accrued Aggregate Debt Service	[A]	$ 239,882	$ 236,494	$ 208,808	$ 233,300	$ 247,173	$ 280,854	$ 282,130	$ 364,212	$ 415,533	$ 442,709	$ 479,224	$ 487,644	$ 491,437
Less: Special Revenues		(123,536)	(123,755)	(112,971)	(130,500)	(138,522)	(137,053)	(111,495)	(114,188)	(87,317)	(88,810)	(90,302)	(91,795)	(93,288)
Less: Successor Rental Car Facility Charges		-	-	-	(5,309)	(4,552)	(15,626)	(14,496)	(14,276)	(14,273)	(14,278)	(14,275)	(14,273)	(14,277)
Less: Hotel revenues		-	-	-	-	(1,377)	(4,015)	(3,731)	(3,867)	(4,012)	(4,157)	(4,911)	(4,963)	(5,139)
Net debt service	[B]	$ 116,346	$ 112,739	$ 95,837	$ 97,491	$ 102,722	$ 124,161	$ 152,408	$ 231,882	$ 309,930	$ 335,465	$ 369,737	$ 376,613	$ 378,734
Debt Service Reserve Fund deposits		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operation and Maintenance Expenses		330,670	321,246	328,032	331,988	341,447	349,694	366,514	356,801	343,650	355,130	366,960	381,018	395,580
Operating Reserve Fund deposits		3,432	-	(3,506)	479	2,520	3,197	2,281	-	-	2,870	2,958	3,515	3,641
Incremental Coverage		-	-	-	1,232	3,688	8,421	312	20,469	12,830	6,794	9,129	2,105	948
Subtotal other requirements	[C]	$ 334,102	$ 321,246	$ 324,527	$ 333,699	$ 347,655	$ 361,312	$ 369,107	$ 377,270	$ 356,480	$ 364,794	$ 379,047	$ 386,638	$ 400,169
Less: Annual Capital Transfer	[D]	(29,171)	(39,602)	(29,619)	(28,000)	(24,000)	(20,000)	(16,000)	(12,000)	(8,000)	(4,000)	-	-	-
Net requirements	[E=B+C+D]	$ 421,278	$ 394,383	$ 390,745	$ 403,190	$ 426,377	$ 465,473	$ 505,515	$ 597,152	$ 658,410	$ 696,259	$ 748,784	$ 763,251	$ 778,903
Operating revenues														
Passenger airline payments	[F]	$ 185,892	$ 187,409	$ 179,014	$ 184,429	$ 201,545	$ 227,265	$ 255,714	$ 339,934	$ 383,562	$ 411,502	$ 447,271	$ 456,904	$ 464,419
Other airline cost center revenues		28,466	27,803	27,381	31,737	32,291	31,925	31,405	34,305	36,553	37,600	38,550	39,215	40,062
Terminal concessions		49,420	46,213	48,925	51,717	54,809	62,340	65,144	60,754	56,068	60,499	63,362	66,341	69,442
Parking and ground transportation		136,635	121,953	127,710	140,080	143,814	152,460	160,406	155,923	147,888	160,062	165,505	177,006	180,785
Commercial development and other		80,476	70,127	59,918	58,305	59,213	63,039	64,082	70,282	78,424	84,978	90,308	94,503	98,808
Subtotal	[G]	$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 661,197	$ 702,496	$ 754,642	$ 804,996	$ 833,969	$ 853,517
Enplaned passengers	[H]	29,038	27,946	28,188	28,867	29,140	30,128	30,600	26,900	23,400	23,800	24,200	24,600	25,000
Originating passengers	[I]	12,540	11,360	11,500	12,100	12,230	12,600	12,900	12,000	11,200	11,400	11,600	11,800	12,000
Originating percentage	[H/I]	43.2%	40.6%	40.8%	41.9%	42.0%	41.8%	42.2%	44.6%	47.9%	47.9%	47.9%	48.0%	48.0%
Airline payments per enplaned passenger	[F/H]	**$6.85**	**$7.17**	**$6.74**	**$6.30**	**$6.55**	**$7.20**	**$8.05**	**$12.12**	**$15.87**	**$17.05**	**$18.23**	**$18.33**	**$18.34**
Net Gross Revenues														
Operating revenues		$ 480,889	$ 453,505	$ 442,948	$ 466,268	$ 491,673	$ 537,030	$ 576,750	$ 661,197	$ 702,496	$ 754,642	$ 804,996	$ 833,969	$ 853,517
Other revenues		123,536	123,755	112,971	135,809	144,451	156,693	129,722	132,331	105,602	107,245	109,488	111,031	112,703
Less: Operation and Maintenance Expenses		(330,670)	(321,246)	(328,032)	(331,988)	(341,447)	(349,694)	(366,514)	(356,801)	(343,650)	(355,130)	(366,960)	(381,018)	(395,580)
Less: Operating Reserve Fund deposits		(3,432)	-	3,506	(479)	(2,520)	(3,197)	(2,281)	-	-	(2,870)	(2,958)	(3,515)	(3,641)
Net Current Gross Revenues	[I]	$ 270,323	$ 256,014	$ 231,392	$ 269,610	$ 292,157	$ 340,832	$ 337,676	$ 436,726	$ 464,448	$ 503,886	$ 544,566	$ 560,466	$ 566,999
Operating Revenue and Expense Fund Transfers	[J]	29,171	39,602	29,619	85,093	82,105	81,793	86,221	84,984	101,453	110,283	113,077	122,206	124,311
Net Gross Revenues	[K=I+J]	$ 299,494	$ 295,616	$ 261,011	$ 354,703	$ 374,262	$ 422,625	$ 423,898	$ 521,710	$ 565,901	$ 614,169	$ 657,643	$ 682,672	$ 691,310
Debt service coverage														
Gross Revenues calculation	[K/A]	**125%**	**125%**	**125%**	**152%**	**151%**	**150%**	**150%**	**143%**	**136%**	**139%**	**137%**	**140%**	**141%**
Current Gross Revenues calculation	[I/A]	113%	108%	111%	116%	118%	121%	120%	120%	112%	114%	114%	115%	115%

Sources: See preceding exhibits and accompanying text.

[THIS PAGE INTENTIONALLY LEFT BLANK]

DFW

DALLAS/FORT WORTH
INTERNATIONAL AIRPORT

Financial Advisory Services
Provided By