NEW ISSUE - BOOK ENTRY ONLY

RATINGS: S&P: "A-"
Moody's: "A3"
Fitch: "A-"
(See "BOND RATINGS" herein.)

*In the opinions of Foley & Judell, L.L.P. and Auzenne & Associates, L.L.C., Co-Bond Counsel, assuming compliance with certain covenants described herein, under existing law (i) interest on the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017D-1 Bonds, and the Series 2017D-2 Bonds (together, the "**Tax-exempt Bonds**") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), except that no opinion is expressed as to the status of interest on any Series 2017B Bonds or Series 2017D-2 Bonds for any period that a Series 2017B Bond or Series 2017D-2 Bond is held by a "substantial user" of the facilities financed by such bonds or by a "related person" within the meaning of Section 147(a) of the Code. It is further the opinion of Co-Bond Counsel that interest on the Series 2017A Bonds and Series 2017D-1 Bonds is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the federal alternative minimum tax and (iii) interest on the Series 2017A Bonds and Series 2017D-2 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations. In the opinion of Co-Bond Counsel, interest on the Series 2017C Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Co-Bond Counsel is also of the opinion that interest on the Tax-exempt Bonds and the Series 2017C Bonds (collectively, the "**Series 2017 Bonds**") is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana. Co-Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Series 2017 Bonds. See "**TAX MATTERS**" herein and the proposed form of Co-Bond Counsel Opinion attached hereto as **Appendix D**.*

NEW ORLEANS AVIATION BOARD

Louis Armstrong New Orleans International Airport

$100,010,000	$219,390,000	$46,995,000	$4,150,000	$50,145,000
New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017A (Non-AMT)	New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017B (AMT)	New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017C (Taxable)	New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-1 (Non-AMT)	New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-2 (AMT)

Dated: May 25, 2017 for the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds
October 4, 2017 for the Series 2017D Bonds

Due: January 1, as shown on inside cover

The $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017A (Non-AMT) (the "**Series 2017A Bonds**") and $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017B (AMT) (the "**Series 2017B Bonds**") are being issued by the New Orleans Aviation Board (the "**Issuer**" or the "**Aviation Board**") for the purpose of providing funds to pay for a portion of the costs of a new passenger terminal and other enabling projects (the "**North Terminal Project**") at the Louis Armstrong New Orleans International Airport (the "**Airport**"), fund a Debt Service Reserve Fund, and pay costs of issuance. The $46,995,000 General Airport Revenue Refunding Bonds Series 2017C (Taxable) (the "**Series 2017C Bonds**") are being issued for the purpose of providing funds, together with other Issuer funds, to advance refund a portion of the New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBS) Series 2009 (the "**Refunded Series 2009 Bonds**"), fund a Debt Service Reserve Fund, and pay costs of issuance. The $4,150,000 General Airport Revenue Refunding Bonds Series 2017D-1 Bonds (Non-AMT) (the "**Series 2017D-1 Bonds**") and the $50,145,000 General Airport Revenue Refunding Bonds Series 2017D-2 Bonds (AMT) (the "**Series 2017D-2 Bonds**," together with the Series 2017D-1 Bonds, the "**Series 2017D Bonds**") are being issued for the purpose of providing funds, together with other Issuer funds, to defease and currently refund New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2007 (the "**Series 2007 PFC Bonds**"), to fund a Debt Service Reserve Fund, and to pay the costs of issuance. The Series 2017A Bonds, Series 2017B Bonds, Series 2017C Bonds, and Series 2017D Bonds (collectively, the "**Series 2017 Bonds**") are issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**") and the City of New Orleans (the "**City**"), as supplemented and amended by (i) a First Supplemental Trust Indenture dated as of February 1, 2009 (the "**First Supplemental Indenture**"), (ii) a Second Supplemental Trust Indenture dated as of March 1, 2015 (the "**Second Supplemental Indenture**"), and a Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**," together with the General Indenture, the First Supplemental Indenture, and the Second Supplemental Indenture, are collectively referred to herein as the "**Indenture**"). The issuance of the Series 2017C Bonds and the Series 2017D Bonds is expected to provide economic present value and annual debt service savings to the Aviation Board in connection with the refunding of Series 2007 PFC Bonds and Refunded Series 2009 Bonds.

Interest on the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds will be payable on July 1, 2017 and semiannually thereafter on each January 1 and July 1. Interest on the Series 2017D Bonds will be payable on January 1, 2018 and semiannually thereafter on each January 1 and July 1. The Series 2017 Bonds will mature on the dates set forth on the inside cover page hereof. The Series 2017 Bonds will be issued only as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof. The Series 2017 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository for the Series 2017 Bonds. Individual purchases of the Series 2017 Bonds will be made in book-entry form and individual purchasers of the Series 2017 Bonds will not receive certificates representing their interest in Series 2017 Bonds purchased. The principal and interest on the Series 2017 Bonds will be payable by the Trustee to DTC, which will remit such payments in accordance with its normal procedures as described herein. See "**DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System**".

Except to the extent payable from the proceeds of the Series 2017 Bonds and any other money available for such payment under the Indenture, the Series 2017 Bonds are special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined herein), which pledge is on a parity with the pledge of such Net Revenues made to secure the Series 2009 Bonds (as hereinafter defined), the New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2015, and any Additional Bonds that may be issued pursuant to the General Indenture.

THE SERIES 2017 BONDS ARE ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE AND ARE NOT INDEBTEDNESS OF THE CITY OF NEW ORLEANS. NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT OF THE SERIES 2017 BONDS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

The Series 2017 Bonds will mature on January 1 in the years and in the principal amounts, and will bear interest at the rates, as shown herein. The Series 2017 Bonds are subject to optional and mandatory redemption as described herein. See the inside cover page for maturities, principal amounts, interest rates, and prices or yields.

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are offered when, as, and if issued, subject to the approving opinions of Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana and Golden Holley James LLP, Atlanta, Georgia, as Co-Underwriters' Counsel. Certain legal matters will be passed upon for the Aviation Board by its General Counsel, Michele D. Allen-Hart, Esq. It is expected that the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds in definitive form will be available for delivery in New York, New York, on or about May 25, 2017, upon payment therefor. It is expected that the Series 2017D Bonds in definitive form will be available for delivery in New York, New York, on or about October 4, 2017, upon payment therefor.

Citigroup

Backstrom McCarley Berry & Co., LLC **Blaylock Van, LLC** **Dorsey & Company, Inc.** **Harvestons Securities, Inc.**
Loop Capital Markets **Siebert Cisneros Shank & Co., L.L.C.** **Sisung Securities Corporation**

The date of this Official Statement is May 11, 2017.

MATURITY SCHEDULE

GENERAL AIRPORT REVENUE AND REFUNDING BONDS

NEW ORLEANS AVIATION BOARD

Base CUSIP†: 64763H

SERIES 2017A (NON-AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2020	$1,485,000	5.000%	1.280%	109.481	FS9
2021	1,190,000	5.000%	1.470%	112.332	FT7
2022	1,250,000	5.000%	1.690%	114.588	FU4
2023	1,315,000	5.000%	1.890%	116.450	FV2
2024	930,000	5.000%	2.100%	117.783	FW0
2025	1,000,000	5.000%	2.310%	118.649	FX8
2026	1,045,000	5.000%	2.510%	119.150	FY6
2027	1,105,000	5.000%	2.650%	119.801	FZ3
2028	1,160,000	5.000%	2.800%	118.404[C]	GA7
2029	1,220,000	5.000%	2.940%	117.118[C]	GB5
2030	1,275,000	5.000%	3.050%	116.119[C]	GC3
2031	1,340,000	5.000%	3.140%	115.310[C]	GD1
2032	1,410,000	5.000%	3.190%	114.863[C]	GE9
2033	1,445,000	5.000%	3.310%	113.798[C]	GF6
2034	1,520,000	5.000%	3.380%	113.183[C]	GG4
2035	1,590,000	5.000%	3.420%	112.833[C]	GH2
2036	1,675,000	5.000%	3.460%	112.485[C]	GJ8
2037	1,765,000	5.000%	3.470%	112.398[C]	GK5
2038	1,775,000	5.000%	3.510%	112.051[C]	GL3

$9,805,000 5.000% Term Bonds due January 1, 2043; Yield 3.500%; Price 112.137[C]; CUSIP†: GM1
$64,710,000 5.000% Term Bonds due January 1, 2048; Yield 3.560%; Price 111.619[C]; CUSIP†: GN9

[C] Priced to the first par call date of January 1, 2027.

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SERIES 2017B (AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2020	$3,295,000	5.000%	1.470%	108.971	GP4
2021	2,635,000	5.000%	1.720%	111.400	GQ2
2022	2,770,000	5.000%	1.980%	113.213	GR0
2023	2,905,000	5.000%	2.210%	114.617	GS8
2024	2,080,000	5.000%	2.420%	115.648	GT6
2025	2,160,000	5.000%	2.630%	116.227	GU3
2026	2,270,000	5.000%	2.870%	116.127	GV1
2027	2,380,000	5.000%	3.010%	116.481	GW9
2028	2,500,000	5.000%	3.100%	115.669[C]	GX7
2029	2,625,000	5.000%	3.200%	114.774[C]	GY5
2030	2,760,000	5.000%	3.310%	113.798[C]	GZ2
2031	2,895,000	5.000%	3.400%	113.008[C]	HA6
2032	3,035,000	5.000%	3.470%	112.398[C]	HB4
2033	3,225,000	5.000%	3.540%	111.791[C]	HC2
2034	3,385,000	5.000%	3.610%	111.189[C]	HD0
2035	3,560,000	5.000%	3.650%	110.846[C]	HE8
2036	3,730,000	5.000%	3.690%	110.505[C]	HF5
2037	3,920,000	5.000%	3.720%	110.250[C]	HG3
2038	3,955,000	5.000%	3.750%	109.996[C]	HH1

$21,235,000 5.000% Term Bonds due January 1, 2043; Yield 3.780%; Price 109.742[C]; CUSIP†: HJ7
$142,070,000 5.000% Term Bonds due January 1, 2048; Yield 3.820%; Price 109.405[C]; CUSIP†: HK4

[C] Priced to the first par call date of January 1, 2027.

SERIES 2017C (TAXABLE)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2020	$11,335,000	2.227%	2.227%	100.000	FN0
2021	11,595,000	2.466%	2.466%	100.000	FP5
2022	11,875,000	2.666%	2.666%	100.000	FQ3
2023	12,190,000	2.949%	2.949%	100.000	FR1

SERIES 2017D-1 (NON-AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2019	$1,615,000	5.000%	1.580%	104.186	HL2
2020	2,535,000	5.000%	1.730%	107.156	HM0

SERIES 2017D-2 (AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2019	$2,145,000	5.000%	1.680%	104.060	HN8
2020	1,570,000	5.000%	1.880%	106.814	HP3
2021	1,650,000	5.000%	2.120%	108.973	HQ1
2022	1,730,000	5.000%	2.390%	110.465	HR9
2023	1,820,000	5.000%	2.640%	111.477	HS7
2024	1,910,000	5.000%	2.850%	112.209	HT5
2025	2,005,000	5.000%	3.060%	112.511	HU2
2026	2,105,000	5.000%	3.260%	112.482	HV0
2027	2,210,000	5.000%	3.400%	112.592	HW8
2028	2,320,000	5.000%	3.530%	111.500[C]	HX6
2029	2,440,000	5.000%	3.610%	110.834[C]	HY4
2030	2,560,000	5.000%	3.680%	110.256[C]	HZ1
2031	2,690,000	5.000%	3.760%	109.599[C]	JA4
2032	2,825,000	5.000%	3.830%	109.028[C]	JB2
2033	2,965,000	5.000%	3.900%	108.461[C]	JC0
2034	3,110,000	5.000%	3.960%	107.977[C]	JD8
2035	3,270,000	5.000%	4.020%	107.496[C]	JE6
2036	3,435,000	5.000%	4.060%	107.177[C]	JF3
2037	3,600,000	5.000%	4.090%	106.938[C]	JG1
2038	3,785,000	5.000%	4.120%	106.700[C]	JH9

[C] Priced to the first par call date of January 1, 2027.

†CUSIP® is a registered trademark of the American Bankers Association. CUSIP data. herein is provided by CUSIP Global Services, which is managed on behalf of S&P Capital I.Q., a business line of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. Neither the Aviation Board, the City, the Municipal Advisor nor the Underwriters and their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2017 Bonds.

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NO DEALER, BROKER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS. 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 SERIES 2017 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION, OR SALE. THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY ("**DTC**") HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. ALL OTHER INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AVIATION BOARD AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AVIATION BOARD OR DTC SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS AND ANY OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE 2017 BONDS.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT:

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

BY ITS PURCHASE OF THE SERIES 2017 BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF ITS OFFICERS, REPRESENTATIVES, AGENTS, OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE SERIES 2017 BONDS.

THE INVESTOR, BY ITS PURCHASE OF THE SERIES 2017 BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND" AND "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2017 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2017 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE AVIATION BOARD AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2017 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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

NEW ORLEANS AVIATION BOARD

Ms. Cheryl Teamer	Chairwoman
Mr. J. Douglas Thornton	Vice Chairman
Mr. Todd Francis	Member
Mr. Jim Hudson	Member
Ms. Ti Adelaide Martin	Member
Ms. Lea M. Polk-Montgomery	Member
Mr. Roger H. Ogden	Member
Mr. Gary Smith, Sr.	Member
Mr. Michael Smith	Member

MANAGEMENT OF THE LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Mr. Mark Reis	Interim Director
Mr. Walter J. Krygowski	Deputy Director and Chief Operations Officer
Ms. Carmen Robinson	Acting Deputy Director and Chief Financial Officer
Ms. Michele Allen-Hart	Chief Legal Counsel Deputy Director of Legal Affairs
Ms. Michelle Wilcut	Deputy Director and Chief Customer Service Liaison
Ms. Kristina Bennett-Holmes	Business Development Officer

CONSULTANTS AND MUNICIPAL ADVISOR

Frasca & Associates, LLC	Municipal Advisor
Unison Consulting, Inc.	Aviation Consultant
TMG Consulting	Consultant to the Aviation Board
Postlethwaite & Netterville, APAC	Auditors
Terminus Analytics	Verification Agent

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OFFICIAL STATEMENT

$100,010,000
New Orleans Aviation Board
General Airport Revenue Bonds
(North Terminal Project)
Series 2017A (Non-AMT)

$219,390,000
New Orleans Aviation Board
General Airport Revenue Bonds
(North Terminal Project)
Series 2017B (AMT)

$46,995,000
New Orleans Aviation Board
General Airport Revenue
Refunding Bonds
Series 2017C (Taxable)

$4,150,000
New Orleans Aviation Board
General Airport Revenue
Refunding Bonds
Series 2017D-1 (Non-AMT)

$50,145,000
New Orleans Aviation Board
General Airport Revenue
Refunding Bonds
Series 2017D-2 (AMT)

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2017 Bonds (as hereinafter defined) to potential investors is made only by means of the entire Official Statement.

This Official Statement, including the cover page and Appendices attached hereto, and including certain financial information relating to the New Orleans Aviation Board (the "**Issuer**" or the "**Aviation Board**"), is provided to furnish certain information in connection with the issuance of (i) $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT) (the "**Series 2017A Bonds**"), (ii) $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT) (the "**Series 2017B Bonds**"), (iii) $46,995,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C Bonds (Taxable) (the "**Series 2017C Bonds**"), and (iv) $4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) (the "**Series 2017D-1 Bonds**") and $50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT) (the "**Series 2017D-2 Bonds**," together with the Series 2017D-1 Bonds, the "**Series 2017D Bonds**"). The Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, and the Series 2017D Bonds are collectively the "**Series 2017 Bonds**".

Indenture

The Series 2017 Bonds will be issued and secured by a General Revenue Bond Trust Indenture among the Aviation Board, the City of New Orleans (the "**City**") and The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**"), dated as of February 1, 2009 (the "**General Indenture**"), as supplemented and amended by (i) the First Supplemental Trust Indenture dated as of February 1, 2009 (the "**First Supplemental Indenture**") pursuant to which the New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBs), Series 2009 (the "**Series 2009 Bonds**") were issued, (ii) the Second Supplemental Indenture dated as of March 1, 2015 (the "**Second Supplemental Indenture**") pursuant to which the New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015 (the "**Series 2015 Bonds**") were issued, and (iii) a Third Supplemental Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**," together with the General Indenture, the

First Supplemental Indenture, and the Second Supplemental Indenture, the "**Indenture**") pursuant to which the Series 2017 Bonds are being issued. The Series 2017 Bonds are payable from the Net Revenues (as hereinafter defined) on a parity basis with Series 2009 Bonds other than the Refunded Series 2009 Bonds, and the Series 2015 Bonds. The Series 2017 Bonds, the Series 2015 Bonds, the Series 2009 Bonds and any additional parity Bonds that may be issued under the Indenture, as further supplemented, are collectively referred to in this Official Statement as the "**Bonds**." Following the issuance of the Series 2017 Bonds, the Airport will have $1,007,930,000 of parity indebtedness Outstanding under the General Indenture. See "**AIRPORT FINANCIAL INFORMATION – Outstanding Debt – Parity Debt**" herein. See "**Appendix B – Summary of Certain Provision of the General Indenture and the Third Supplemental Indenture**" herein.

The Airport and the Aviation Board

The Louis Armstrong New Orleans International Airport (the "**Airport**") is owned by the City but is operated and maintained by the Aviation Board pursuant to Chapter 6, Section 5-602 of Home Rule Charter of the City. The Aviation Board consists of nine members appointed by the Mayor of the City (the "**Mayor**") with the approval of the City Council for terms of five years. As a matter of custom, the Mayor appoints one member who is designated by the City of Kenner (the city in which the largest portion of the Airport is located) and another designated by the President of the Parish of St. Charles (the parish in which a small portion of the Airport is located).

The current members of the Aviation Board are:

Name	Term Expires
Ms. Cheryl Teamer (Chairwoman)	June 30, 2018
Mr. J. Douglas Thornton (Vice Chairman)	June 30, 2011*
Mr. Todd Francis	June 30, 2017
Mr. Jim Hudson	June 30, 2017
Ms. Ti Adelaide Martin	June 30, 2015*
Ms. Lea M. Polk-Montgomery	June 30, 2014*
Mr. Roger H. Ogden	June 30, 2012*
Mr. Gary Smith, Sr.	June 30, 2017
Mr. Michael Smith	June 30, 2017

*Board Members with expired terms have a legal seat on the board until they resign or another person is appointed.

Established in 1943, the Aviation Board is empowered to administer, operate, and maintain all airports and aviation facilities within or without the corporate limits of the City and owned by the City, except for the Lakefront Airport which is a general aviation facility bordering on Lake Pontchartrain. The Lakefront Airport is owned by the Orleans Levee District and is currently operated by the Non-Flood Protection Asset Management Authority. Besides the Airport, the only other facility subject to Aviation Board control is the New Orleans Heliport (the "**Heliport**"), established by the Federal Aviation Administration ("**FAA**") as one of four prototype inner-city heliports. The New Orleans Heliport has been operational since January 1986. The Airport is currently operated as an independent system (the "**Airport System**") under the control of the Aviation Board.

Located in the southeastern region of Louisiana, the New Orleans Metropolitan Statistical Area (the "**New Orleans MSA**") is the Airport's primary air service area (the "**Air Service Area**"). The New Orleans MSA consists of the parishes (equivalent to "counties" in other states) of Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany, with the cities of New Orleans and Kenner as the principal cities located therein. The Airport, located in Kenner,

Louisiana, is approximately 14 miles west of the City's central business district. The Airport is classified as a medium hub by the FAA with 5,579,577 enplaning passengers in 2016. The Airport primarily serves passengers whose travel originates or terminates ("**O&D Passengers**") in the Air Service Area; O&D Passengers averaged 88.6% of passengers using the Airport in the five-year period ended December 31, 2015. See "**THE AIRPORT – The Air Service Area**" herein.

The Aviation Board generates revenues to pay the costs of operating and maintaining the Airport System, including debt service on bonds issued for the benefit of the Airport, from four principal sources: landing fees; terminal building rents and charges; parking and other concessions revenues; and non-operating income, including Passenger Facility Charges (collectively, "**General Airport Revenues**"). See "**SECURITY FOR BONDS – Definition of Revenues**" herein.

Use of Series 2017 Bond Proceeds

Proceeds of the Series 2017A Bonds and Series 2017B Bonds, together with proceeds of the Series 2015 Bonds, will be used (i) to pay for a portion of the costs of the North Terminal Project, including capitalized interest on Series 2015 Bonds, the Series 2017A Bonds, and the Series 2017B Bonds, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017A Bonds and the Series 2017B Bonds. See "**SOURCES AND USES – Funding Plan for the North Terminal Project**" herein in connection with the Series 2017A Bonds.

Proceeds of the Series 2017C Bonds, together with certain transferred proceeds of the Series 2009 Bonds will be used (i) to defease and advance refund a portion of the Series 2009 Bonds (the "**Refunded Series 2009 Bonds**"), (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017C Bonds.

Proceeds of the Series 2017D Bonds, together with certain transferred proceeds of the New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2007 (the "**Series 2007 PFC Bonds**"), will be used (i) to defease and currently refund all of the Series 2007 PFC Bonds, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017D Bonds. See "**DESCRIPTION OF THE SERIES 2017 BONDS – Delivery of the Series 2017D Bonds**" herein.

Security and Sources of Payment

Net Revenues

Bonds, including the Series 2017 Bonds, the Series 2015 Bonds, the Series 2009 Bonds and any other Additional Bonds that may be issued under the General Indenture, will be secured on a parity basis by a pledge of the Net Revenues (as hereinafter defined) of the Airport System. See "**SECURITY FOR THE SERIES 2017 BONDS - Parity Obligations**" and "**- Additional Bonds Test**" herein. Net Revenues generally include all revenues from the use and operation of the Airport System after deducting the current expenses attributable to operation, maintenance, and current repair of the Airport System and other facilities of the Aviation Board.

Passenger Facility Charges Available for the Bonds

Passenger Facility Charges (the "**Passenger Facility Charges**" or "**PFCs**") are collected for qualifying enplaned passengers at qualifying airports and are available to fund FAA-approved projects. PFCs are not operating revenues; however, the Aviation Board may pledge Passenger Facility Charges as additional security under the General Indenture for one or more series of Bonds. Pursuant to the Second and Third Supplemental Indentures, the Aviation Board pledges Net PFC Revenues (as hereinafter

defined) deposited to the Transferred PFC Account of the Debt Service Fund to pay debt service related to FAA-approved projects. Net PFC Revenues deposited to the Transferred PFC Account of the Debt Service Fund constitute Revenues under the General Indenture. See "**SECURITY FOR THE SERIES 2017 BONDS - Rate Covenants under the General Indenture**" herein.

Reserve Fund

The Third Supplemental Indenture establishes within the Debt Service Reserve Fund of the General Indenture a Series 2017 Bonds Account to be held by the Trustee to make payments on the Series 2017 Bonds to the extent that the amounts in the Debt Service Fund of the General Indenture are not sufficient to pay in full the interest, principal, or premium due on the Series 2017 Bonds. The Series 2017 Bonds Account of the Debt Service Reserve Fund is required to be funded in an amount equal to the Series 2017 Bonds Debt Service Reserve Fund Requirement on the date of original issuance of the Series 2017 Bonds, initially $34,656,838.21. See "**SECURITY FOR THE SERIES 2017 BONDS – Series 2017 Bonds Reserve Fund Requirement**" and "**Appendix B - Summary of Certain Provisions of the General Indenture and the Third Supplemental Indenture**" herein.

Limited and Special Obligations

THE SERIES 2017 BONDS ARE ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE AND ARE NOT INDEBTEDNESS OF THE CITY OF NEW ORLEANS. NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT OF THE SERIES 2017 BONDS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

Redemption of the Series 2017 Bonds

The Series 2017 Bonds (other than the Series 2017C Bonds, which are not subject to redemption prior to maturity) are subject to optional redemption and mandatory sinking fund redemption as described under "**DESCRIPTION OF THE SERIES 2017 BONDS – Redemption Provisions**" herein.

Summaries and Additional Information

There follows in this Official Statement a description of the Series 2017 Bonds, security for the Series 2017 Bonds, the Airport, Airport operations, and certain information relating to the sources of payment for Bonds, including the Series 2017 Bonds, together with summaries of the terms of the Series 2017 Bonds and Indenture. All references herein to agreements or documents are qualified in their entirety by references to the definitive forms thereof and all references to the Series 2017 Bonds are further qualified by reference to the information with respect thereto contained in the General Indenture, and the Third Supplemental Indenture. All capitalized terms used in this Official Statement, not conventionally capitalized or otherwise defined herein, shall have the meanings as set forth in the General Indenture and the Third Supplemental Indenture. See "**Appendix A - Master Definition List**."

PLAN OF FINANCE

Series 2017A Bonds and Series 2017B Bonds

The Series 2017A Bonds and Series 2017B Bonds are being issued by the Aviation Board as Additional Bonds under the General Indenture. The proceeds of the Series 2017A Bonds and Series 2017B Bonds will be used (i) to pay for a portion of the costs of the North Terminal Project, including capitalized interest on the Series 2015 Bonds, the Series 2017A Bonds, and Series 2017B Bonds, (ii) to

fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017A Bonds and Series 2017B Bonds. See "**SOURCES AND USES – Funding Plan for the North Terminal Project**" herein in connection with the Series 2017A Bonds.

Series 2017C Bonds

The Series 2017C Bonds are being issued as refunding bonds under the General Indenture for the purpose of refunding the Refunded Series 2009 Bonds which were issued under the General Indenture. An authorized officer of the Aviation Board will execute a certificate demonstrating that the refunding of the Refunded Series 2009 Bonds with the proceeds of the Series 2017C Bonds will provide economic present value and annual debt service savings. The proceeds of the Series 2017C Bonds, together with certain transferred proceeds of the Refunded Series 2009 Bonds will be used (i) to defease and advance refund the Refunded Series 2009 Bonds, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017C Bonds.

Series 2017D Bonds

The Series 2017D Bonds are being issued by the Aviation Board as Additional Bonds under the General Indenture. The proceeds of the Series 2017D Bonds, together with certain transferred proceeds of the Series 2007 PFC Bonds, will be used (i) to defease and currently refund all or a portion of the Series 2007 PFC Bonds, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017D Bonds. The Series 2007 PFC bonds were issued pursuant to the Aviation Board's PFC General Revenue Bond Trust Indenture dated as of November 1, 2007 (the "**PFC Indenture**"). The Aviation Board plans to defease and redeem the Series 2007 PFC Bonds in accordance with the requirements of the PFC Indenture by providing irrevocable instructions to the Series 2007 PFC Bonds Trustee to accept proceeds of the 2017D Bonds which, together with other funds held by the Series 2007 PFC Trustee, will be sufficient to defease the Series 2007 PFC Bonds on the issue date of the Series 2017D Bonds and to redeem the Series 2007 PFC Bonds on January 1, 2018.

NORTH TERMINAL PROJECT

The North Terminal Project consists of a new passenger terminal and necessary related improvements, such as aircraft aprons, a central utility plant, a 2,190 space parking garage and 1,272 parking spaces in two surface lots, on-site roadway systems and associated ground transportation facilities and associated enabling projects such as navigational equipment and airfield lighting vault relocations. No additional property will be acquired by the Airport for the North Terminal Project. The new passenger terminal will have 35 airline gates and will consist of over 900,000 square feet of space.

The existing terminal facility consists of approximately 1,200,000 square feet of space, which includes four Concourses (A, B, C, and D) and 42 gates. As of March 2017, 22 gates on Concourses B, C, and D are leased on a preferential basis to the Signatory Airlines. There are 12 gates that are available and used on a common-use basis. The existing terminal facility is experiencing mounting operational and maintenance costs and is generating less revenue from concessions and parking compared to comparable airports.

The purpose of the North Terminal Project is to:

1. "Right-size" the terminal building and gates to better align the terminal with projected operations and enplanements and to reduce operating costs;

2. Address the problems associated with the aging infrastructure of the existing terminal building and the need to replace mechanical and electrical systems and base building elements;
3. Enhance the efficiency of the terminal to reflect changes in the air transportation system since the original terminal was built in 1959; and
4. Increase revenues from modernized terminal and concessions.

Key Construction and Professional Service Providers on North Terminal Project Team

WSP Global, Inc. (doing business as WSP|Parsons Brinckerhoff) (the "**Program Manager**") provides program management services for the North Terminal Project. The program manager is a world-wide engineering professional services consulting firm and has approximately 36,500 employees in more than 500 offices across 40 countries worldwide.

Crescent City Aviation Team ("**CCAT**"), a joint venture of Leo A. Daly and Atkins North America, Inc., provides design services for the North Terminal Project. The prime partners of CCAT have significant experience in architecture and civil engineering projects at more than 50 large and medium-hub US airports.

RS&H, Inc. ("**RS&H**") provides environmental assessment services for the North Terminal Project. RS&H is an architectural, engineering, and planning firm headquartered in Jacksonville, Florida. The firm has more than 26 offices located throughout the United States of America.

Hunt-Gibbs-Boh-Metro Joint Venture ("**Joint Venture**") is the construction manager at risk (the "**CMAR**") for the North Terminal Project. The Joint Venture is composed of the following entities:

- Hunt Construction Group, Inc. ("**Hunt**"): Hunt was founded in Indianapolis, Indiana in 1944. Hunt reported 2013 annual revenues of $1.2 billion. The Engineering firm AECOM Technology acquired Hunt in July of 2014. AECOM, headquartered in Los Angeles, CA, reported 2016 annual revenues of $17.4 billion.

- Gibbs Construction, LLC ("**Gibbs**"): Gibbs was founded in the New Orleans region in 1976. Gibbs' contracting and design/build annual revenues in 2016 were approximately $124.5 million.

- Boh Bros. Construction Co., LLC ("**Boh**"): Boh was founded in New Orleans in 1909. Boh had annual revenues in 2016 of approximately $368 million.

- Metro Service Group, Inc. ("**Metro**"): Metro was founded in 1982 in New Orleans. Metro had annual revenues in 2016 of approximately $30.2 million.

The percentage of ownership interest of each Joint Venture Partner in the CMAR Contract is: Hunt at 57.38%; Gibbs at 26.25%; Boh at 15.37%; and Metro at 1%.

The Original North Terminal Project

After issuing a Request for Proposals to select the CMAR, but prior to selecting the CMAR, the Aviation Board authorized and approved on July 17, 2014 the issuance of general aviation board revenue bonds not exceeding $700,000,000 to finance the North Terminal Project.

Before executing a contract with the Joint Venture to be the CMAR for the construction of the North Terminal, the Board and the Joint Venture entered into an Agreement for Pre-Construction Services (the "**Pre-Construction Agreement**") effective on September 1, 2014. The Joint Venture coordinated with CCAT and the Program Manager on the design and constructability of the North Terminal Project.

On March 26, 2015, the Aviation Board issued $565,325,000 Series 2015 Bonds to finance the North Terminal Project. At the time the Series 2015 Bonds were issued, the Aviation Board had design estimates indicating that all of the soft and hard costs for the various components and structures in the North Terminal Program were within the then $650,000,000 program budget. After the issuance of Series 2015 Bonds, due to subcontractor bids received by the CMAR, insurance costs, and CMAR administrative fees, the overall North Terminal Program cost increased from $650,000,000 to $806,961,778.

On December 21, 2015, the Aviation Board approved a funding plan for the North Terminal Project of $806,961,778 and also approved the issuance of additional general airport revenue bonds in a principal amount not to exceed $130,000,000 and a revolving credit facility ("**Credit Facility**") not to exceed $75,000,000. The Airlines and the Aviation Board agreed to a revised Airline-Airport Use and Lease Agreement Term Sheet ("**Revised Airline Term Sheet**") approving the proposed funding plan. In addition, the Aviation Board entered into a Construction Manager at Risk Guaranteed Maximum Price Contract ("**GMP**") of $598,979,208 with the Joint Venture as the CMAR with a completion date of October 2018.

The CMAR Contract requires the CMAR to provide payment and performance bonds (the "**P&P Bonds**") in an amount equal to 100% of the GMP. The CMAR executed payment and performance bonds with the following sureties: Federal Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA, Liberty Mutual Insurance Company, XL Specialty Insurance Company, Zurich American Insurance Company, Continental Casualty Company, and Western Surety Company (collectively, the "**Surety**"). Changes in the contract value GMP due to amendments and change orders include an increase in the amount for the P&P Bonds.

The CMAR Contract has been amended twice to incorporate six alternates (the "**Alternates**") into the CMAR Contract. The costs for the Alternates were budgeted by the Aviation Board as part of the CMAR Contract but were not included in the original GMP. The Alternates, which included an automated screening of checked baggage, two surface parking lots, and elevated departures road connector to the garage, a baggage handling system sortation, and an emergency generator, increased the GMP from $598,979,208.00 to $613,141,360.00. The Alternates were accounted for in the sources and uses making up the $806.9 million overall program cost approved by the Aviation Board on December 21, 2015.

Four Change Orders to the CMAR Contract have been approved by the Aviation Board. On November 17, 2016, the Aviation Board approved Change Order #1 ("**CO#1**") in the amount of $3,497,075 and with no calendar days added to complete construction under the CMAR Contract. On January 19, 2017, the Aviation Board approved Change Order #2 ("**CO#2**") in the amount of $3,333,633 also with no additional calendar days to complete construction. CO#1 and CO#2 incorporated several changes resulting from unforeseen consequences or conditions, unrealized value engineering, drawing revisions and changes or additions to the scope of work. CO#1 and CO#2 are funded from $18.3 million of owner's contingency under the CMAR Contract leaving a balance of $11,490,151 for owner's contingency. In response to needs identified by concessionaires, the Airlines and the Airport, Change Order #3 ("**CO#3**") approved by the Aviation Board in the amount of $3,540,000 provides for a loading dock for concession operations and the addition of useable space within the existing envelope of the originally-designed North Terminal Project. CO#3 will be funded from Owner's Contingency and leaves an owner's contingency balance of $7,950,151. On April 27, 2017, the Aviation Board approved Change

Order #4 ("**CO#4**") to the CMAR Contract in the amount of $158,025,569 to incorporate operational enhancements, additional contingency and an expansion of the North Terminal Project. See "**NORTH TERMINAL PROJECT - North Terminal Project Expansion**" herein.

North Terminal Project Expansion

The initial design for the North Terminal Project included 30 gates, approximately 630,000 square feet of conditioned space, and approximately 58,000 square feet of unconditioned space based on the anticipated growth of the Airport when projected in 2012.

The Airport is growing faster than projected in 2012. For calendar year 2016, the Airport achieved a new all-time record serving over 11.1 million passengers, representing 4.4% growth over 2015 when the Airport served 10.6 million passengers. The number of daily aircraft operations has increased over 25% since 2012 (approximately 300 average daily aircraft operations in 2016 as compared to the average of 238 operations in 2012). As of March 2017, 15 airlines serve the Airport with non-stop service to 57 destinations, including six international destinations.

The 2012 Project Definition Report ("**PDR**") prepared by the North Terminal design team established the basis for the terminal facilities requirements. At that time, the Federal Aviation Administration ("**FAA**") Terminal Area Forecast ("**TAF**") projected annual enplanement growth for the Airport at 1.4%. The Aviation Board received Airline concurrence in using a 2% projected growth instead of 1.4%. The FAA allowed the higher projected growth upon acceptance of the Environmental Assessment on December 31, 2013 pursuant to which the FAA issued a Finding of No Significant Impact and Record of Decision in connection with the Airport's North Terminal Project.

The Airport's actual enplanement growth over the past four years has exceeded the PDR projections. In 2015, actual Airport enplanements exceeded the amount projected in the PDR for 2018; consequently, the Aviation Board engaged consultants in 2016 to prepare an updated forecast with input from the Airlines.

Based upon a new aviation forecast prepared by Unison Consulting for 2022 and design work by CCAT, the Aviation Board submitted a report to the Signatory Airlines on September 21, 2016 entitled "NEW ORLEANS INTERNATIONAL NORTH TERMINAL PROJECT - Design Modification MII Review Packet" ("**North Terminal Modification Report**"). The Airport-Airline Steering Committee, consisting of representatives of the Airlines and the Aviation Board had previously voted on September 13, 2016 to recommend to the Airline Airport Affairs Committee ("**AAAC**") that the Aviation Board move forward with the North Terminal Expansion, subject to FAA approval of a supplemental environmental assessment ("**EA**").

The North Terminal Modification Report concluded that the North Terminal Project would not be adequate on opening day through a 2025 planning window. The North Terminal Modification Report described the need for five additional gates by 2025 (the "**Gate Expansion**"), a seventh baggage carousel and carousels under Concourses B and C (the "**BMU Expansion**"), modifications to accommodate two wide-body aircraft simultaneously for international flights (the "**IF Modifications**"), and an increase in the Airline build allowance from $5 million to $11 million (the "**Airline Allowance**").

Pursuant to the Airline-Airport Use and Lease Agreement, the AAAC met and voted on October 25, 2016 to approve modifications to the North Terminal Program in the North Terminal Modification Report at a rough order of magnitude ("**ROM**") construction cost of $806.9 million plus $104 million for expansion costs and $6 million for airline buildout for a total ROM of $916.9 million. (See "**SECURITY FOR THE SERIES 2017 BONDS – Airline-Airport Use and Lease Agreement**" herein.)

Following the October 25, 2016 approval of the North Terminal Modification Report, the Aviation Board and Airlines further refined the North Terminal Program to accommodate projected increased space needs, improved operating performance, and increases in the size of the Gate Expansion to accommodate the IF Modifications. Based on these refinements, on March 3, 2017, the Aviation Board submitted a supplemental report to the Signatory Airlines entitled "MSY 2017 Revised North Terminal Program-MII Review Packet" ("**MSY 2017 Revised North Terminal Program**"). The additional elements and associated costs for the MSY 2017 Revised North Terminal Program include a ROM construction cost of $77 million. If the project costs exceed or are expected to exceed 110% of the capital-expenditure authority requested in the MSY 2017 Revised North Terminal Program, such excess costs will be subject to an additional AAAC authorization under the terms of the Use and Lease Agreement.

On February 2, 2017, the Aviation Board authorized the issuance of additional General Airport Revenue Bonds consisting of:

(i) General airport revenue bonds of not to exceed $380,000,000 for the North Terminal Project,

(ii) General airport revenue bonds of not to exceed $70,000,000 (the "**Series 2017 PFC Refunding Bonds**") to defease and refund all or a portion of outstanding maturities of Revenue Bonds (Passenger Facility Charge Projects), Series 2007A and Series 2007B; and

(iii) General airport revenue bonds of not to exceed $85,000,000 (the "**Series 2017 GARB Refunding Bonds**") to defease and refund all or a portion of outstanding maturities of New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBS) Series 2009 A-1 and Series A-2 (Non-AMT).

On March 16, 2017, after North Terminal Program costs reflected in the MSY 2017 Revised North Terminal Program report were refined, the Aviation Board approved a revised funding plan of $993.8 million for the North Terminal Project scheduled to open in February 2019.

Pursuant to the Airline-Airport Use and Lease Agreement, on April 3, 2017, the AAAC met and voted to approve additional elements and associated costs for the revised North Terminal Program set forth in the MSY 2017 Revised North Terminal Program report at a ROM construction cost of $77 million and the associated funding plan, bringing the total estimated North Terminal Program cost to $993.8 million.

The FAA approved the supplemental EA for the North Terminal Project Expansion on April 13, 2017.

On April 27, 2017, the Board approved the North Terminal Project Costs and Funding Plan included as Table I-1 of the Report of the Aviation Consultant. See "**Appendix C – Report of the Aviation Consultant**" herein.

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The following chart summarizes the changes to the North Terminal Program budget provided by the Program Manager as of April 24, 2017:

Total Program Budget	
Original Program including GMP and soft costs	$650,000,000
Stakeholder-driven improvements and additional program-wide costs	$156,961,778
Subtotal - Program 1/1/16	**$806,961,778**
Additional FAA-driven construction costs	$1,385,645
Additional soft costs	$11,336,952
Additional Airline Buildout Allowance	$6,000,000
Expansion construction costs	$107,515,615
Expansion soft costs	$13,098,739
Additional Contingency	$14,000,000
Operational Enhancement Hard Costs	$23,576,783
Operational Enhancement Soft Costs	$4,000,000
Additional Passenger Boarding Bridges	$15,341,620
Additional Permit Fee	$897,124
Additional Builder's Risk	$961,652
Remove Southside Demo and Remodel	($7,660,138)
CMAR Contingency Reduction	($3,000,000)
Contract closeouts under budget (ALV, CMAR Precon, Aberdeen)	($661,618)
Subtotal Additional Elements	**$186,792,374**
Current Program	**$993,754,152**

Source: Program Manager

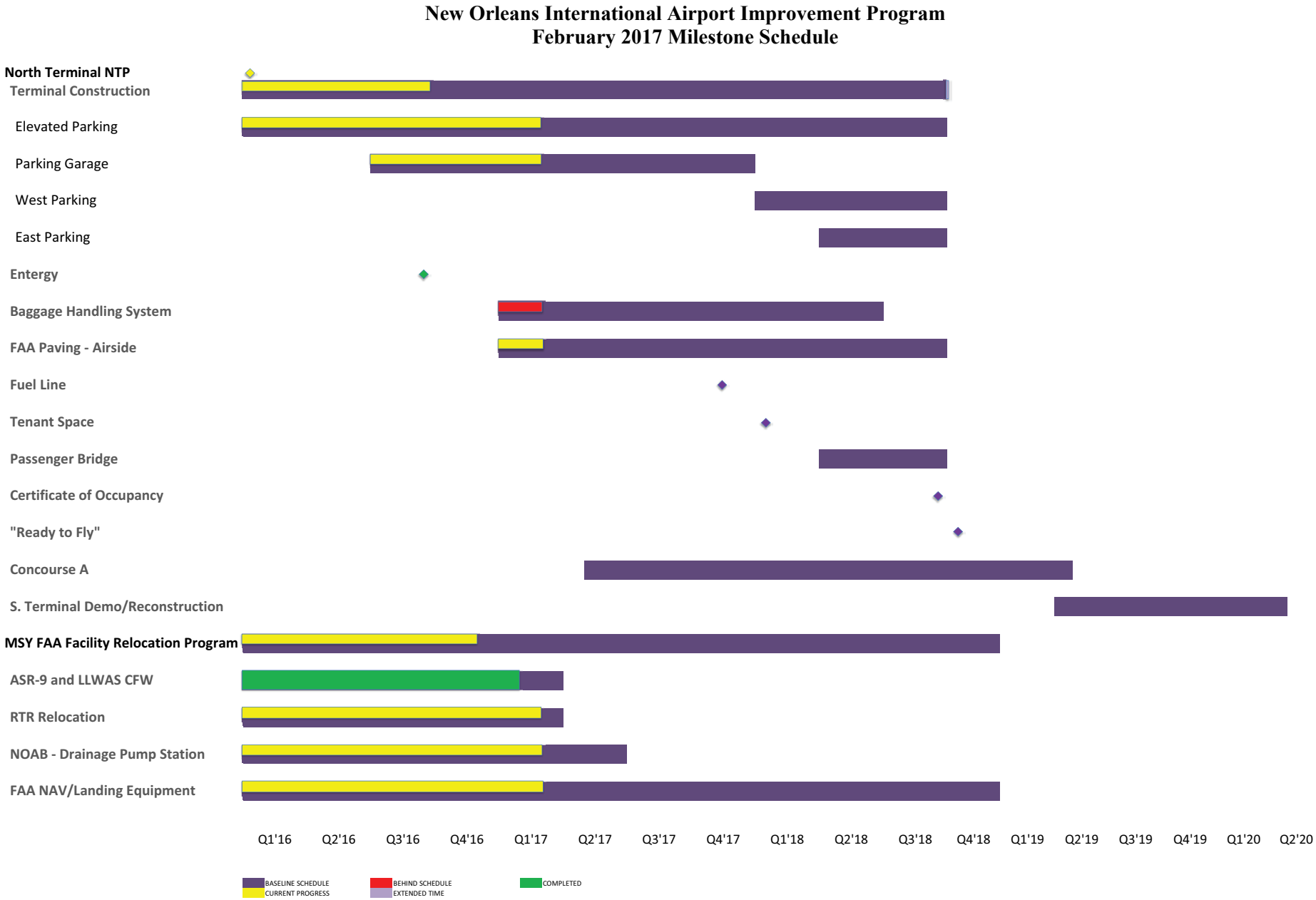
Construction Status

The following chart sets forth the construction status of the various elements of the North Terminal Programs as of February 2017 as provided by the Program Manager:

Program Elements	Status
CMAR Contract	
Surcharge	Complete
Wick Drains	Complete
Pilings	Complete
FAA Cable Loop Relocation	Complete
Steel Erection	45%
Concrete Slabs	35%
Elevated Road	25%
Central Utility Plant	20%
Airfield Lighting Vault	Complete
Storm Water Pump Station	90%
FAA ASR-9 Relocation	95%
FAA RTR Relocation	75%

Source: Program Manager

The following chart represents the milestones in the construction schedule for the structures included in the North Terminal Program as of February 2017 as provided by the Program Manager:



DESCRIPTION OF THE SERIES 2017 BONDS

The Series 2017 Bonds are being issued under the General Indenture as supplemented and amended by the Third Supplemental Indenture to finance the completion of the North Terminal Project, to defease and redeem the Series 2007 PFC Bonds and to defease and redeem the Refunded Series 2009 Bonds. See "**Appendix B – Summary of Certain Provisions of the General Indenture and the Third Supplemental Indenture**" herein.

General

The Series 2017 Bonds will be issued solely as fully registered bonds without coupons (initially in the book-entry only system) in denominations of $5,000 or any integral multiple thereof. The Series 2017 Bonds will be dated the date of delivery and will bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest accruing to the maturity or prior redemption of the Series 2017 Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2017 with respect to the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds, and on January 1, 2018 with respect to the Series 2017D Bonds (each an "**Interest Payment Date**"), in each case, computed on the basis of a 360-day year (consisting of twelve months of thirty days each). Principal of, premium, if any, and interest on the Series 2017 Bonds will be payable in the manner described herein under "**Book-Entry Only System**."

So long as the Series 2017 Bonds are in the book-entry only form, references in this Official Statement to Registered Owners refer to the purchasers of the Series 2017 Bonds, but (i) all rights of ownership must be exercised though DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

Delivery of the Series 2017D Bonds

The purchase price of the Series 2017D Bonds will be received on October 4, 2017 (the "**Settlement Date**") pursuant to the provisions of a Forward Delivery Bond Purchase Contract dated May 11, 2017 (the "**Forward Delivery Purchase Agreement**") by and between Citigroup Global Markets Inc., acting on behalf of itself and as representative of the Underwriters appearing on the cover page of this Official Statement, and the Aviation Board. Citigroup Global Markets Inc. has agreed, subject to certain conditions described under the section entitled "**CERTAIN FORWARD DELIVERY CONSIDERATIONS**" herein to pay the purchase price of the Series 2017D Bonds and to take delivery of the Series 2017D Bonds on the Settlement Date. On the Settlement Date, the purchase price of the Series 2017D Bonds will be used to defease and current refund all or a portion of the Series 2007 PFC Bonds.

Redemption Provisions

The Series 2017A Bonds, the Series 2017B Bonds and the Series 2017D Bonds shall be subject to redemption and/or purchase by the Aviation Board in accordance with the provisions of the Indenture.

Optional Redemption

The Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds maturing on or after January 1, 2028, are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2027, in the order directed by the Aviation Board, in minimum aggregate principal amounts of $5,000 and integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2017A Bonds maturing January 1, 2043 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2039	$1,770,000
2040	1,865,000
2041	1,955,000
2042	2,055,000
2043*	2,160,000

*Final Maturity

The Series 2017A Bonds maturing January 1, 2048 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2044	$2,265,000
2045	2,335,000
2046	18,935,000
2047	20,205,000
2048*	20,970,000

*Final Maturity

The Series 2017B Bonds maturing January 1, 2043 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2039	$3,845,000
2040	4,035,000
2041	4,235,000
2042	4,450,000
2043*	4,670,000

*Final Maturity

The Series 2017B Bonds maturing January 1, 2048 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2044	$4,905,000
2045	5,190,000
2046	41,995,000
2047	43,775,000
2048*	46,205,000

*Final Maturity

To the extent any of the Series 2017A Bonds or Series 2017B Bonds have been called for optional redemption in part prior to any mandatory sinking fund redemption date, the Aviation Board may elect by written notice given to the Trustee at least thirty days prior to any such date to: (i) pay any scheduled mandatory sinking fund redemption payment in full, (ii) reduce any scheduled mandatory sinking fund redemption payment proportionately or (iii) use the full principal amount of each such optional redemption to reduce the mandatory sinking fund redemption payments scheduled subsequent to such optional redemption in chronological order of such mandatory sinking fund redemption payments.

Selection of Series 2017A Bonds, Series 2017B Bonds, and Series 2017D Bonds to be Redeemed

If less than all Series 2017A Bonds, Series 2017B Bonds, or Series 2017D Bonds outstanding are to be redeemed through optional redemption, the principal amount of Series 2017A Bonds, Series 2017B Bonds and/or Series 2017D Bonds of each maturity to be redeemed may be specified by the Aviation Board by written notice to the Trustee, or, in the absence of timely receipt by the Trustee of such notice, shall be selected by the Trustee by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount of Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds of each maturity to be redeemed may not be larger than the principal amount of Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds of such maturity then eligible for redemption and may not be smaller than the smallest Authorized Denomination; provided, however that so long as DTC is acting as securities depository for the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds, such selection will be made in accordance with DTC's practice.

Notice of Redemption

(a) In the event any of the Series 2017A Bonds, Series 2017B Bonds and/or Series 2017D Bonds are called for redemption, the Trustee shall, upon receipt from the Aviation Board of notice of its intention to redeem at least forty-five days prior to the date fixed therefore, give notice in the form provided by the Aviation Board to the Registered Owners and the Trustee in the name of the Aviation Board, of the redemption of such Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds, which notice shall (i) specify the 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds to be redeemed, the date, the price and the place or places where amounts due upon such event will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Series 2017A Bonds and/or Series 2017D Bonds are to be redeemed, the numbers of the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds, and the portions of the Series 2017A Bonds, Series 2017B Bonds, and/or

Series 2017D Bonds, so to be redeemed, (ii) if any redemption is subject to the condition of receipt of sufficient monies and that if such condition is not satisfied, the Owners will be notified thereof as soon as practicable, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail at least thirty days prior to the date fixed for redemption to the Registered Owners of the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds to be redeemed; provided, however, that failure to give such notice by mail to any Registered Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds so called for redemption at the place or places of payment, such Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds shall be redeemed.

(b) With respect to any notice of redemption of Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds in accordance with the provisions of the Third Supplemental Indenture, upon receipt by the Trustee of sufficient monies or Defeasance Obligations to effect such redemption on the applicable date, such Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds shall be deemed to have been paid within the meaning of the Indenture. Such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, interest and premium, if any, on such Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, and the Board shall not be required to redeem such Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds. In the event such moneys are not so received, the redemption shall not be made and the Trustee shall, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such moneys were not so received.

(c) Any Series 2017 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

No Partial Redemption after Default

Anything in the Third Supplemental Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption or optional purchase by the Aviation Board of less than all of the Series 2017A Bonds, Series 2017B Bonds, and/or Series 2017D Bonds at the time Outstanding.

Cancellation

All Series 2017 Bonds which have been redeemed pursuant to the provisions of the Third Supplemental Indenture shall be delivered to the Trustee for cancellation.

Book-Entry Only System

Unless otherwise noted, the information contained under the sub caption "General" below has been provided by The Depository Trust Company ("**DTC**"), New York, New York. The Aviation Board makes no representation as to the accuracy or the completeness of such information. The Beneficial Owners of Bonds should confirm the following information with DTC or DTC Participants.

The Series 2017 Bonds will be initially issued solely in book-entry only form to be held in the book-entry only system maintained by DTC. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Series 2017 Bonds and Beneficial Owners will not be or considered to be, and will not have any right as owners or holders of the Series 2017 Bonds under the General Indenture or the Third Supplemental Indenture.

1. DTC 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 Series 2017 Bond will be issued for each maturity of the Series 2017 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. 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+ on DTC. 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 and www.dtc.org.

3. Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 is discontinued.

4. To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 Bonds

with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 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.

5. 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 the Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 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.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Series 2017 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 Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, 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 Issuer, 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.

9. DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2017 Bonds are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bonds will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

THE ISSUER AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2017 BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2017 BONDS; (ii) CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2017 BONDS; OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2017 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DTC PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2017 BONDS; (3) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2017 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Provisions Applicable if Book Entry Only System is Terminated

In the event the Series 2017 Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Series 2017 Bonds shall be payable to the person in whose names the Series 2017 Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Series 2017 Bonds shall be made to the Registered Owners of the Series 2017 Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. The principal amount of any Series 2017 Bond and premium, if any, together with interest payable on any bond payment date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Series 2017 Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Series 2017 Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning $1,000,000 or more in aggregate principal amount of Series 2017 Bonds (if requested in writing of the Trustee by such Bondholder not less than five days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five days prior to the Record

Date for the first Series 2017 Bond payment date to which such rescission is designated to apply. If interest on the Series 2017 Bonds is in default, the Trustee shall, prior to payment of interest, establish a special record date (the "**Special Record Date**") for such payment, which Special Record Date shall be not more than fifteen nor less than ten days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Series 2017 Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

SECURITY FOR THE SERIES 2017 BONDS

Pledge of Airport Net Revenues

The Series 2017 Bonds, the Series 2015 Bonds, the Series 2009 Bonds, and any Additional Bonds and other Secured Obligations that may be issued under the General Indenture are secured on a first lien parity basis by the Net Revenues of the Airport. Net Revenues are Revenues after deducting current expenses of operation, maintenance and current repair of the Airport System and other facilities of the Aviation Board.

The Aviation Board's ability to generate sufficient Net Revenues to pay debt service on the Series 2017 Bonds is dependent upon a number of factors. See "**INVESTMENT CONSIDERATIONS**" herein.

Definition of Revenues

"**Revenues**" and "**Revenues of the Airport System**" shall mean all revenues derived by the Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues, except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the "PFC" established by the Board for use by the Board, (iv) any sums received by the Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; provided however the Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued hereunder and the amount of any such pledged CFC, PFC or Released Revenues deposited into any one of the Airport Operating Accounts or a sub-account created therein, the Debt Service Fund or any account or sub-account created therein, or any account or sub-account created within any fund or account created under the General Indenture or created for a particular Series of Bonds, Subordinated Bonds, Swap or any other obligation by the Applicable Supplemental Indenture authorizing such Series, Swap or other obligations shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Board or the City on account of the operation of limousines and taxi-cabs to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Board including, without limitation,

investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

For a historical summary of the Revenues of the Airport System, see "**AIRPORT FINANCIAL INFORMATION – Revenues**" herein.

Pledge of Net PFC Revenues

Net PFC Revenues deposited to the Transferred PFC Account of the Debt Service Fund under the General Indenture are pledged to the Series 2015 Bonds, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds. Following such deposit, Net PFC Revenues will pay a portion of the debt service on the Series 2015 Bonds, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds (as described below), and will further constitute Revenues under the General Indenture. See "**SECURITY FOR THE SERIES 2017 BONDS - Rate Covenants under the General Indenture**" herein.

Under the PFC Indenture, Net PFC Revenues are deposited daily to a Receipts Fund. Secured under the PFC Indenture at present are Series 2007 PFC Bonds remaining outstanding (the "**Unrefunded Series 2007 PFC Bonds**"), outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (Non-AMT), and New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects) Series 2010B (Non-AMT) (the "**Series 2010 PFC Bonds**", together with the Unrefunded Series 2007 PFC Bonds, the "**Outstanding PFC Bonds**").

After payment of arbitrage rebate, if any, and debt service on Outstanding PFC Bonds, Net PFC Revenues will be credited under the PFC Indenture to an Excess PFC Fund where such Net PFC Revenues may be applied to any lawful purpose of the Aviation Board. Portions of Net PFC Revenues credited to the Excess PFC Fund under the PFC Indenture will be transferred by the Aviation Board to the Transferred PFC Account in the Debt Service Fund established under the General Indenture. Net PFC Revenues deposited to the Transferred PFC Account in the Debt Service Fund will thereafter pay debt service on a portion of the Series 2015 Bonds, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds. See "**THE PASSENGER FACILITY CHARGE PROGRAM – Net PFC Revenues for Debt Service on the Series 2015 Bonds and Series 2017 Bonds**" herein.

The Aviation Board has covenanted and agreed that no additional PFC Bonds will be issued under the PFC Indenture; however, such covenant does not prohibit the Aviation Board from issuing PFC Bonds under the PFC Indenture solely for the purpose of refunding Outstanding PFC Bonds. See "**Appendix B - Summary of Certain Provisions of the General Indenture and the Third Supplemental Indenture**" herein.

Flow of Revenues Under the General Indenture

Revenues are deposited daily as received by the Aviation Board into the Airport Operating Fund established under the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, the Aviation Board and/or the City, as applicable, debits or transfers from the Airport Operating Fund amounts required to be applied to the following purposes in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) Arbitrage Rebate Fund: to the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) Operation and Maintenance Fund: to the payment of all Operation and Maintenance Expenses;

(c) Debt Service Fund: an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) Debt Service Reserve Fund: an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided, however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset so as to reinstate the amounts available thereunder and second to the replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

(f) Operation and Maintenance Reserve Fund: an amount equal to one-twelfth ($1/12^{th}$) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom, an amount equal to $1/36^{th}$ of the amount which, together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36th month following such withdrawal;

(g) General Purpose Account: an amount equal to the General Purpose Account Requirement consisting of such amounts as specified in the Commercial Airlines Leases. The sums credited to the General Purposes Account may be applied by the Aviation Board to any lawful use or purpose of the Aviation Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds and the payment of the cost of any Capital Improvement; and

(h) Rollover Coverage Amount: the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. To the extent required by the Commercial Airline Leases the sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

See "**Appendix B - Summary of Certain Provisions of the General Indenture, Indenture and the Third Supplemental Indenture**" herein.

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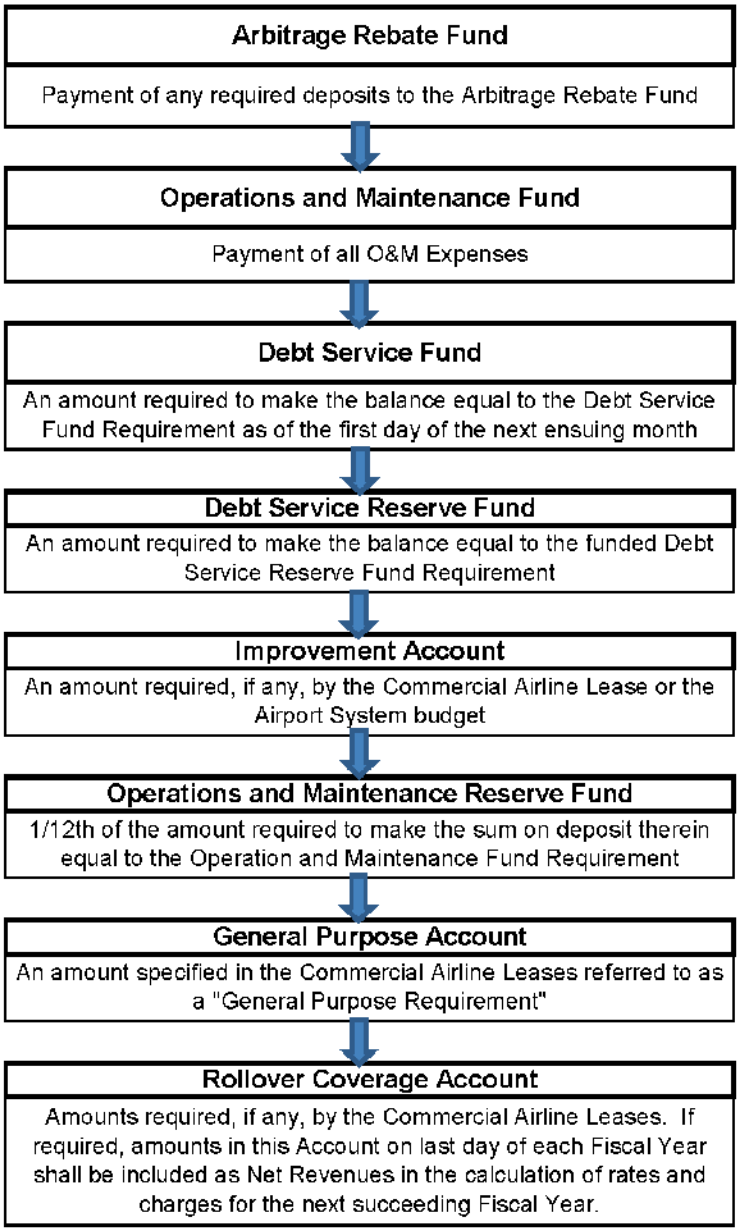
A diagram showing the flow of funds is set forth below:



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Rate Covenants under the General Indenture

The Aviation Board has covenanted under the General Indenture to impose and collect rates, fees, rentals or other charges for the Airport System Rates and Rentals sufficient to produce:

1. Revenues in each Fiscal Year at least sufficient to make all the payments required in order to pay (i) all sums due as arbitrage rebate with respect to Bonds, (ii) all Operation and Maintenance Expenses of the Airport System, (iii) the annual debt service requirements on all Bonds, (iv) any amounts required to be deposited into the Debt Service Reserve Fund, (v) any amounts required to be deposited into the Improvement Account if required by the Commercial Airline Leases, (vi) any amounts required to be deposited to the Operation and Maintenance Reserve Fund, (vii) all obligations due any Provider under a Credit Facility, Liquidity Facility or a Reserve Asset instrument including interest and fees, and (viii) scheduled payments of principal and interest on all Subordinated Bonds; and

2. Net Revenues, together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted by the Commercial Airline Leases at the time of such computation, at least equal to 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year (collectively, the "**Rate Covenant**").

Net PFC Revenues deposited into the Transferred PFC Account of the Debt Service Fund to pay debt service on the Series 2015 Bonds, the Series 2017A Bonds, and/or the Series 2017B Bonds are included in the computation of Net Revenues for purposes of satisfying the Rate Covenant.

Series 2017 Bonds are Limited Obligations of the Aviation Board

THE SERIES 2017 BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE AND ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY, OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

Parity Obligations

The Series 2017 Bonds are issued and secured by a first lien on Net Revenues. Accordingly, upon their issuance, the Series 2017 Bonds will be secured by and be payable from the Net Revenues on a parity basis with the outstanding Series 2009 Bonds and the outstanding Series 2015 Bonds. The Aviation Board has the right to issue additional parity debt if certain tests for the issuance of such parity debt are satisfied. See "**SECURITY FOR THE SERIES 2017 BONDS – Additional Bonds Test**" herein.

Additional Bonds Test

Additional Bonds may be issued by the Aviation Board under the General Indenture for purposes not expressly prohibited by applicable law if the requirements of either (a) or (b) below are met:

(a) Historical Test for Net Revenues and Debt Service Requirement: the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such

series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) Prospective Test for Net Revenues and Debt Service Requirement: Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset at the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation Consultant) and projecting that the estimated Net Revenues for each year of the applicable forecast period shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued.

See "**Appendix B - Summary of Certain Provisions of the General Indenture and the Third Supplemental Indenture**" herein.

The Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds are issued as Additional Bonds under the General Indenture pursuant to the Prospective Test under the General Indenture. See "**Appendix C – Report of the Aviation Consultant**" herein. The Series 2017C Bonds are issued as refunding bonds under the General Indenture based upon a certificate of an Authorized Officer of the Aviation Board that the refunding of the Refunded Series 2009 Bonds with the proceeds of the Series 2017C Bonds provide economic present value and annual debt service savings.

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount ten percent (10.0%) of the total costs of the Capital Improvement(s) for which they are issued to complete. The Series 2017A Bonds are not issued as Completion Bonds but are issued as Additional Bonds under the General Indenture.

Refunding Bonds

One or more Series of refunding bonds may be issued under the General Indenture for the purpose of refunding all or any part of one or more Series of Outstanding Bonds if the Board obtains a certificate from an Authorized Bond Representative demonstrating that the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis. The Series 2017C Bonds are issued as refunding bonds under the General Indenture.

Series 2017 Bonds Reserve Fund Requirement

The Series 2017 Bonds are designated Reserve Bonds by the Third Supplemental Indenture. Accordingly, the Aviation Board and the Trustee must maintain the Debt Service Reserve Fund Requirement established by the Third Supplemental Indenture for the Series 2017 Bonds as long as such Series 2017 Bonds remain outstanding. The Debt Service Reserve Fund Requirement for the Series 2017 Bonds is $34,656,838.21. The Series 2017 Bonds Account of the Debt Service Reserve Fund is to be held by the Trustee and used to make payments of principal of premium, if any, and interest on the Series 2017 Bonds or to make other payments required to be made from the Series 2017 Bonds Account of the Debt Service Fund and the Series 2017 Bonds Account of the Redemption Fund if amounts credited therein are insufficient to pay the principal and Redemption Price of and interest on the Series 2017 Bonds. In the event that funds in the Series 2017 Bonds Debt Service Account are insufficient to pay the principal and Redemption Price of and interest on the Series 2017 Bonds then due or to make other payments required to be made therefrom, there shall be withdrawn from the Series 2017 Bonds Account of the Debt Service Reserve Fund and deposited in the Series 2017 Bonds Debt Service Account the amount necessary to meet the deficiency. Amounts so withdrawn shall be derived as set forth in the Third Supplemental Indenture with respect to the Series 2017 Bonds for which such withdrawal is to be made and if no other express provision governs then as provided in Section 508 of the General Indenture.

Swap Information

The Aviation Board is not a party to any interest rate swap agreement and has no plans to enter into an interest rate swap agreement with respect to the Series 2017 Bonds.

Authorized but Unissued Parity Debt

There will be no authorized but unissued series of Bonds which may be issued as parity debt as of the date the Series 2017 Bonds are issued. The funding requirements for the Long Term Infrastructure Development Plan for the Airport, however, may require the Aviation Board to issue additional parity debt which is not currently authorized. The Aviation Consultant's Report anticipates approximately $34.5 million of Additional Bonds will be issued to purchase the Long Term Parking Garage from the Parking Facility Corporation following the completion of the new terminal. See "**INVESTMENT CONSIDERATIONS - Availability of Funding for the Long Term Development Plan**" herein.

Subordinate Obligations

Subordinated obligations may be issued by the Aviation Board pursuant to the General Indenture without regard to any additional subordinate bonds test or limitation.

After Hurricane Katrina, the Aviation Board entered into three FEMA Community Disaster Loans totaling $10,882,641 and one Gulf Opportunity Zone Bond Loan (the "**GO Zone Loan**") in the amount of $35,371,990 from FEMA and the State, respectively. All four loans were payable from and secured by a subordinated lien on the Revenues securing Bonds. FEMA, in accordance with its regulations, has forgiven the entire $10,882,641 principal balance and interest otherwise due.

The GO Zone loan from the State bears interest at the rate of 4.64%. Commencing January 15, 2012, semi-annual interest payments became due and payable. Commencing July 15, 2012, annual principal payments became due. Both principal and interest payments are due through July 15, 2026. The Aviation Board currently anticipates paying off the GO Zone Loan by the end of calendar year 2017.

The Aviation Board is planning to deliver a Credit Facility not exceeding Seventy-Five Million Dollars ($75,000,000) previously authorized to pay for portions of the North Terminal Project or other capital improvements. Advances from the Credit Facility may be repaid by other funding sources anticipated by the Aviation Board. The planned Credit Facility is expected to be subordinate to the Series 2009 Bonds, the Series 2015 Bonds and the Series 2017 Bonds.

Released Revenues

Upon delivering to the Trustee specified items under the General Indenture, the Aviation Board is authorized to eliminate amounts ("**Released Revenues**") from Revenues which may otherwise be pledged to Bonds issued under the General Indenture. No Released Revenues have been authorized and the Aviation Board has no plan or intention to authorize any Released Revenues. See "**Appendix A – Master Definition List**" herein.

Airline-Airport Use and Lease Agreement

The Airline-Airport Use and Lease Agreement between the Aviation Board and Signatory Airlines dated and effective as of January 1, 2009 (the "**Airline Agreement**"), as amended, establishes rentals, fees and charges payable by all Signatory Airlines during the term of the Airline Agreement. If the Aviation Board and the Signatory Airlines do not agree to a new use and lease agreement by the end of the Airline Agreement Term, Louisiana Revised Statutes 2:351 provides that rentals, fees and charges payable by all Signatory Airlines may be set by a resolution of the Aviation Board.

On October 27, 2014, the Signatory Airlines unanimously agreed to the Airline-Airport Use and Lease Agreement Term Sheet dated November 5, 2014 (the "**Term Sheet**") which set forth an agreement in principal to complete a new passenger terminal (the "**North Terminal Building**") and associated facilities on the north side of the airfield (the "**North Terminal Project**") and to cease all carrier operations from the existing passenger terminal. The Term Sheet served as the negotiating basis for a new use and lease agreement, and was ultimately included as an exhibit and incorporated into the Airline Agreement.

Pursuant to an amendment to the Airline Agreement with an effective date of January 1, 2016 (the "**2016 Amendment**"), the Airline Agreement was amended to extend the term of the Airline Agreement and to modify certain provisions of the Term Sheet. The term of the Airline Agreement was extended by the 2016 Amendment to a date that is the earlier to occur of (i) the date that a new Airline-Airport Use and Lease Agreement is executed by the Board and at least two (2) signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve month period, (ii) the date that is five (5) years after the North Terminal Building is able to be occupied by Air Transportation Companies (the "**North Terminal Occupancy**"), or (iii) December 31, 2023.

The Airlines have been involved in the development of the North Terminal Project through J.A. Watts, Inc. J.A. Watts is the dedicated technical consultant serving as a representative of the Signatory Airlines and Non-Signatory Airlines at the Airport. J.A. Watts' services are paid for by the Airport. Airline representatives and their technical consultant have been actively engaged in development of the design criteria and attend status and development meetings for the design of the North Terminal Project. The Airline representatives are routinely briefed at recurring AAAC meetings scheduled to discuss Airport/Airline issues. See "**NORTH TERMINAL PROJECT - North Terminal Project Expansion**" herein.

The list below represents all of the Signatory Airlines currently operating at the Airport as of April 2017:

Southwest Airlines, Co.
Delta Air Lines, Inc.
American Airlines, Inc.
United Airlines, Inc.
JetBlue Airways Corporation
Federal Express Corp.
United Parcel Service, Inc.
Spirit Airlines Inc.

Non-Signatory Airlines currently operating at the Airport as of April 2017 are:

Air Canada Inc.
Alaska Airlines Inc.
Allegiant Air, LLC.
British Airways*
Copa Airlines
Condor Flugdienst GmbH **
FlyGlo, LLC***
Frontier Airlines
Sunwing Airlines Inc.

*Air service began in second Quarter 2017. Non-signatory Airline Use and Lease Agreement approved by Board on November 17, 2016.

**Air service began in second Quarter 2017. Non-signatory Airline Use and Lease Agreement approved by Board on June 16, 2016.

***On April 23, 2017, FlyGlo, LLC filed a petition for bankruptcy relief under United States Code Title 11, Chapter 11, in the Bankruptcy Court for the Eastern District of Louisiana, Case No. 17-11015. FlyGLO, LLC is a Non-Signatory Airline and represented 0.3% of the Airport's enplanements in 2016. (See **Historical Enplanements by Carrier** herein; See also **Effect of Airline Bankruptcies** herein).

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DESCRIPTION OF DEBT SERVICE REQUIREMENTS FOR SERIES 2017 BONDS

The table below sets forth the Debt Service Requirements for the Series 2009 Bonds and Series 2015 Bonds, each of which are outstanding Parity Obligations, and the projected Debt Service Requirements for the Series 2017 Bonds.

Debt Service Requirements for Series 2009 Bonds, Series 2015 Bonds and the Series 2017 Bonds

Bond Year Ending January 1	Series 2009 Bonds	Series 2015 Bonds	Series 2017A Bonds	Series 2017B Bonds	Series 2017C Bonds	Series 2017D Bonds	Total Debt Service
2018	11,785,750.00	28,142,350.00	3,000,300.00	6,581,700.00	728,660.26	656,064.58	50,894,824.84
2019	11,786,250.00	28,142,350.00	5,000,500.00	10,969,500.00	1,214,433.76	6,474,750.00	63,587,783.76
2020		28,142,350.00	6,485,500.00	14,264,500.00	12,549,433.76	6,631,750.00	68,073,533.76
2021		28,142,350.00	6,116,250.00	13,439,750.00	12,557,003.30	3,971,500.00	64,226,853.30
2022		28,142,350.00	6,116,750.00	13,443,000.00	12,551,070.60	3,969,000.00	64,222,170.60
2023		28,142,350.00	6,119,250.00	13,439,500.00	12,549,483.10	3,972,500.00	64,223,083.10
2024		40,572,350.00	5,668,500.00	12,469,250.00		3,971,500.00	62,681,600.00
2025		40,575,850.00	5,692,000.00	12,445,250.00		3,971,000.00	62,684,100.00
2026		40,573,100.00	5,687,000.00	12,447,250.00		3,970,750.00	62,678,100.00
2027		40,571,750.00	5,694,750.00	12,443,750.00		3,970,500.00	62,680,750.00
2028		40,568,500.00	5,694,500.00	12,444,750.00		3,970,000.00	62,677,750.00
2029		40,569,750.00	5,696,500.00	12,444,750.00		3,974,000.00	62,685,000.00
2030		40,568,500.00	5,690,500.00	12,448,500.00		3,972,000.00	62,679,500.00
2031		40,568,000.00	5,691,750.00	12,445,500.00		3,974,000.00	62,679,250.00
2032		40,571,250.00	5,694,750.00	12,440,750.00		3,974,500.00	62,681,250.00
2033		40,566,000.00	5,659,250.00	12,479,000.00		3,973,250.00	62,677,500.00
2034		40,575,500.00	5,662,000.00	12,477,750.00		3,970,000.00	62,685,250.00
2035		40,566,750.00	5,656,000.00	12,483,500.00		3,974,500.00	62,680,750.00
2036		40,573,250.00	5,661,500.00	12,475,500.00		3,976,000.00	62,686,250.00
2037		40,566,750.00	5,667,750.00	12,479,000.00		3,969,250.00	62,682,750.00
2038		44,410,250.00	5,589,500.00	12,318,000.00		3,974,250.00	66,292,000.00
2039		48,778,500.00	5,495,750.00	12,010,250.00			66,284,500.00
2040		48,782,750.00	5,502,250.00	12,008,000.00			66,293,000.00
2041		48,781,750.00	5,499,000.00	12,006,250.00			66,287,000.00
2042		53,026,500.00	5,501,250.00	12,009,500.00			70,537,250.00
2043		53,025,250.00	5,503,500.00	12,007,000.00			70,535,750.00
2044		53,025,000.00	5,500,500.00	12,008,500.00			70,534,000.00
2045		53,030,250.00	5,457,250.00	12,048,250.00			70,535,750.00
2046			21,940,500.00	48,593,750.00			70,534,250.00
2047			22,263,750.00	48,274,000.00			70,537,750.00
2048			22,018,500.00	48,515,250.00			70,533,750.00
TOTALS	**$23,572,000.00**	**$1,139,701,650.00**	**$222,627,050.00**	**$488,361,200.00**	**$52,150,084.78**	**$85,261,064.58**	**$2,011,673,049.36**

SOURCES AND USES

Funding Plan for the North Terminal Project

The following table depicts the Funding Plan as of April 2017 for the North Terminal Project, including the North Terminal Expansion.

Sources		Uses [1]	
Total State and Federal Funding	124,903,268	Terminal Building	607,380,170
AIP [2]	*91,696,848*	Airside	197,431,463
TSA [3]	*8,017,535*	Landside and Other	186,867,489
LA DOTD	*25,188,885*	Workforce Development	2,075,029
Total GARB Bonds	763,333,503		
CFCs	10,785,000		
General Purposes Account	33,167,699		
Short-Term Borrowing	61,564,681		
Total Sources	**993,754,151**	**Total Uses**	**993,754,151**

(1) Estimated costs received from the design team, including North Terminal Expansion.
(2) Assumes AIP funding equal to 75% grant for eligible costs, including stormwater pumping station.
(3) Assumes TSA eligible costs yet to be confirmed.

Sources: Unison Consulting & AVK Consulting and Aviation Board

Estimated North Terminal Project Costs and Funding Plan

The North Terminal Project is projected to be constructed between 2014 and 2019 and is estimated to cost $993.75 million. The costs of the North Terminal Project are expected to be funded from the following sources: (a) General Airport Revenue Bonds (GARBs); (b) FAA Airport Improvement Program (AIP) grants; (c) Transportation Security Administration (TSA) funds; (d) State of Louisiana grants; (e) short-term borrowing; (f) funds deposited to the Airport's Capital Improvement Fund; and (g) rental car Customer Facility Charges (CFCs). The estimated capital costs of the North Terminal Project by component, and the estimated funding sources, are presented on Table I-1 of the Report of the Aviation Consultant. The estimated sources and uses of funds, and projected debt service for the Series 2017 are presented in Section IV of the Report of the Aviation Consultant. See "**Appendix C – Report of the Aviation Consultant**" herein.

The funding sources are described in the following paragraphs.

General Airport Revenue Bonds

The Series 2015 Bonds, Series 2017A Bonds, and Series 2017B Bonds will fund a total of $763.3 million of North Terminal Project costs; $486.0 million from the Series 2015 Bonds and $277.2 million from the Series 2017A Bonds and Series 2017B Bonds. It is anticipated that a portion of the debt service on the Series 2015 Bonds will be paid with PFCs and the balance will be paid with general airport revenues.

Passenger Facility Charge Authority Approved by FAA

The Aviation Board currently has a total collection authority of approximately $965.6 million. The Aviation Board is authorized to collect PFCs at a collection level of $4.50 per passenger until February 1, 2026. After February 1, 2026, the collection level authorized for the North Terminal Project is $3.00 per passenger, with a charge effective date of February 1, 2026, and an estimated charge expiration date of September 1, 2043. See "**THE PASSENGER FACILITY CHARGE PROGRAM**" herein.

AIP Grants

AIP entitlement funds are apportioned by formula each year to individual airports or types of airports. AIP discretionary funds are awarded by the FAA based on eligible projects' priority as determined by the FAA through the application of its National Priority System (NPS). The NPS uses a combination of quantitative and qualitative factors to evaluate projects with highest priority given to projects that enhance airport safety and security. The FAA also provides funds for noise mitigation projects, including the acquisition of land. The funding plan for the North Terminal Project includes $91.7 million in AIP grants, consisting of $83.4 million in AIP discretionary grants and $8.3 million in AIP entitlement funds. The Aviation Board has received a commitment from the FAA for the discretionary funding.

Transportation Security Administration (TSA) Grant

The TSA provides funding to airports for the costs of reconfiguring checked baggage handling systems to accommodate in-line Explosive Detection System (EDS) baggage screening equipment. The North Terminal Project includes approximately $12.9 million in identified costs related to the purchase, installation, and related infrastructure for baggage handling and check baggage inspection system improvements. Based on discussions with the TSA, the Aviation Board anticipates receiving TSA funds totaling approximately $8.0 million to cover a portion of the identified costs.

State Grants

The Aviation Board anticipates receiving approximately $3.0 million per year in State grants for eligible components of the North Terminal Project. Additionally, the Louisiana Department of Transportation and Development will provide matching federal AIP grants at 8.33% of the total eligible project cost. Accordingly, $10.2 million of matching funds are budgeted in addition to the $3.0 million per year for 2014 through 2018. The North Terminal Project budget includes an aggregate $25.2 million to be spent on eligible projects costs for the Terminal Building, Airside Projects and Landside Projects.

Short-term Borrowing

The Aviation Board anticipates issuing a short-term borrowing to cover approximately $61.0 million in program costs intended to be reimbursed from funding sources that will not be available until after the costs are incurred. The Aviation Board plans to use the proceeds of the short-term borrowing to pay these project costs, and to apply future Airport revenues to pay the interest cost associated with the borrowing, until such time that the anticipated future funding sources are available to pay off the short-term borrowing. The estimated future funding sources include the following two components:

- Approximately $36.6 million in PFCs previously approved for projects in the existing terminal cannot be applied to eligible costs in the North Terminal until a new PFC application is submitted by the Aviation Board to the FAA, and approved by the FAA. The Aviation

Board anticipates that components of the North Terminal Project that are similar in nature to the project costs in the existing terminal that were previously approved for PFC funding will be approved by the FAA in a new PFC application.

- Approximately $25 million in highway grant funds are anticipated to be received by the City for Airport roadway costs. The Aviation Board anticipates that the highway grant funds will be made available to the Airport over multiple years, beyond the time period of the associated project expenditures.

Capital Improvement Fund

The funding plan estimates that $33.2 million from the Capital Improvement Fund will be spent on the North Terminal Project. The Board may deposit amounts derived from any source including without limitation amounts in the Airport Operating Account, and General Purposes Account of this General Indenture, FAA Grants and General Airport Revenues (not otherwise required by the provisions of the General Indenture to be credited to another Fund or Account) which by law or direction of the Board may only be or are intended to be spent on any Capital Improvements. Amounts credited to the Capital Improvement Fund may only be used to pay the Costs of any Capital Improvement or Project or reimburse amounts previously spent by the Aviation Board for such purposes.

Rental Car Customer Facility Charges (CFC) Revenue

The Aviation Board plans to apply approximately $10.785 million in CFC revenue to the cost of an auxiliary generator system and/or other eligible uses in North Terminal Project. The CFC is a per-day charge collected from rental car customers by the rental car companies operating at the Airport and remitted to a trustee, for use on approved costs. CFC revenues are pledged to the payment of debt service on the Series 2009 Gulf Opportunity Zone (GO Zone) Bonds that were issued to fund the cost of a Consolidated Rental Car Facility (CONRAC) at the Airport, and the cost of other projects (called "**Initial Projects**") at the Airport that were identified in the indenture governing the use of CFCs (the "**CFC Indenture**"). The Initial Projects provided for the replacement of buildings and systems that had to be demolished to make room for the CONRAC and the related rental car service centers. Due to the planned development of the North Terminal, the installation of an auxiliary generator system (initially intended for installation in a new utility building adjacent to the CONRAC) is now being planned as part of the North Terminal Project. This is an approved use of CFC revenues pursuant to the CFC Indenture.

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Sources and Uses of Funds

The following table summarizes the estimated sources and uses of funds:

Sources	Series 2017A (Non-AMT)	Series 2017B (AMT)	Series 2017C (Taxable)	Series 2017D-1 (Non-AMT)	Series 2017D-2 (Non-AMT)	Total
Bond Proceeds:						
Par Amount[1]	100,010,000.00	219,390,000.00	46,995,000.00	4,150,000.00	50,145,000.00	420,690,000.00
Premium	12,453,916.00	22,498,649.40	-	249,008.50	4,558,036.75	39,759,610.65
	112,463,916.00	241,888,649.40	46,995,000.00	4,399,008.50	54,703,036.75	460,449,610.65
Other Sources of Funds:						
DSRF Release	-	-	12,245,900.00	314,956.60	5,873,795.40	18,434,652.00
Funds on Hand	-	-	1,237,320.00	58,250.94	3,593,285.63	4,888,856.57
	-	-	13,483,220.00	373,207.54	9,467,081.03	23,323,508.57
Totals:	**112,463,916.00**	**241,888,649.40**	**60,478,220.00**	**4,772,216.04**	**64,170,117.78**	**483,773,119.22**

Uses	Series 2017A (Non-AMT)	Series 2017B (AMT)	Series 2017C (Taxable)	Series 2017D-1 (Non-AMT)	Series 2017D-2 (Non-AMT)	Total
Project Fund Deposits:						
Project Fund	92,757,089.27	184,485,332.43	-	-	-	277,242,421.70
2015A Additional CAPI	2,047,124.97	-	-	-	-	2,047,124.97
2015B Additional CAPI	-	19,059,637.50	-	-	-	19,059,637.50
	94,804,214.24	203,544,969.93	-	-	-	298,349,184.17
Refunding Escrow Deposits:						
Cash Deposit	-	-	465.61	4,407,743.75	59,671,762.50	64,079,971.86
Open Market Purchases	-	-	56,610,648.82	-	-	56,610,648.82
	-	-	56,611,114.43	4,407,743.75	59,671,762.50	120,690,620.68
Other Fund Deposits:						
Capitalized Interest Fund	8,417,508.33	18,465,325.00	-	-	-	26,882,833.33
Debt Service Reserve Fund	8,464,864.89	18,206,326.15	3,537,190.77	331,101.87	4,117,354.53	34,656,838.21
	16,882,373.22	36,671,651.15	3,537,190.77	331,101.87	4,117,354.53	61,539,671.54
Delivery Date Expenses:[2]						
Cost of Issuance	658,248.47	1,415,768.19	275,060.55	25,747.28	320,175.51	2,695,000.00
Underwriter's Discount	115,953.80	253,253.35	53,136.99	4,749.80	57,750.21	484,844.15
	774,202.27	1,669,021.54	328,197.54	30,497.08	377,925.72	3,179,844.15
Other Uses of Funds:						
Additional Proceeds	3,126.27	3,006.78	1,717.26	2,873.34	3,075.03	13,798.68
Totals:	**112,463,916.00**	**241,888,649.40**	**60,478,220.00**	**4,772,216.04**	**64,170,117.78**	**483,773,119.22**

(1) The proceeds of the Series 2017D Bonds shall be received and deposited on October 4, 2017. See "**DESCRIPTION OF THE SERIES 2017 BONDS – Delivery of the Series 2017D Bonds**" herein.

(2) Includes Underwriters' discount, municipal advisory fees, legal fees and other costs of issuance.

THE AIRPORT

The Air Service Area

The Airport is owned by the City and is located in both Jefferson Parish and St. Charles Parish, and is approximately 14 miles west of the City's central business district. It is the largest primary commercial service airport serving Southeast Louisiana. The Airport primarily serves passengers whose travel originates or terminates in the Air Service Area which consists of the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St John the Baptist, and St. Tammany. There are six other primary commercial service airports in Louisiana; all of the other airports in Louisiana are classified by the FAA as small hub or nonhub airports. By comparison, the Airport is classified as a medium hub airport with approximately 5.3 million enplanements in Fiscal Year 2015. Outside of Louisiana, there are two primary commercial service airports within a 200-mile drive from the Airport: Gulfport-Biloxi International Airport; and Jackson-Evers International Airport, both of which are classified as small hub airports and are significantly smaller than the Airport.

The Airport's market reach extends beyond its primary air service area (the New Orleans MSA) to the rest of Louisiana and areas halfway between the Airport and the nearest major commercial service airports: Houston's George Bush Intercontinental Airport and William P. Hobby Airport in Texas; Memphis International Airport in Tennessee and Hartsfield-Jackson Atlanta International Airport in Georgia.

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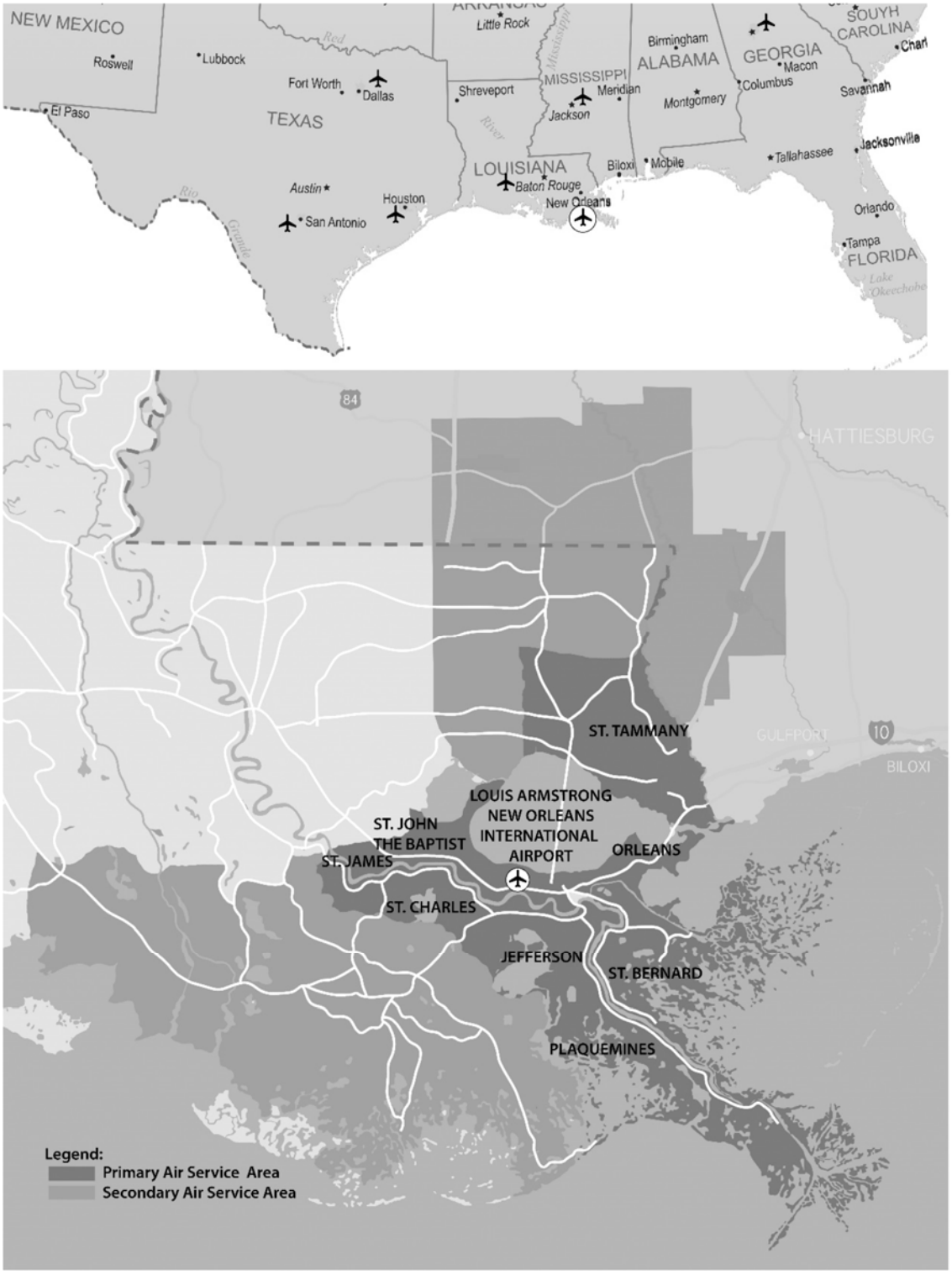
Primary Air Service Area
New Orleans-Metairie, LA, Metropolitan Statistical Area



Source: Unison Consulting, Inc.

As of May 2017, the Airport was served by eleven U.S. passenger carriers, four foreign flag carriers, and three all-cargo carriers.

In Fiscal Year 2016, the Airlines with the largest market shares were: Southwest (37%), Delta (19%), American (16%), and United (14%). As of December 31, 2016, the airlines serving the Airport had available for booking scheduled nonstop passenger service to 45 destinations. Daily flight departures increased 6 percent from the previous year, and 29 percent from 2009 levels (from 116 to 149). Seats on these flights increased by 7 percent compared to 2015, and by 31 percent compared to 2009 seats. The Airport's top Origination and Destination (O&D) markets in 2015 included 23 of the 30 largest U.S. metropolitan areas by 2015 population. The top 25 O&D markets received 131 of the 147 daily nonstop flight departures from the Airport in 2015 and accounted for 79 percent of O&D enplanements at the Airport. See "**Appendix C - REPORT OF THE AVIATION CONSULTANT**" herein.

The City and MSA

The City of New Orleans is located in the State of Louisiana on the Mississippi River, 110 miles from its mouth.

The New Orleans Metropolitan Statistical Area (MSA) includes Jefferson, Orleans, St. Bernard, St. Charles, Plaquemines, St. John the Baptist, St. James, and St. Tammany Parishes. The Air Service Area is composed of the MSA. In 2016, the MSA population of approximately 1.3 million accounted for more than 30 percent of the State population and by 2015 had recovered approximately 94 percent of its mid-2005 population prior to the Hurricanes Katrina and Rita.

The City is a major convention and tourist center. In 2015, the City attracted approximately 9.8 million visitors, the largest annual number since Hurricane Katrina. Visitors spent over $7.1 billion in 2015, the highest spending in the City's history. The City's distinctive music and festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

New Orleans is a popular cruise line stop. Viking River Cruise Lines is making New Orleans its first North American homeport. French American Line has made New Orleans its headquarters and its vessels became operational in late 2016. Hotel Room capacity in the New Orleans MSA in 2015 exceeded 38,000 rooms, with more than 5,000 new hotel rooms planned for New Orleans through 2020.

The City is home to seven institutions of higher education (Tulane University, University of New Orleans, Loyola University New Orleans, Southern University at New Orleans, Xavier University of Louisiana, Dillard University, and Our Lady of Holy Cross College). In addition, Delgado Community College, the LSU Health Sciences Center-New Orleans, and other similar facilities educate individuals in various professions and trades. For further information on the City and the New Orleans MSA, see "**Appendix C – REPORT OF THE AVIATION CONSULTANT**" herein.

The Aviation Board

Aviation Board-Operations

The Aviation Board is duly authorized to appoint management personnel to carry out its functions, both planning and operational.

Following are brief biographies for the Aviation Board members:

Ms. Cheryl Teamer was first appointed to the New Orleans Aviation Board in January of 2012 and was elected Chairwoman in May 2013. Her current Board term expires on June 30, 2018. Ms. Teamer is the Senior Vice President of Public Affairs for the New Orleans Convention & Visitors Bureau (NOCVB). She is the founder of the Teamer Strategy Group, an advocacy, governmental relations, project management and strategic planning firm. Prior to forming her consulting firm, Ms. Teamer served as a Regional Vice President for Government Relations at Harrah's Entertainment. Before Harrah's, she was an attorney with the law firm of Adams and Reese, LLP. She received her Bachelors of Arts from Spelman College and is a graduate of Tulane University Law School. She is a member of the Louisiana State Bar Association and has served on a variety of boards including the Chamber of Commerce for New Orleans and the River Region, Audubon Institute, Louisiana Legislative Black Caucus Foundation, Louisiana Cultural Economy Foundation, Young Audiences of Louisiana, and Congressional Black Caucus Corporate Advisory Board.

Mr. J. Douglas Thornton serves as the Vice Chairman of the Aviation Board. He was appointed to the Board on June 17, 2010 and his term expired on June 30, 2011 (a Board member with an expired term continues to serve until he/she resigns or is replaced). Mr. Thornton serves as the Chairman for the Aviation Board Construction Committee. Mr. Thornton is the Senior Vice President, SMG New Orleans (Louisiana Superdome). He has served as the President of the Greater New Orleans Sports Foundation, Vice President of Land & Acquisitions – Taylor Energy, and Land Manager of Transco Energy Company. Mr. Thornton's board experience includes serving on the boards for the Greater New Orleans Sports Foundation, NOCVB, Fore Kids Foundation and Tipitina's Music Foundation. Mr. Thornton received his Bachelor of Science in Business Administration from McNeese State University and a Bachelor of Science in Petroleum Land Management from the University of Houston.

Mr. Todd Francis was appointed to the Board in June 2013 and his term expires on June 30, 2017. Mr. Francis is the founding and Managing Principal of FFC Capital Markets, a regionally focused, South Louisiana headquartered investment advisory, banking, and consulting enterprise. Mr. Francis graduated from Tulane University's School of Engineering with a degree in electrical engineering and received an MBA in Finance from Tulane University's A.B. Freeman School of Business. Mr. Francis serves the community in a diverse cross section of non-profit and charitable organizations, serving as the Chairman of the New Orleans Regional Black Chamber of Commerce and serving the Archdiocese of New Orleans on its Board's Investment Sub-Committee. Mr. Francis also serves on the Board of Trustees for the community based non-profit Kingsley House of New Orleans.

Mr. Jim Hudson was appointed to the Board in February 2013 and serves as the Kenner representative. His term expires on June 30, 2017. Mr. Hudson is the Executive Vice President at Iberia Bank, and previously served as the President and CEO of OMNI Bank. Mr. Hudson received his Bachelors of Science from the University of New Orleans. Mr. Hudson is the past-Chairman of the East Jefferson General Hospital Board, currently serves on the East Jefferson General Hospital Board, and was the Vice Chairman of the Southeast Regional Airport Authority Board. Mr. Hudson has received numerous honors, including the 2005 Banker of the Year award from the American Banking Association, and the 2004 Jefferson Parish Economic Development Commission Champion Award.

Ms. Ti Adelaide Martin was first appointed to the Aviation Board in January 2007. She was reappointed on February 7, 2013, and her current term expired June 30, 2015. (a Board member with an expired term continues to serve until he/she resigns or is replaced) She serves as the Chairwoman for the Aviation Board Finance Committee. Ms. Martin is the co-owner of Commander's Palace and its family of restaurants. She is presently engaged in the day-to-day operations of Commander's Place and the other restaurants included within the Commander's family. She graduated from Southern Methodist University in Dallas, Texas, received a Master's in Business Administration from Tulane University, and an honorary Business Doctorate from Loyola University, New Orleans. She is the founder of Creole

Cravings, a food products company sold to McCormick, and co-founder of the Palace Café, Café Adelaide, and SoBou restaurants. She is the co-author of the James Beard Award nominated "Commander's Kitchen" cookbook. She has been involved in many civic activities including her work with Girls First and serving as a board member of the Greater New Orleans Metropolitan and Convention Bureau, the Urban League of New Orleans, and the Bureau of Governmental Research.

Ms. Lea M. Polk-Montgomery was first appointed to the Board in August 2004. She was reappointed on October 1, 2009, and her current term expired on June 30, 2014 (a Board member with an expired term continues to serve until he/she resigns or is replaced). Ms. Polk Montgomery is studying for the Louisiana Bar Exam and works for the First Circuit Court of Appeals. In addition, she is the First Lady for the Greater King David Baptist Church. Ms. Polk Montgomery has worked in financial services for over 13 years, most notably in the employment of Solomon Smith Barney where she attained the positions of Second Vice President – Investments, Financial Consultant, and Bond Liaison. She advised over 400 accounts including corporate retirement plans, professional athletes, entertainers, small businesses, churches and individuals. Ms. Polk Montgomery has served on the Southern University Board of Supervisors, Southern University Foundation Board and the New Orleans Regional Business Park. She has received special recognition in the City Business – Business Women of the Year and Women in Business and Essence Magazine's Sisters Self-Made and Paid. Polk-Montgomery received her Bachelor of Arts from Southern University New Orleans and her Juris Doctorate from the Southern University Law Center.

Mr. Roger H. Ogden was appointed to Aviation Board in August 2011 and his term expired on June 30, 2012 (a Board member with an expired term continues to serve until he/she resigns or is replaced). Mr. Ogden is a real estate developer, civic leader and philanthropist. He has been a leader in the development and acquisition of more than $450 million in commercial real estate including shopping centers, hotels, and office properties. Mr. Ogden is co-founder of Stirling Properties where for 20 years he lead the company as principal and CEO. He was the founding chairman of the Southeast Super Region Committee, collaboration between GNO Inc. and the Baton Rouge Area Chamber that unites the Southeast Louisiana region in economic development initiatives. Additionally, Mr. Odgen serves on the board of GNO Inc., Business Council of New Orleans and BioDistrict New Orleans. Mr. Ogden is a graduate of Louisiana State University College of Business and holds a Juris Doctorate degree from Tulane Law School.

Mr. Gary Smith, Sr. serves as the St. Charles Parish Representative for the Aviation Board. He was appointed on February 20, 2014 for a term that will expire June 30, 2017. This seat was previously held by his father, Mr. Henry Smith, who was the longest serving Aviation Board member with a term of 26 years. Mr. Smith is the President of the Magnolia Companies of Louisiana and has been involved in all aspects of this family-run business since childhood including, but not limited to: construction/dredging, heavy equipment, marine industries, and real estate, all of which operate as separate entities under The Magnolia Companies umbrella. As a lifelong resident of St. Charles Parish, Mr. Smith enjoys spending time giving back to the community. He is a member of the Jerusalem Shriners, Fellowship of Christian Athletes, Chamber of Commerce, as well as a member of the Mystic Krewe of Louisianians in Washington, DC, and the Krewe of Endymion. Mr. Smith attended Nicholls State University and LSU for Business and Construction Technology.

Mr. Michael Smith was appointed to the Aviation Board in March 2013 and his term expires on June 30, 2017. He serves as the Chairman for the Aviation Board Operations Committee. Mr. Smith received his Bachelor of Arts in Business Administration and Economics from Winston Salem State University, and successfully executed the University of Pennsylvania Wharton School's Executive Development Program. Mr. Smith has extensive experience as the current general manager at the New Orleans Hyatt Regency and previously as the general manager at the Capitol Hill Hyatt Regency. Mr.

Smith serves the community through his membership on the New Orleans Workforce Development Board, the NOCVB, and Omega Psi Phi Fraternity, Inc.

Aviation Board Management

The Aviation Board appoints a Director of Aviation and Deputy Directors who are responsible for day-to-day operations and planning for the Airport. The Director of Aviation heads a full-time staff of professional and technical personnel located at the Airport. The Aviation Board anticipates that it may appoint a permanent Director of Aviation at the meeting of the Aviation Board on May 18, 2017 or soon thereafter. If a permanent Director of Aviation is selected at or soon after the Aviation Board's May 18, 2017 meeting, the name of the selected Director of Aviation will be posted on the Airport's website soon thereafter at http://www.flymsy.com/press-room. If a permanent Director of Aviation is selected at or soon after the May 18, 2018 Board Meeting, the Aviation Board anticipates that the selected Director of Aviation will take office effective July 1, 2017.

Following are brief biographies for key members of the executive staff of the Airport:

Mr. Mark Reis is the Airport's Interim Director of Aviation. Mr. Reis was previously the Managing Director of Seattle-Tacoma International Airport from 2004-2016. Prior to that position, he was the Deputy Managing Director from 2001-2004 after serving as the General Manager of Commercial Development at Sea-Tac and Director of Finance for the Port of Seattle. Mr. Reis coordinated numerous capital improvement programs to modernize and expand Sea-Tac including the construction of a third runway and opening of the Central Terminal and Concourse A which transformed the airport. Mr. Reis received his Bachelor's degree in Environmental Studies from Western Washington University and his Master of Public Administration from Harvard University.

Mr. Walter J. Krygowski is the Deputy Director and Chief Operations Officer. Mr. Krygowski previously served as Senior Airport Counsel, Deputy Director of Aviation and Interim Director of Aviation at Dayton International Airport. He is a member of the Ohio State Bar Association, Airport Council International – North America, American Association of Airport Executives, and the American Bar Association. At Louis Armstrong International Airport, Mr. Krygowski is responsible for oversight of all operations including airfield and terminal operations, airport communications, security and Airport Rescue and Fire Fighting. He holds a Juris Doctorate from the University of Dayton School of Law.

Ms. Carmen Robinson is the Airport's Acting Deputy Director and Chief Financial Officer. Ms. Robinson is an accountant with over fifteen years of financial and accounting experience and over fourteen years of experience serving the New Orleans Aviation Board. Ms. Robinson has been involved with the financing of the Airport's infrastructure, including the securing of federal funds for airport construction projects. Ms. Robinson received her Bachelor of Business Administration-Accounting at Mercer University.

Ms. Michele D. Allen-Hart is the Airport's Chief Legal Counsel and Deputy Director of Legal Affairs. Ms. Allen-Hart is a business and property attorney and experienced litigator. She has served as a lead trial attorney and coordinated hundreds of cases, bringing her experience in the private sector to Aviation Board. She has drafted and amended numerous professional, service and construction contracts; leases and permits; and solicitation documents for procurements. Ms. Allen Hart received her Bachelor of Arts in Political Science from the University of Miami and her Juris Doctorate of Law from St. Thomas University School of Law. Ms. Allen-Hart is licensed to practice law in Louisiana, Mississippi, Texas, Florida, and New Jersey.

Ms. Michelle Wilcut is the Airport's Deputy Director and Chief Customer Service Officer and oversees the Concessions, Janitorial, Ground Transportation, Training, Customer Service and Procurement departments at the Airport. Ms. Wilcut began her career at Louis Armstrong International in the Operations Department and moved to the Training Department where she instituted several training programs for airport employees. She was promoted to the position of Public Relations Manager where she served as the media liaison and airport spokesperson. Ms. Wilcut began serving as the Board's Secretary and streamlined the process of distributing information to the Board, media, City officials and the public. She holds a Bachelor's degree in Aviation Management from Embry-Riddle Aeronautical University.

Ms. Kristina Bennett-Holmes is the Airport's Business Development Officer. Prior to serving the Aviation Board, Ms. Bennett-Holmes was the Vice President of Business Development for Thanks Again and the Director of Marketing and Business Development for Gulfport-Biloxi International Airport. Ms. Bennett-Holmes received her Bachelor of Science in Business Administration at the University of Southern Mississippi and her Master of Business Administration at William Carey University.

Airport Facilities

The Airport has served the Air Service Area for more than 71 years. Originally named Moisant Field, the Airport was first used to support World War II military operations. Commercial air transportation service began in 1946 when the site was returned to the City for civilian use. The Airport was renamed the "New Orleans International Airport" in 1962 and re-designated the "Louis Armstrong New Orleans International Airport" in 2001.

The Airport is situated on approximately 1,500 acres of land within the City of Kenner, which is in Jefferson Parish, and an adjoining 200 acres of land in St. Charles Parish. The present terminal building complex (the "**Terminal**") comprises over one million square feet and accommodates a total of 42 useable aircraft gates. The Terminal incorporates airline ticketing, operations and baggage claim facilities; car rental and ground transportation areas; concessions, banking and consumer services; public waiting and seating areas; and offices of the Aviation Board, the United States Weather Bureau, the United States Immigration and Naturalization Service, the United States Customs Service and the United States Department of Agriculture.

The Airport runway system accommodates all types of aircraft from general aviation up to Group V commercial aircraft. There are runways, Runway 11/29 and Runway 02/20, which are 10,104 and 7,001 feet in length, respectively. The Airport is equipped to handle Category II and III aircraft operations on Runway 11.

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Enplanements

Total enplaned passengers at the Airport for 2009 to 2016 were as follows:

Historical Enplanements

Fiscal Years	Airport Enplanements	Airport Growth
2009	3,908,416	-1.6%
2010	4,102,138	5.0%
2011	4,280,910	4.4%
2012	4,306,707	0.6%
2013	4,598,213	6.8%
2014	4,892,302	6.4%
2015	5,344,625	9.2%
2016	5,579,577	4.4%

Source: New Orleans Aviation Board

For further information see "**Appendix C – REPORT OF THE AVIATION CONSULTANT**" herein.

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Historical Enplanements by Carrier

Airline market shares of enplaned passengers for 2012 through 2016 were as follows:

Historical Enplanements by Carrier
Louis Armstrong New Orleans International Airport
2012–2016

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
Airlines[1]	**Enplanements**	**Share**	**Enplanements**	**Share**	**Enplanements**	**Share**	**Enplanements**	**Share**	**Enplanements**	**Share**
Alaska Airlines	0	0.0%	0	0.0%	27,947	0.6%	52,613	1.0%	54,864	1.0%
Allegiant Air[2]	0	0.0%	0	0.0%	0	0.0%	18,444	0.3%	66,493	1.2%
American	425,557	9.9%	461,205	10.0%	468,904	9.6%	496,948	9.3%	909,585	16.3%
Delta	936,342	21.7%	944,559	20.5%	990,152	20.2%	1,043,482	19.5%	1,047,907	18.8%
Elite Airways[2]	0	0.0%	0	0.0%	0	0.0%	157	0.0%	663	0.0%
Frontier	48,339	1.1%	45,596	1.0%	46,516	1.0%	75,677	1.4%	80,038	1.4%
GLO Airlines[2]	0	0.0%	0	0.0%	0	0.0%	502	0.0%	16,018	0.3%
JetBlue	124,890	2.9%	120,108	2.6%	118,251	2.4%	131,662	2.5%	159,976	2.9%
Orange Air[2]	0	0.0%	0	0.0%	0	0.0%	2,450	0.0%	0	0.0%
PEOPLExpress	0	0.0%	0	0.0%	389	0.0%	0	0.0%	0	0.0%
Spirit	0	0.0%	36,897	0.8%	80,411	1.6%	205,185	3.8%	320,343	5.7%
Southwest[3]	1,429,257	33.2%	1,596,720	34.7%	1,910,130	39.0%	2,063,999	38.6%	2,080,510	37.3%
United[4]	349,303	8.1%	483,059	10.5%	801,532	16.4%	812,531	15.2%	789,129	14.1%
US Airways/ America West	368,814	8.6%	401,448	8.7%	415,364	8.5%	391,971	7.3%	0	0.0%
Continental[4]	429,709	10.0%	307,275	6.7%	0	0.0%	0	0.0%	0	0.0%
AirTran[3]	162,987	3.8%	168,063	3.7%	0	0.0%	0	0.0%	0	0.0%
Air Canada[5]	18,938	0.4%	18,644	0.4%	20,420	0.4%	22,237	0.4%	23,455	0.4%
All Others[6]	12,571	0.3%	14,639	0.3%	12,286	0.3%	26,767	0.5%	30,596	0.5%
TOTALS:	4,306,707	100.0%	4,598,213	100.0%	4,892,302	100.0%	5,344,625	100.0%	5,579,577	100%

[1] Includes regional affiliate partners, as applicable
[2] Airline services commenced in 2015
[3] Southwest and AirTran Enplanements reflected on a consolidated basis without separation
[4] Continental and United Enplanements reflected on a consolidated basis without separation
[5] Includes operations by Air Canada's low-cost carrier affiliate, Jazz
[6] Consists of other international scheduled and charter airlines

Source: New Orleans Aviation Board

Airport's Top 25 O&D Markets in Year 2016

The table below shows the Airport's top 25 O&D markets in 2016, ranked by share of O&D enplanements at the Airport.

Domestic Passenger Origin-Destination Pattern
Louis Armstrong New Orleans International Airport
12 Months Ended December 31, 2016[3]

Rank	Cities[1]	Airports	Non-Stop Miles from New Orleans	O&D Market Share	Daily Non-Stop[2] Departures
1	New York, NY	EWR, JFK, LGA	1,167	7.77%	11.1
2	Dallas, TX	DAL, DFW	437	6.06%	14.6
3	Houston, TX	HOU, IAH	303	5.83%	19.4
4	Chicago, IL	ORD, MDW	837	5.20%	9.5
5	Los Angeles, CA	LAX	1,671	4.42%	6.7
6	Atlanta, GA	ATL	425	3.74%	17.2
7	Miami, FL	FLL, MIA	673	3.40%	7.0
8	Washington, DC	DCA, IAD	969	3.89%	8.5
9	Denver, CO	DEN	1,062	3.03%	4.4
10	Orlando, FL	MCO, SFB	550	2.89%	4.1
11	San Francisco, CA	SFO, OAK	1,911	2.70%	1.7
12	Las Vegas, NV	LAS	1,501	2.31%	3.0
13	Boston, MA	BOS	1,367	2.07%	1.4
14	Philadelphia, PA	PHL	1,088	2.02%	2.7
15	Detroit, MI	DTW	926	1.94%	3.9
16	Baltimore, MD	BWI	998	1.84%	2.7
17	Tampa, FL	TPA	487	1.64%	2.9
18	Seattle, WA	SEA	2,086	1.52%	1.0
19	Nashville, TN	BNA	471	1.45%	3.1
20	Phoenix, AZ	PHX	1,301	1.24%	1.2
21	Minneapolis, MN	MSP	1,040	1.21%	1.3
22	San Diego, CA	SAN	1,599	1.15%	1.0
23	Austin, TX	AUS	445	1.13%	1.1
24	Charlotte, NC	CLT	651	1.05%	6.8
25	Kansas City, MO	MCI	690	1.01%	1.0
26	St. Louis, MO	STL	604	1.01%	1.7
	Totals for Cities Listed			71.52%	139.1
	Other			28.48%	9.4
	Total			100.00%	148.5

[1] Ranking of cities is based on the top O&D domestic market share in 2016.
Only cities with one percent or more of O&D domestic market share are shown.
[2] The number of daily non-stop departures equals annual non-stop departures divided by 365.
[3] O&D Market Share is based on YE 3Q16 Data (latest available at time)
Sources: U.S. DOT O&D, Diio
Prepared by: New Orleans Aviation Board

Commercial Aircraft Landed Weight at Airport

The Table below presents annual commercial aircraft landed weight from 2012 through 2016.

Airline	Landed Weight (Million Pounds)					Market Share				
	2012	**2013**	**2014**	**2015**	**2016**	**2012**	**2013**	**2014**	**2015**	**2016**
Mainline	4,599	5,061	5,153	5,605	5,943	83.9%	83.9%	84.2%	86.3%	87.8%
Regional	578	676	673	665	642	10.5%	11.2%	11.0%	10.3%	9.5%
Charter	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cargo	302	295	299	230	185	5.6%	4.9%	4.8%	3.4%	2.7%
TOTAL	**5,479**	**6,032**	**6,125**	**6,500**	**6,770**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Total Aircraft Landed Weight by Fiscal Year

Total aircraft landed weight at the Airport for Fiscal Years 2009 through 2016 was as follows:

Historical Aircraft Landed Weight
Louis Armstrong New Orleans International Airport
Fiscal Years 2009–2016
(Weight in Thousand Pounds)

Fiscal Year	Total Landed Weight
2009	5,174,944
2010	5,501,940
2011	5,613,633
2012	5,479,289
2013	6,032,372
2014	6,122,519
2015	6,499,788
2016	6,771,515

Source: New Orleans Aviation Board

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AIRPORT FINANCIAL INFORMATION

The Airport is structured as an enterprise fund of the City. The financial statements for the Airport are prepared on the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Capital asset, except land, are capitalized and depreciated over their useful lives. The City and the Aviation Board are required by Louisiana law to have their financial statements audited annually. Historically, the City has engaged an auditing firm to perform a combined audit of the City's and the Aviation Board's financial statements. The Fiscal Year 2015 audited financial statements of the Aviation Board by Postlethwaite & Netterville, APAC, are attached hereto as **Appendix F**. Potential investors are advised to review the material found in **Appendix F** in full.

Revenues

As shown in the table captioned "Statements of Revenues, Expenses, and Changes in Net Position – Years ended December 31, 2015 and 2014" found at page 20 of the Aviation Board's "**Financial Statements and Supplemental Schedules – December 31, 2015 (With Independent Auditors' Report Thereon)**, attached as **Appendix F**, operating revenues are divided into the following three major categories: 1) Airfield, 2) Terminal, and 3) Ground Transportation. The Airfield and Terminal categories represent the majority of the Airport's total operating revenues. Historically, the Airfield fee rates are set pursuant to the Airport's residual lease agreement with the Airlines. Terminal rentals are established pursuant to the airline residual lease agreements on a square foot basis for various categories of terminal space. The Aviation Board and representatives of the airlines are signatories to an **Airline Agreement**. See "**SECURITY FOR THE SERIES 2017 BONDS - Airline-Airport Use and Lease Agreement"** herein.

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Historic Airport Revenues and Expenses

The following chart sets forth the historical financial information derived from its audited financial statements for the Airport for the five year period of Fiscal Years 2011 through 2015.

Historic Airport Revenues and Expenses
Louis Armstrong New Orleans International Airport
Fiscal Years 2011–2015

	2011	2012	2013	2014	2015
OPERATING REVENUES					
Airfield	10,580,838	15,608,960	13,203,416	14,675,958	13,883,993
Terminal	48,575,326	56,887,020	57,935,076	55,238,509	56,463,903
Ground transportation	2,151,175	2,160,224	2,346,508	2,941,799	3,225,162
Total Operating Revenues	**61,307,339**	**74,656,204**	**73,485,000**	**72,856,266**	**73,573,058**
OPERATING EXPENSES					
Direct	18,729,874	21,874,053	23,015,074	16,448,610	14,599,181
Depreciation and Impairment Write-Down	32,446,580	32,734,999	38,866,112	42,846,625	40,481,377
Administrative	22,767,418	24,571,891	24,496,735	23,439,500	26,185,212
Cancelled/Unreimbursed Projects	1,681,342	703,779	82,857	-	-
Total Operating Expenses	**75,625,214**	**79,884,722**	**86,460,778**	**82,734,735**	**81,265,770**
Operating Loss	(14,317,875)	(5,228,518)	(12,975,778)	(9,878,469)	(7,692,712)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	(136,341)	209,434	379,605	97,017	40,792
Interest Expense	(14,287,593)	(16,171,339)	(21,359,041)	(21,104,251)	(18,229,599)
Passenger Facility Charge	17,389,251	17,271,733	18,447,258	19,214,158	21,161,870
Customer Facility Charge	11,456,403	11,437,828	11,705,153	12,260,160	13,147,640
Gain/(Loss) on Disposal of Assets	-	-	-	(3,474,034)	28,279
Other, Net	390,548	908,433	630,134	1,548,801	(2,450,666)
Total Non-Operating Revenues, Net	**14,812,268**	**13,656,089**	**9,803,109**	**8,541,851**	**13,698,316**
Loss before Capital Contributions	494,393	8,427,571	(3,172,669)	(1,336,618)	6,005,604
Capital Contributions	12,291,012	2,749,956	9,186,457	12,302,222	10,406,245
Change in Net Position	12,785,405	11,177,527	6,013,788	10,965,604	16,411,849
Net Position, Beginning of Year	**355,943,245**	**361,646,868**	**372,824,395**	**378,838,183**	**378,214,294**
Restatement of Net Position	-	-	-	(11,589,493)	-
Net Position, Beginning of Year, Restated	355,943,245	361,646,868	372,824,395	367,248,690	378,214,294
Total Net Assets, End of Year	**368,728,650**	**372,824,395**	**378,838,183**	**378,214,294**	**394,626,143**

Source: Postlethwaite & Netterville Audited Financial Statements and Supplemental Schedules Dec. 31, 2012 and 2011; Dec. 31, 2013 and 2012; Dec. 31, 2014 and 2013; and Dec. 31, 2015 and 2014 – Statement of Revenues, Expenses and Changes in Net Position.

Analysis of Airport Operations

The following represents management's discussion and analysis of the results of operations at the Airport. The discussion presented below references financial information presented in the table above. For a detailed discussion of the Airport's financial performance in audited financial statement for Fiscal Year 2015 and 2014, see "Management's Discussion and Analysis" on pages 4-17 in "**Financial Statements and Supplemental Schedules – December 31, 2015 (With Independent Auditors' Report Thereon)**" attached hereto.

Fiscal Year 2015 versus Fiscal Year 2014 Results

The Airport was able to maintain its financial performance in Fiscal Year 2015 relative to Fiscal Year 2014. Total operating revenues increased slightly to $73.6 million in Fiscal Year 2015 versus $72.9 million in Fiscal Year 2014, an increase of $0.7 million. This was mainly attributable to higher air carrier revenue (an increase of $473,000 compared to 2014) due to increases in service by new and existing airlines. Non-airline revenues also increased by $244,000 (0.7%) due primarily to a 9.1% increase in enplaned passengers. The Airport was able to control operating expenses in Fiscal Year 2015. Total operating expenses (before depreciation and amortization) increased from $39.9 million in Fiscal Year 2014 to $40.8 million in Fiscal Year 2015, a difference of $0.9 million. The modest rise was primarily due to increased direct airfield and ground transportation costs. Net operating income (before depreciation and amortization) was $32.8 million in Fiscal Year 2015 compared to $33.0 million in Fiscal Year 2014, a decrease of $0.2 million

Fiscal Year 2014 versus Fiscal Year 2013 Results

Total operating revenues decreased to $72.9 million in Fiscal Year 2014 versus $73.5 million in Fiscal Year 2013, a reduction of $0.6 million. The reduction was mainly attributable to higher enplanements and lower expenses, which decreased our airline revenue in 2014 over 2013. Total operating expenses (before depreciation and amortization) decreased from $47.5 million in Fiscal Year 2013 to $39.9 million in Fiscal Year 2014, a reduction of approximately $7.6 million. The decrease was primarily due to a $3.9 million NTP Pre-Project Expense write-off and decrease in parking expenses due to restructured Parking Operating Agreement in 2014. The result was that net operating income (before depreciation and amortization) was $33.0 million in Fiscal Year 2014, $7.0 million more than in Fiscal Year 2013 ($26.0 million).

Operating Results for the First Nine Months of Fiscal Year 2016 (unaudited)

The following table shows major sources of operating revenues and expenses for the first nine months of Fiscal Year 2016 compared to the first nine months of Fiscal Year 2015. For the first nine months of Fiscal Year 2016, the Airport reported operating revenues of $65.6 million compared to $59.2 million in Fiscal Year 2015. The increase of approximately $6.4 million was partially attributable to growth in Airline revenue (including landing, terminal building, and apron fees) which occurred as a result of higher than forecast passenger enplanements and airline traffic. Terminal concessions (food and beverage, retail and car rental) and parking revenue also increased.

Total operating expenses for the nine months ending September 30, 2016 and September 30, 2015, equaled $27.8 million and $28.6 million, respectively. The decrease in operating expenses of $0.8 million was related to a variety of modest reductions in operating and administrative services (including parking, janitorial and security costs) and lower maintenance and utility expenses.

Net operating income (before depreciation and amortization) for the first nine months of Fiscal Year 2016 and Fiscal Year 2015 totaled $37.8 million and $30.5 million, respectively. Fiscal Year 2016 net operating income (before depreciation and amortization) increased by approximately $7.3 million versus the prior fiscal year.

In addition to the nine month operating results, the Airport continued to report considerable cash reserves. As of September 30, 2016, the Airport held net unrestricted cash balances of $73.0 million on an unaudited basis, equal to approximately 650 days of budgeted Operating and Maintenance Expenses at an assumed annual operating budget of $41 million, consistent with 2015 audited financials.

Summary of Operating Revenues and Expenses
(Comparison of September 30, 2016 and 2015)

DESCRIPTION	2016	2015	2016 OVER / (UNDER) 2015
Landing Fees	11,079,316	8,491,409	2,587,907
Terminal Buildings	22,581,767	22,006,941	574,826
Apron Fees	2,899,477	2,551,583	347,894
Loading Bridges	152,048	148,214	3,834
Total Airline Revenue	**36,712,608**	**33,198,147**	**3,514,461**
Non-Airline Revenue			
Land & Facilities	1,973,935	1,978,889	(4,954)
Terminal Concessions	7,196,217	6,659,731	536,486
Rental Car Concessions	7,630,236	7,461,545	168,691
Parking Operations	10,000,404	8,193,405	1,806,999
Ground Transportation	1,687,973	1,195,489	492,484
Other Revenue	447,896	470,921	(23,025)
Total Non-Airline Revenue	**28,936,661**	**25,959,980**	**2,976,681**
Total Operating Revenue	**65,649,269**	**59,158,127**	**6,491,142**
Operating Expenses (Before Depreciation)			
Administrative	12,980,388	13,086,752	(106,364)
Police Services	2,698,213	2,680,536	17,677
Security Services	791,206	925,068	(133,862)
City - Fire Department	3,617,026	3,574,439	42,587
Janitorial Services	1,611,852	1,896,957	(285,105)
Materials & Supplies	589,668	505,447	84,221
Utilities & Telecom	2,637,602	2,760,669	(123,067)
Repairs & Maintenance	2,511,253	2,738,657	(227,404)
Parking Operations	364,041	466,630	(102,589)
Other	32,224	48,297	(16,073)
Total Operating Expenses	**27,833,473**	**28,683,452**	**(849,979)**
Net Operating Income (Before Depreciation And Amortization)	**37,815,796**	**30,474,675**	**7,341,121**

Source: New Orleans Aviation Board – Fiscal Year 2016 and Fiscal Year 2015 Unaudited Accounting Records

Financial Statements

The financial statements of the Airport for Fiscal Years ending December 31, 2015 (Restated) and 2014 included within **Appendix F** to this Official Statement, have been audited by Postlethwaite & Netterville, APAC, New Orleans, Louisiana. The Airport's financial statements are audited as a part of the audit of the City's financial statements.

The Airport's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Outstanding Debt

Parity Debt

The Series 2017A Bonds, Series 2017B Bonds, and Series 2017D Bonds will be issued as Additional Bonds under the General Indenture. The Series 2017C Bonds will be issued as Refunding Bonds under the General Indenture. The Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds will be on a parity basis with the Aviation Board's outstanding Series 2009 Bonds, outstanding Series 2015 Bonds and, assuming their issuance on October 4, 2017, the Series 2017D Bonds, all of which will be secured by a first lien on the Net Revenues of the Airport.

Following the issuance of the Series 2017 Bonds, including the Series 2017D Bonds expected to be issued on or after October 4, 2017, a total of $1,007,930,000 principal amount of Outstanding Parity Debt will be outstanding under the General Indenture. The table below sets forth the Outstanding Parity Debt following issuance of all Series 2017 Bonds.

Outstanding Parity Debt[1]

Issue	Amount	Final Maturity
Series 2009[2]	$21,915,000	1/1/2019
Series 2015	$565,325,000	1/1/2045
Series 2017A	$100,010,000	1/1/2048
Series 2017B	$219,390,000	1/1/2048
Series 2017C	$46,995,000	1/1/2023
Series 2017D	$54,295,000	1/1/2038
Total:	$1,007,930,000	

(1) As of October 4, 2017, following delivery of the Series 2017D Bonds on such date. See "Plan of Finance" herein.

(2) The Series 2009 Bonds maturing January 1, 2018 and January 1, 2019 were not defeased and refunded by the Series 2017C Bonds

Future Parity Debt

In addition to issuing the Series 2017 Bonds, the Aviation Board expects to exercise its option to purchase the existing long term parking garage from the Parking Facilities Corporation on or before the end of calendar year 2018. Based on the current lease with the Parking Facilities Corporation, the Aviation Board may issue approximately $34.5 million of Additional Bonds to purchase the long term parking garage.

Pension Plans and Post-Retirement Benefit Obligations

General

Employees and officers of the Aviation Board are eligible for membership in the Employees' Retirement System of the City of New Orleans, a defined benefit contributory retirement plan (the "**Plan**"). A partial description of the Plan is contained in the financial statements of the Airport for Fiscal Years ending December 31, 2014 (Restated) and 2015. See "**Note (8) – Pension Plan"** within **Appendix F** to this Official Statement, pages 39-46.

A separate financial report on the Employees' Plan for the year ended December 31, 2015 and 2014 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana, 70112, (504) 658-1850.

The Aviation Board's contribution to the Employees' Plan in Fiscal Years ended December 31, 2015 and December 31, 2014 was $2,142,649 and $1,451,936, respectively. The Aviation Board's contribution to the Employees' Plan for Fiscal Year ended December 31, 2016, has not been determined as of the date of this Official Statement. The employer contributions for the Employees' Plan are based on actuarially determined amounts.

The Employees' Plan uses an accrual basis of accounting for changes in net position. Within this context, interest income is recognized when earned, as are employer and employee contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The City's annual pension cost for the current year and related actuarial methods and assumptions for each plan, including the Employees' Plan, is included in the City's "**Comprehensive Annual Financial Report –December 31, 2015 - Notes to Basic Financial Statements**" under "**Pension Plans and Postretirement Healthcare Benefits**" in Note (7), pages 56-70.

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The City's unaudited Schedule of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net Pension Liability, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions in accordance with GASB Statement No. 67 and 68 are reproduced below from the City's Fiscal Year 2015 Audit:

Year ended December 31, 2015 (Unaudited)
(Amounts in Thousands)

Schedule of Net Pension Liability

Actuarial Valuation Date December 31	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll (millions)	Net Position as a Percentage of Payroll
Employees' Retirement System:						
2014	540,176	$370,750	$169,426	8.64%	$97,244	174.23%
2015	562,686	$339,099	$223,587	60.26%	$105,692	211.55%
Firefighters' Pension and Relief Fund (New System):						
2014	$513,373	$62,645	$450,728	12.20%	$26,985	1670.29%
Firefighters' Pension and Relief Fund (Old System):						
2014	$176,689	$15,261	$161,428	8.64%	$0	N/A

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

Schedule of Employer Contributions

Year Ended	Actuarially Determined Contribution	Contribution in Relation to the Actuary Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll Contribution	Contributions as a % of Covered Payroll
Employees' Retirement System:					
2014	$20,871	$21,926	$1,055	$97,244	22.55%
2015	$27,726	$28,937	$1,211	$105,692	27.38%
Firefighters' Pension and Relief Fund (New System):					
2014	$36,182	$20,649	($15,533)	$26,985	76.52%
Firefighters' Pension and Relief Fund (Old System):					
2014	$18,841	$17,173	($1,668)	$0	N/A

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability

	Firefighters' Pension and Relief Fund	
	New System	Old System
	2014	2014
Service cost	$ 5,865	$ -
Interest on total pension liability	31,786	11,143
Effect of plan changes	(16,072)	12,642
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	95,806	24,968
Benefit payments	(38,889)	(20,641)
Net change in total pension liability	78,496	28,112
Total pension liability, beginning	423,820	148,577
Total pension liability, ending (a)	$ 502,316	$ 176,689
Plan Fiduciary Net Position		
Employer contributions	$ 20,649	$ 17,173
Employee contributions	2,039	-
Investment income net of investment expenses	(5,328)	1,623
Benefit payments	(38,889)	(20,641)
Administrative expenses	(601)	(575)
Net change in plan fiduciary net position	(22,130)	(2,420)
Plan fiduciary net position, beginning	87,508	17,680
Plan fiduciary net position, ending (b)	$ 65,378	$ 15,260
City's net pension liability, ending= (a)- (b)	$ 436,938	$ 161,429
Plan fiduciary net position as a % of total pension liability	13.02%	8.64%
Covered payroll	26,985	-
City's net pension liability as a % of covered payroll	1619.19%	N/A

Valuation date: December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Asset valuation method:	Actual market value (effective January 1, 2015)
Cost of living raises for retirees and beneficiaries:	New System and Old System- The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Salary increases:	New System- 5.00%; Old System- 0.00%
Investment rate of return:	New System- 5.21% net of investment expenses; 3.70% net of investment expense
Investment rate of return:	Employees are assumed to retire after the earliest of: first, attainment of age 50 and 30 years of service; second, the later of age *55* and completion of25 years of service; third, attainment of age 60 and completion of 12 years **of service.**

Notes to Schedules: The schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Proportionate Share of the Net Pension Liability

	Municipal Police Employees' Retirement System	
	6/30/2015	6/30/2014
Employer's proportion of the net pension liability	22.3598%	21.9733%
Employer's proportionate share of the net pension liability	$175,166	$137,467
Employer's covered-employee payroll	N/A	$56,923
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	241.50%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	75.10%

Schedule of Contributions

	Municipal Police Employees' Retirement System	
	6/30/2015	6/30/2014
Actuarially required contribution required contribution	$18,840	$22,884
Contributions in relation to the actuarially	($22,814)	($21,729)
Contribution deficiency (excess)	($3,974)	$1,155
Employers' covered employee payroll	N/A	$56,923
Contributions as a percentage of covered-employee payroll	N/A	38.17%

Notes to Schedules: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

Post-Retirement Benefit Obligations

The medical benefits provided by the City are provided through a self-insured comprehensive health benefit program and are made available to employees upon actual retirement according to the retirement eligibility provisions of the system by which the employee was covered, including the Employees' Plan. Employees do not contribute to their post-employee benefit costs until they become retirees and begin receiving benefits. The funding policy of the City is not to fund the Annual Required Contribution except to the extent of the current year's retiree funding costs. Information regarding the Annual Required Contribution of the City, the Net Post-employment Benefit Obligations and the Funded Status and Funding Progress are included in Note (7) of the City's "**Comprehensive Annual Financial Report –December 31, 2015 - Notes to Basic Financial Statements**" under "**Pension Plans and Postretirement Healthcare Benefits**" in Note (7), pages 56-70

Casualty and Risk Insurance Coverage

Current Insurance Coverage

The Aviation Board purchases comprehensive commercial property and casualty insurance for losses and claims resulting in damage to Airport properties, employee injuries, or liability claims and lawsuits against the Airport. Property insurance provides coverage to repair or replace property damaged by fire, hurricane, flood, terrorism, and additional standard causes of loss in order to continue or expedite return to Airport operations after a loss event. General Liability, Public Officials Liability, Terrorism and Auto Liability insurance protects the Airport's financial assets from losses claimed by third parties for injuries or damages incurred from Airport operations. Workers' Compensation is purchased to provide benefits and medical treatment for Airport employees who sustain an on the job injury. All insurance carriers are required to have an A. M. Best Financial Rating of "A" or better. Coverage levels and terms are reviewed and competitively marketed by the Airport's Broker of Record on an annual basis to maintain the most advantageous coverage available in current insurance market conditions. The table below provides a summary of current insurance policies in place:

Summary of Insurance for New Orleans Aviation Board

The table below describes the insurance coverages, insurance carriers, policy periods, liability limits and deductibles in connection with insurance policies of the Aviation Board.

COVERAGE	INSURANCE CARRIER	POLICY PERIOD	LIMITS ON LIABILITY	DEDUCTIBLE
Airport Liability	ACE Property & Casualty Ins. Co.	01/01/2017-01/01/2018	Limits: $100,000,000 Each Occurrence	$500,000 Each Occurrence
Excess Airport Liability	ACE Property & Casualty Ins. Co./Lloyds of London	01/01/2017-01/01/2018	Limits: $200,000,000 Each Occurrence	$100,000,000 Each Occurrence
Public Officials Liability & Employment Practices	ACE American Insurance Company	01/01/2017-01/01/2018	Limits: $15,000,000 Per Wrongful Act	$100,000 Per Wrongful Act
Boiler & Machinery	The Hartford Steam Boiler Inspection and Insurance Company	01/01/2017-01/01/2018	Limits: $100,000,000 Each Occurrence	$100,000 Each Occurrence
Property Coverage - All Risk	Great American Insurance Company of New York	01/01/2017-01/01/2018	Limits: $100,000,000 Each Occurrence All Risk	$500,000 Each Occurrence All Risk
Wind and Hail including Named Storm	National Fire & Marine Insurance Company		$35,000,000 Each Occurrence Named Storm	2% subject to $250,000 minimum per occurrence
Flood (11 policies)	Hartford Insurance Company of the Midwest	01/16/2017-01/16/2018	Limits: $500,000 Building $500,000 Contents (Vary by location)	$1,000 or $1,250 Each Occurrence (Vary by location)
Terrorism	Hiscox/Lloyd's of London	01/01/2017-01/01/2018	Limits: $75,000,000 Each Occurrence	$250,000 Each Occurrence
Auto Liability	Travelers Insurance Company	01/01/2017-01/01/2018	Limits: $1,000,000 Each Occurrence	$3,000 Each Occurrence
Workers' Compensation	LWCC	01/01/2017-01/01/2018	Limits: Statutory	None

Coverage during Construction of the North Terminal Project

Property Insurance will be maintained at appropriate levels on current Airport facilities during construction of the North Terminal to ensure continued operations in the event of a loss. Coverage will be phased out on applicable properties as newly constructed North Terminal facilities become operational. Builders' Risk insurance is in place and will be maintained to cover North Terminal property during construction on a 100% Completed Value basis. Builders' Risk provides coverage for losses due to fire, theft, hurricane, flood, and additional standard causes of loss to the property under construction, materials stored off site, or in transit. Upon completion, North Terminal properties will be removed from the Builders' Risk policy and added to the Airport's comprehensive Property Insurance Program.

CMAR Insurance Policies

The CMAR must purchase and maintain comprehensive commercial insurance policies and coverage that meet the specifications and requirements of the Aviation Board and name the Aviation Board as an Additional Insured on those polices as applicable throughout the duration of the North Terminal Project. CMAR insurance policies will include coverage for all contractors and subcontractors doing work on the project, or, in the alternative, the CMAR shall require and verify that all contractors and subcontractors doing work on the project maintain commercial insurance policies that meet the specifications and requirements of the Aviation Board, including naming the Aviation Board as an additional insured as applicable. Required coverages include Workers' Compensation, General and Auto Liability, and Commercial Crime.

COVERAGE	INSURANCE CARRIER	POLICY PERIOD	LIMITS ON LIABILITY	DEDUCTIBLE
General Liability	Gemini Insurance Co.	01/04/16-02/17/20	Limits: $2,000,000 Each Occurrence	$25,000 Each Occurrence
Commercial Crime	Zurich American Insurance Co.	10/01/16-10/01/17	Limits: $10,000,000	$1,000,000 Each Occurrence
Auto Liability	Gemini Insurance Co.	01/04/16-02/17/20	Limits: $1,000,000`Each Occurrence	None
Workers' Compensation	Twin City Fire Insurance Co.	09/01/16-09/01/17	Limits: $1,000,000 Statutory	None
Professional Liability	Indian Harbor Insurance Co.	01/04/16-10/31/18	Each Claim/Aggregate $2,000,000	$500,000
Excess Liability 1st Layer	Ironshore Indemnity,Inc.	01/04/16-02/17/20	Each Occurrence/Aggregate $10,000,000	No deductible, follows form
Excess Liability 2nd Layer	Gemini Insurance Co	01/04/16-02/17/20	Each Occurrence/Aggregate $15,000,000	No deductible, follows form
Pollution Liability	AIG Specialty Ins. Co	01/04/16-10/31/18	Claim/Aggregate $10,000,000	$100,000

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Commitments and Contingencies

Self-Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City of New Orleans' self-insurance program. The Airport pays premiums to the City of New Orleans' unemployment self-insurance program, and the Airport and its employees pay premiums to the City of New Orleans' hospitalization self-insurance program.

Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

THE PASSENGER FACILITY CHARGE PROGRAM

General

Under the Aviation Safety and Capacity Expansion Act (the "**PFC Act**") the FAA may authorize a public agency which controls a qualifying airport to impose a PFC of $1, $2, or $3 for each qualifying enplaned passenger at such airport, subject to certain limitations and exceptions. As discussed in the next paragraph the $3 amount may be increased to as much as $4.50 of per qualified enplaned passenger. Proceeds of an authorized PFC may be used only to fund specific airport projects approved by the Federal Aviation Administration (the "**FAA**"), or to pay debt service and other financing costs on bonds issued to fund such specific projects, that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise impacts resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers. Under certain circumstances, the FAA may also grant approval to impose a PFC ("impose" or "impose only" approval) before approval to spend the PFC on approved projects ("use" approval) is granted. Approval to both collect and spend PFCs is referred to as "impose and use" approval. The approval of each project (a "**PFC Project**") includes a specific dollar amount for (i) capital costs and (ii) if requested by the airport operator, may also include interest and other financing costs. In some instances, the interest and other financing costs are specified separately. Without approval of the FAA, but with notice to the collecting air carriers and to the FAA, (i) the level of the PFCs charged or the total amount of approved PFC revenue may be decreased and (ii) the PFC revenue to be collected may be increased by an amount not exceeding 15% of the amount approved.

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("**AIR-21**"), signed into law on April 5, 2000, enables a public agency to apply to the FAA to increase the PFC level that it may charge to $4.00 or $4.50. For a public agency to qualify for a PFC level above $3, AIR-21 requires that the FAA must review the public agency's application or amendment request to make specified findings that are additional to those already required under the PFC Act and regulation. Under AIR-21, the FAA must find the following for any project to be collected at the $4.00 or $4.50 level: (i) the project cannot be paid for from funds reasonably expected to be available from the AIP; (ii) if the project is an eligible surface transportation or terminal project, the public agency has made adequate

provision for financing the airside needs of the airport, including runways, taxiways, aprons, and aircraft gates; and (iii) in the case of a medium or large hub airport seeking the higher PFC level, the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport.

PFCs may be used by the Aviation Board only to pay "allowable costs" of specific airport projects approved by the FAA, including debt service and other financing costs of bonds issued to finance such specific projects pursuant to Final Agency Decisions (formerly Records of Decision) of the FAA which allow the imposition and/or use of PFCs for the Airport (collectively the "**Approvals**").

Since April 1, 1993, the initial effective date of the Aviation Board's PFC program, the Aviation Board estimates that over 90% of all passenger enplanements at the Airport have qualified and been subject to the passenger facility charge. The Aviation Board expects that a similar percentage of passenger enplanements will continue to be subject to its PFC.

Net PFC Revenues for Debt Service on Series 2015 Bonds and Series 2017 Bonds

The Aviation Consultant's funding plan projects that the collection level of PFCs will remain at the current rate of $4.50 until February 1, 2026, after which it is scheduled to become $3.00 per passenger, and that the Series 2015 Bonds and the Series 2017 Bonds will fund $763.3 million of the North Terminal Project Costs. As shown in the funding plan referenced in the Report of the Aviation Consultant, $306.2 million of the proceeds of the Series 2015 and Series 2017 Bonds are currently authorized as PFC eligible.

Using the Base Scenario, the Report of the Airport Consultant forecasts PFCs available in the Excess PFC Fund under the PFC Indenture to be transferred to the Transferred PFCs Account of the Debt Service Fund under the Indenture in the following table:

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Projected PFC Revenue Cash Flow
For Calendar Years Ending December 31

	Estimated 2016	Projected 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Excess PFC Fund balance - Beginning of Year	$51,008,783	$62,779,413	$72,754,485	$69,640,399	$63,455,429	$57,430,716	$53,626,966	$50,563,866	$50,021,766	$49,966,666	$43,304,072
Net PFC Revenues (PFC Collections)											
Enplaned Passengers	5,580,000	5,792,000	5,934,000	6,023,000	6,098,000	6,204,000	6,342,000	6,473,000	6,595,000	6,711,000	6,834,000
Percent PFC-Eligible	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Projected PFC-Eligible Passengers	5,022,000	5,213,000	5,341,000	5,421,000	5,488,000	5,584,000	5,708,000	5,826,000	5,936,000	6,040,000	6,151,000
PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$2.89	$2.89
Estimated Net PFC Revenues	$22,047,000	$22,885,000	$23,447,000	$23,798,000	$24,092,000	$24,514,000	$25,058,000	$25,576,000	$26,059,000	$17,456,000	$17,776,000
Total PFC Resources Available	$73,055,783	$85,664,413	$96,201,485	$93,438,399	$87,547,429	$81,944,716	$78,684,966	$76,139,866	$76,080,766	$67,422,666	$61,080,072
Less: Use of PFC Resources											
Debt Service - Series 2007 and 2010 PFC Bonds[1]	$9,706,225	$6,222,725	$2,740,713	$2,740,713	$4,245,713	$4,246,750	$4,246,100	$4,244,100	$4,243,100	$4,245,594	$4,245,594
Near-Term Infrastructure CIP	570,145	1,072,489	208,733	122,258	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reimbursement of planning studies	-	2,132,714	-	-	-	-	-	-	-	-	-
PayGo Application - Terminal Program	-	-	16,646,640	-	-	-	-	-	-	-	-
	$10,276,370	$9,427,928	$19,596,086	$2,862,971	$5,745,713	$5,746,750	$5,746,100	$5,744,100	$5,743,100	$5,745,594	$5,745,594
Excess Net PFC Revenues Available for Transfer	$62,779,413	$76,236,485	$76,605,399	$90,575,429	$81,801,716	$76,197,966	$72,938,866	$70,395,766	$70,337,666	$61,677,072	$55,334,478
Less: Net PFC Revenues transferred to Debt Service Fund Debt Service Fund											
Series 2015	-	-	-	$20,000,000	$20,000,000	$18,200,000	$18,000,000	$16,000,000	$16,000,000	$14,000,000	$14,000,000
Series 2017A/B	-	-	-	-	-	-	-	-	-	-	-
Series 2017D	-	3,482,000	6,965,000	7,120,000	4,371,000	4,371,000	4,375,000	4,374,000	4,371,000	4,373,000	4,373,000
	-	$3,482,000	$6,965,000	$27,120,000	$24,371,000	$22,571,000	$22,375,000	$20,374,000	$20,371,000	$18,373,000	$18,373,000
Excess PFC Fund - End of Year	**$62,779,413**	**$72,754,485**	**$69,640,399**	**$63,455,429**	**$57,430,716**	**$53,626,966**	**$50,563,866**	**$50,021,766**	**$49,966,666**	**$43,304,072**	**$36,961,478**

[1] Assumes Series 2007 PFC Bonds will be refunded with the Series 2017D Bonds during 2017.
Source: Report of the Aviation Consultant – Table IV-11

The foregoing table illustrates Net PFC Revenue amounts available and allocated (i) to pay debt service on Outstanding PFC Bonds under the PFC Indenture, (ii) to pay for near term infrastructure and Pay-As-You-Go PFC Projects approved by FAA and (iii) to the Transferred PFCs Account of the Debt Service Fund under the Indenture to pay debt service on the Series 2015 and Series 2017 Bonds.

REPORT OF THE AVIATION CONSULTANT

The Report of the Aviation Consultant is included in this Official Statement as **Appendix C**. The Report of the Aviation Consultant is part of this Official Statement, and purchasers of the Series 2017 Bonds should read the report of the Aviation Consultant in its entirety.

The Aviation Board retained Unison Consulting, Inc. to serve as the Aviation Consultant (the "**Aviation Consultant**") in connection with the issuance of the Series 2017 Bonds. The Aviation Consultant, together with its sub-consultant AVK Consulting, prepared the Report of the Aviation Consultant dated April 28, 2017 (the "**Report of the Aviation Consultant**"). The Report of the Aviation Consultant relies in part on debt service estimates provided by the Airport's Municipal Advisor, Frasca & Associates, LLC, and takes into consideration Frasca's estimated debt service associated with the issuance of Series 2017 Bonds and the planned issuance of the Planned Series 2018 Bonds of approximately $34.5 million to purchase the long-term parking garage. The Report of the Aviation Consultant does not reflect pricing terms of the Series 2017 Bonds or any other changes occurring after April 28, 2017.

The Report of the Aviation Consultant also describes key factors that affect future aviation activity, presents aviation activity, and financial projections for the period commencing in 2017 and ending in 2026 (the "**Forecast Period**"), and sets forth the assumptions upon which the projections are based. Actual results may differ from projections contained therein because of unforeseen events, and variations may be material. The Report of the Aviation Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

Enplanements at the Airport are presented in the Forecast Model under the following two scenarios:

Base Scenario: forecasts 6.83 million enplanements at the Airport in 2026, representing an average annual growth rate of 2.0 percent.

Low Scenario: forecasts 6.32 million enplanements at the Airport in 2026, representing an average annual growth rate of 1.3 percent.

Debt Service Coverage by Fiscal Year

The table below from the Report of the Aviation Consultant illustrates the Historical and Projected Debt Service Coverage from 2015 through 2026:

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Historical and Projected Debt Service Coverage
For Fiscal Years Ending December 31

	Actual 2015	Estimated 2016	Revised Budget 2017	Projected 2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues												
Airline Revenues	$37,300,251	$40,377,000	$40,799,000	$34,617,000	$51,776,000	$53,744,000	$54,963,000	$55,109,000	$56,113,000	$56,359,000	$57,336,000	$57,396,000
Revenues Other Than Airline Revenues	38,301,711	38,956,000	44,578,000	45,075,000	53,577,000	55,044,000	56,983,000	58,160,000	60,562,000	61,758,000	64,230,000	65,423,000
Net PFC Revenues Transferred to the 2015 and 2017 Debt Service Funds	-	-	3,482,000	6,965,000	27,120,000	24,371,000	22,571,000	22,375,000	20,374,000	20,371,000	18,373,000	18,373,000
Total Revenues	$75,601,962	$79,333,000	$88,859,000	$86,657,000	$132,473,000	$133,159,000	$134,517,000	$135,644,000	$137,049,000	$138,488,000	$139,939,000	$141,192,000
Less: O&M Expenses	40,784,393	39,944,000	50,476,000	52,616,000	54,910,000	56,145,000	57,492,000	58,871,000	60,285,000	61,737,000	63,225,000	64,751,000
Subtotal	$34,817,569	$39,389,000	$38,383,000	$34,041,000	$77,563,000	$77,014,000	$77,025,000	$76,773,000	$76,764,000	$76,751,000	$76,714,000	$76,441,000
Plus: Rollover Coverage Account[1,2]	3,720,000	3,720,000	3,720,000	3,720,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000
Net Revenues	**$38,537,569**	**$43,109,000**	**$42,103,000**	**$37,761,000**	**$92,533,000**	**$91,984,000**	**$91,995,000**	**$91,743,000**	**$91,734,000**	**$91,721,000**	**$91,684,000**	**$91,411,000**
Debt Service Fund Requirement	14,879,950	14,879,000	18,361,000	21,845,000	70,464,000	70,500,000	70,503,000	70,507,000	70,507,000	70,502,000	70,504,000	70,504,000
Debt Service Coverage	**2.59**	**2.90**	**2.29**	**1.73**	**1.31**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**

[1] Represents the sums on deposit in the Rollover Coverage Account as of the last day of the preceding year.
[2] Assumes in 2019, NOAB deposits amounts sufficient to provide 1.25 times coverage on the Debt Service Fund Requirement, net of PFC Revenues, through the maturity on the Series 2015 and Series 2017 Bonds.

Source: Report of the Aviation Consultant – Table IV-10

The Report of the Aviation Consultant forecasts that Revenues will be sufficient to ensure that all Operation and Maintenance Expenses, debt service, and fund deposit requirements can be generated through reasonable user fees. The Report of the Aviation Consultant is based on a number of assumptions and projections. The Report of the Aviation Consultant has been included herein in reliance upon the knowledge and experience of Unison Consulting, Inc. as the Aviation Consultant. As stated in the Report of the Aviation Consultant, forecasts of commercial aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. Any projection is subject to uncertainties; therefore, there are likely to be differences between the projections and actual results, and those differences may be material. See "**INVESTMENT CONSIDERATIONS**: **Assumptions in the Aviation Consultant's Report**" and "**Appendix C – Report of the Aviation Consultant**" for a discussion of factors, data and information that may affect projections related to the air transportation industry and the Airport.

Prospective Financial Information

The Report of the Aviation Consultant included in **Appendix C** of this Official Statement was prepared by the Aviation Consultant and contains prospective financial information. This prospective financial information was not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Other prospective financial information included in this Official Statement, including summaries of prospective financial information from the Report of the Aviation Consultant and budget information, has been prepared by, and is the responsibility of, the Aviation Board's management. Postlewaite & Netterville, independent auditors, has neither examined nor compiled this prospective financial information and, accordingly, Postlewaite & Netterville does not express an opinion or offer any other form of assurance with respect thereto. The "Financial Statements and Supplemental Schedules – December 31, 2015 and 2014" included in the City's 2015 Comprehensive Annual Financial Report ("**CAFR**") relates to the Aviation Board's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

CAPITAL IMPROVEMENTS PROGRAM

The Airport Capital Improvement Program (ACIP) is intended to preserve and enhance the airside infrastructure and is separate from the North Terminal Project. The ACIP consists of a phased series of rehabilitation projects focused on the existing airfield and auxiliaries. Along with the agreed upon approval of the North Terminal Project, the Airlines will provide approval for the Airport's 2015-2019 ACIP intended to maintain and improve the airside infrastructure which is separate from the North Terminal Project. The following projects are programmed for implementation in the 2015-2019 ACIP (costs are estimated):

1. Taxiways Echo and Sierra – $10.8 million – rehabilitation of airfield taxiways to extend their useful lives, in accordance with the Airport's pavement management study;

2. Runway 2/20 – $2.1 million – rehabilitation/restoration of routine wear on carrier runways 2 and 20, in accordance with the Airport's pavement management study;

3. Runway 11/29 – $1.2 million – rehabilitation/restoration of routine wear on carrier runways 11 and 29, in accordance with the Airport's pavement management study; and

4. Airport Layout Plan Update – $1.0 million – updating the airport's layout plan, documenting the physical and aeronautical conditions existent and planned for the airfield.

Funding for the ACIP is expected to be from available FAA Airport Improvement Program Grants, state grants, third parties and/or Airport resources. The ACIP is an exhibit to the Airline Term Sheet and will be considered to be included in the Airline rate base. Projects may be advanced or delayed as funding sources are finalized, and the Airport may elect to cancel or reschedule a given project if planned funding sources are not realized. The Aviation Board does not expect to issue additional Bonds to finance these improvements.

INFORMATION CONCERNING THE AIRLINES

Each of the airlines (or their respective parent corporations) serving the Airport is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected in the Office of Aviation Information Management of the U.S. Department of Transportation, 400 Seventh Street, S.W. Washington D.C. 20590, and copies of such reports can be obtained from the Department of Transportation at prescribed rates. In addition, those airlines (or their respective parent corporations) serving the Airport, which have sold debt or equity securities to the public, are subject to the reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith, file reports and other information with the Securities and Exchange Commission (the "**Commission**"). Certain information, including financial information, as of particular dates concerning each of the airlines (or their respective parent corporations) is disclosed in certain reports and statements filed with the Commission. Such reports and statements can be inspected in the Public Reference Room of the Commission at 450 Fifth St. N.W. Washington, D.C. 20549; Room 1204, Everett McKinley Dirksen Building, and at the Commissions' Regional offices at 219 South Dearborn Street, Chicago, Illinois 60604, and at 26 Federal Plaza, New York, New York 10278, and copies of such reports and statements can be obtained from the Public Reference Section of the Commission, Washington D.C. 20549 at prescribed rates. The SEC maintains a website at www.sec.gov containing reports, proxy statements and other information regarding registrants that are filed periodically with the Commission.

LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or to the knowledge of the Aviation Board, threatened against or affecting the Aviation Board, nor, to its knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Series 2017 Bonds, the Aviation Board's right or ability to collect and apply the Revenues as required by the General Indenture and the Third Supplemental Indenture, the ability of the Aviation Board to establish rates, fees, rentals or other charges for use of the Airport system, or any agreement or instrument to which the Aviation Board is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

INVESTMENT CONSIDERATIONS

General

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider certain risks associated with the Series 2017 Bonds. There follows a summary of some, but not necessarily all, of the possible investment considerations and risks which should be carefully evaluated by prospective purchasers of the Series 2017 Bonds prior to the purchase thereof. Moreover, the order in which investment considerations are presented in this caption is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. The Series 2017 Bonds may not be suitable investments for all persons. Prospective purchasers should be

able to evaluate the risks and merits of an investment in the Series 2017 Bonds and should confer with their own legal and financial advisors before considering a purchase of the Series 2017 Bonds.

Limited Obligations

The Series 2017 Bonds are limited obligations of the Aviation Board payable solely from and secured by the Trust Estate, including the Net Revenues and certain amounts deposited into the accounts held under the General Indenture and the Third Supplemental Indenture, including Net PFC Revenues that may be deposited at the discretion of the Aviation Board to the Transferred PFC Account of the Debt Service Fund. None of the properties of the Airport is subject to any mortgage or other lien for the benefit of the owners of the Series 2017 Bonds.

SERIES 2017 BONDS ARE ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE AND ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

No Acceleration

The Series 2017 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 in the payment of debt service on any of the Bonds issued under the Indenture (including the Series 2017 Bonds) or a default in the performance of any duty or covenant provided by law or in the Indenture. Upon the occurrence of such an event of default, Holders of the Bonds would only be entitled to principal and interest payments on the Bonds as they come due. Under certain circumstances, Holders of the Series 2017 Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. Moreover, since Net Revenues are that portion of Revenues that remain after the deduction of the Operation and Maintenance Expenses of the Airport System and the Aviation Board is not subject to involuntary bankruptcy proceedings, the Aviation Board may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport System even if an event of default has occurred and no payments are being made on the Series 2017 Bonds. See "**Appendix B – Summary of Certain Provisions of the General Indenture and the Third Supplemental Indenture**" herein.

Construction Risks - Delays and Cost Increases; Additional Bonds

The estimated costs of, and schedules for, the North Terminal Project are paid from various sources which are subject to a number of uncertainties. The Aviation Board's ability to complete the North Terminal Project may be adversely affected by a number of factors, including: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the project, (iv) delays in contract awards, (v) material and/or labor shortages, (vi) unforeseen site conditions, (vii) adverse weather conditions or other casualty events, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation, (xi) environmental and/or permitting issues and (xii) in the case of some cost overruns, requirements for additional Signatory Airline approvals.

Funding Risks

The Aviation Board expects to fund the North Terminal Project costs with a combination of Net Revenues, PFCs, proceeds received from the Series 2015 Bonds and the sale of the Series 2017 Bonds, State and federal grants, investment income and proceeds of Additional Bonds. In the event one or more of these funding sources is not available to the Aviation Board in the amount or on the schedule

contemplated in the funding plan of the Aviation Board, the implementation of some of the North Terminal Project may be delayed. Any schedule delays or cost increases could result in the need to issue Completion Bonds and/or Additional Bonds and may result in increased costs that may or may not be recovered from the airlines.

Hurricane and Flood Risks

Coastal Louisiana, including New Orleans MSA, is susceptible to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina. Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers (the "**Corps**") undertook a project consisting of the planning, design and construction of a flood protection system to the Metropolitan New Orleans Area. The improvements to the flood protection system, known as the Hurricane and Storm Damage Risk Reduction System ("**HSDRRS**"), consists of a $14.5 billion system of levees, floodwalls, and pumps designed to eliminate nearly all flooding from 100-year storm events and significantly reduces flood risks from 500-year storm events. According to data generated by the Corps, a storm more severe than Hurricane Katrina would only cause modest flooding as compared to floods caused by Hurricane Katrina.

A 100-year storm is an event that has a 1% chance of occurring in any given year. The Corps designed the HSDRRS based on computer-generated models of 152 storms of varying paths, speeds, rainfall volumes, intensities, and radius. Based on data derived from these models, the Corps was able to determine the necessary structural specifications to protect Metropolitan New Orleans Area from 100-year storms. The HSDRRS involves a variety of innovative improvements to levees, floodwalls, outfall canals, interim closure structures, and pump stations in and around the Metropolitan New Orleans Area.

The Corps continues to explore further improvements to the HSDRRS in the Metropolitan New Orleans Area, while also working with officials in New Orleans Parish to improve drainage infrastructure as part of the Southeast Louisiana Urban Drainage program, which is critical in protecting the New Orleans MSA from flooding caused by rain-only storm events.

No assurance can be given that the proposed flood protection system improvements will prevent wind and flooding resulting from future significant weather events.

Factors Affecting the Airline Industry

General

Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Bonds issued under the General Indenture (including the Series 2017 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; disruptions caused by airline accidents, acts of war or terrorism and weather and natural disasters; 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; Airport capacity constraints; competition from neighboring airports; governmental regulation, including securities regulation and taxes imposed on airlines and passengers, and maintenance and environmental requirements; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

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 Southwest, Delta and United, to make the necessary investments to continue providing service. 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 that occurred between 2008 and 2009. U.S. carriers have continued to exercise significant capacity discipline in recent years by eliminating unprofitable routes and redundant services, reducing service at smaller hubs and in less profitable markets, and focusing on the use of right-size aircraft to serve markets.

In addition to revenues received from the airlines, the Aviation Board derives a substantial portion of its revenues from parking operations, food and beverage concessions, retail concessions, and others. Declines in passenger traffic at the Airport may adversely affect the commercial operations of many of such concessionaires. While the Aviation Board's agreements with retail, food and beverage concessionaires require them to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Aviation Board's control. Changes in demand, decreases in aviation activity and their potential effect on enplaned passenger traffic at the Airport may result in reduced Revenues and Passenger Facility Charges. Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, airline concentration, international conflicts and threats of terrorism and structural changes in the travel market. See also "- **Aviation Security and Health Safety Concerns**" below for additional discussion on the costs of security.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. Between 2008 and 2009, the U.S. economy experienced a recession, which was followed by weak economic growth. More recently, the significant improvement in economic conditions in the U.S. has contributed to the rebound in aviation activity levels nationwide. It is not known at this time whether the improving national unemployment rate or the positive rate of national economic growth will continue beyond 2016 and what effect, if any, they will have on the air transportation industry.

Cost of Aviation Fuel

Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America (an airline trade association, formerly known as Air Transport Association of America), 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 and resulting demand for oil-based fuels, the levels of inventory carried by industries, the amounts of reserves maintained by governments, the amount and availability of new sources of oil (e.g., U.S. fracking operations), disruptions to production and refining facilities and weather.

There has been no shortage of aviation fuel since the fuel crisis of 1974, but there have been significant price increases for fuel. From 2000 to 2008, the price of aviation fuel more than tripled. Oil prices reached an all-time record high of approximately $145 per barrel in July 2008, and while oil prices have declined from this elevated level, they have fluctuated significantly since then. During the second half of calendar year 2014, an imbalance between worldwide supply and demand resulted in a significant drop in the price of oil and aviation fuel. As of January 3, 2017, according to Business Insider, the price of Brent crude oil futures was $58.13 a barrel. According to Form 41 (USDOT), for calendar year 2015, fuel expenses were approximately 21.6% of U.S. passenger airline operating costs. Historically, significant fluctuations and prolonged increases in the cost of aviation fuel have adversely affected air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel; to invest in new, more fuel efficient aircraft and equipment; and to increase airfares and institute fuel, checked baggage, and other extra surcharges, all of which may reduce demand for air travel.

Many airlines engage in or have engaged in fuel hedging – purchasing fuel in advance at a fixed price through derivative contracts – to help manage the risk of future increases in fuel costs. However, there can be no assurance that any fuel hedging contract can provide any particular level of protection from volatile fuel prices.

Airline Concentration; Effect of Airline Industry Consolidation; Cancellation of Flights by Airlines

In 2005, ten major airlines were flying inside the United States of America (AirTran, Alaska Airlines, American Airlines, America West, Continental, Delta, Northwest, Southwest, United and U.S. Airways) and accounted for 87.0% of all available seats. Faced with declining profitability because of increases costs of aviation fuel, lower fares brought on by the proliferation of low cost carriers, reduced growth potential in the domestic markets and declining passenger activity based on security concerns, the airlines pursued consolidation. As a result of these consolidations, today there are four major network airlines flying inside in the United States of America (American, Delta, Southwest and United), that account for approximately 83% of domestic capacity.

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated air carriers, Mesaba, Pinnacle (now known as Endeavor) and Compass; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; and (d) effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways continue to operate as separate airlines until their operations have been fully integrated. As of the date of this Official Statement, none of these mergers have had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service and enplanements at the Airport or on Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced Net PFC Revenues and/or increased costs for the other airlines serving the Airport.

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

Effect of Airline Bankruptcies

General

Since December 2000, numerous airlines have filed for bankruptcy protection including, among others, ATA Airlines (f/k/a American Trans Air), Northwest, Delta, including its subsidiary Comair, Mesaba, MN Airlines (d/b/a Sun Country Airlines) (which filed for protection twice), US Airways (which filed for protection twice), UAL Corporation, the parent of United, AMR Corporation, the parent of American Airlines and American Eagle, Air Canada and Frontier. Some of these airlines have emerged from bankruptcy. Only ATA Airlines, Delta, U.S. Airways, United, American, Frontier, Northwest, and Sun Country operated at the Airport at the time of their respective filings for bankruptcy protection, and each such airline except for Northwest, Sun Country, and ATA Airlines continues to operate at the Airport.

Additional bankruptcies, liquidations or major restructurings of the airlines could occur.

Bankruptcy Code Rules

As with all bankruptcies, the success or failure of the debtor depends in part on the legal and business circumstances – for example, has the airline filed seeking relief under Chapter 7 of the Bankruptcy Code (liquidation) or Chapter 11 of the Bankruptcy Code (reorganization) and, if Chapter 11 of the Bankruptcy Code, is the airline able to continue to operate and is the airline's lender(s) and other major creditors being cooperative and supportive.

Assuming any agreements (an "**Airline Agreement**") between the debtor airline in question and the Aviation Board are executory contracts or unexpired leases (collectively an "**Executory Contract**"), then the airline has the right either to assume or to reject the Airline Agreement subject to Bankruptcy Court approval. Section 365 of the Bankruptcy Code applies to Executory Contracts. The various rules for Executory Contracts depend in part on whether the airline has filed for relief under Chapter 7 of the

Bankruptcy Code or Chapter 11 of the Bankruptcy Code and whether the Executory Contract at issue (e.g., the Airline Agreement) is a lease of residential real property or a lease of non-residential real property or a lease of personal property or a contract (and not a lease).

Assuming any Airline Agreement is an Executory Contract and is an unexpired lease of property under which the airline is the lessee, and further assuming the airline has filed for Chapter 11 of the Bankruptcy Code relief, then (a) if the Executory Contract is a lease of personal property, the airline can either assume or reject it (subject to Bankruptcy Court approval) at any time before the confirmation of a plan, but the Bankruptcy Court can shorten or lengthen that period, and (b) if the Executory Contract is a lease of non-residential real property, then the airline can either assume or reject it (subject to Bankruptcy Court approval) by the earlier of (i) 120 days after the date of the order for relief (generally, the date a voluntary Chapter 11 of the Bankruptcy Code case is filed) or (ii) the date of entry of an order confirming a plan, but the Bankruptcy Court again may extend this period for 90 days on a motion showing cause to do so.

In General, assumption of an Executory Contract (subject to Bankruptcy Court approval) requires that the airline (a) cure all defaults or provides adequate assurance it will promptly cure all defaults (with exceptions and limitations for non-monetary defaults), (b) compensates or provides adequate assurance it will promptly compensate the other party for any actual pecuniary loss resulting from the default, and (c) provides adequate assurance of future performance of the Executory Contract. Certain types of Executory Contracts cannot be assumed – e.g., an Executory Contract to make a loan or one for personal services.

The Bankruptcy Code also has rules requiring the debtor airline to perform its obligations (with exceptions and limitations for non-monetary obligations) under Executory Contracts after a Chapter 11 filing which involve non-residential real property or personal property, subject to some time and other exceptions and limitations.

The Bankruptcy Code also has rules regarding (and allowing) debtors to assign Executory Contracts which have been assumed.

The Bankruptcy Code also has rules regarding the rejection of Executory Contracts by a debtor airline. Generally, a rejection of an Executory Contract constitutes a breach of it and the Aviation Board would have an unsecured claim against the airline as a result of such rejection. If the Executory Contract is a lease, the Bankruptcy Code limits the lessor's unsecured claims arising from a rejection to (a) the greater of the rent, without acceleration, for (i) one year or (ii) 15%, not to exceed three years, of the remaining term of the lease, following the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property), plus (b) any unpaid rent due under the lease, without acceleration, through the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property).

The Bankruptcy Code also has special rules (Section 1110) for the rights of a secured party with a security interest in equipment of an airline (such as aircraft, aircraft engines, propellers, appliances and spare parts) in a Chapter 11 case, or of a lessor or conditional vendor of such equipment of an airline in a Chapter 11 case, regarding the taking of possession of such equipment and enforcing its rights and remedies. Generally, these rules require the airline to agree to perform its obligations under such security agreement, lease or conditional sale contract within certain time limitations (with exceptions and limitations for non-monetary defaults) subject to approval of the Bankruptcy Court. If the debtor airline fails to do so, then the automatic stay no longer applies and the secured creditor, lessor, or conditional vendor can enforce its rights under the applicable agreement.

The Bankruptcy Code also has rules regarding payments made by an airline within 90 days before a bankruptcy case filing that allow the airline to recapture such payments if they are deemed to be an "avoidable preference." These rules are complicated and contain exceptions and defenses.

The Bankruptcy Code also has rules regarding the confirmation of a Chapter 11 reorganization plan and/or the sale of assets of a debtor airline. A discussion of these rules would be complex and lengthy, and any potential investor should seek the advice of its legal counsel regarding them.

In general, if an airline files a bankruptcy case, the Aviation Board would be subject to risks, including, among others and without limitation, the risks of (i) delay (which could be substantial) in receiving payments due it, (ii) receiving only reduced payments of amounts due it, (iii) receiving none of the payments due it, (iv) having to return previous payments it received from the airline, (v) having its Executory Contracts with the airline rejected (or negotiating new terms to avoid rejection), and (vi) delay (which could be substantial) in enforcing any of its rights and remedies under Executory Contracts with an airline or being prohibited from enforcing them. Bankruptcy Courts are courts of equity. While the Bankruptcy Code has rules (some of which are summarized above), a Bankruptcy Court generally has the power to render equity as it deems appropriate. The bankruptcy process can be protracted and expensive. Any potential investor should seek the advice of its legal counsel regarding the effects of a bankruptcy of an airline.

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

Pre-Petition Obligations

During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a Bankruptcy Court order, make any payments to the Aviation Board arising on account of goods and services provided to the airline prior to the bankruptcy, subject to the rules on Executory Contracts. Thus, the Aviation Board's stream of payments from a debtor airline could also be interrupted to the extent of pre-petition goods and services supplied to the airline, subject again to the rules on Executory Contracts and the general risks of bankruptcy discussed herein.

Aviation Security and Health Safety Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against future terrorist incidents 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 TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies. The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures.

No assurance can be given that these precautions will be successful. Also, the possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior and airline passenger demand.

Public health and safety concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, while the United States Centers for Disease Control and Prevention ("**CDC**") and the World Health Organization ("**WHO**") did not recommend that people avoid domestic or international travel, concerns about the spread of influenza caused by the H1N1 virus reduced international air travel, particularly to and from Mexico and Asia. In 2014, an outbreak of Ebola in West Africa and the discovery of a patient and health care workers infected with Ebola in the United States have again raised concerns about the spread of communicable disease through air travel. Most recently, in January, 2016, the CDC issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus, which has been linked to a type of birth defect called microcephaly, is spreading, a list that currently includes over 50 countries and territories, primarily in the Caribbean, Central America, South America and certain Pacific Islands, as well as the State of Florida.

Regulations and Restrictions Affecting the Airport

The operations of the Airport System are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Agreements and the Operating Agreements, the federal acts authorizing the imposition, collection and use of Passenger Facility Charges and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security and the Aviation Board management.

It is not possible to predict whether future restrictions or limitations on Airport System operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or Net PFC Revenues for capital projects for the Airport System, whether additional requirements will be funded by the federal government whether such restrictions or legislation or regulations would adversely affect Net Revenues. See "**- Aviation Security and Health Safety Concerns**" above.

Ability to Meet Rate Covenant

As described in "**SECURITY FOR THE SERIES 2017 BONDS - Rate Covenants under the General Indenture**" in this document, the Aviation Board has covenanted in the Indenture that it will at all times fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that in each Fiscal Year, the rate covenant set forth in the Indenture is met. In addition to Net Revenues, the Aviation Board expects to pay a portion of the debt service on the Series 2017 Bonds with PFCs deposited to the Transferred PFC Account of the Debt Service Fund. PFCs deposited to the PFC Account of the Debt Service Fund constitute Revenues for purposes of the Rate Covenants.

If Net Revenues (and PFCs expected to be used to pay Series 2017 Bonds debt service) were to fall below the levels necessary to meet the rate covenant in any Fiscal Year, the Indenture provides for procedures under which the Aviation Board would retain and request an Airport Consultant to make recommendations as to the revision of the Aviation Board's rentals, rates, fees and other charges, its Operating and Maintenance Expenses or the method of operation of the Airport System in order to satisfy as quickly as practicable the rate covenant set forth in the Indenture. The Indenture provides that so long as the Aviation Board substantially complies in a timely fashion with the recommendations of the Airport Consultant, the Aviation Board will not be deemed to have defaulted in the performance of its duties under the Indenture even if the resulting Net Revenues plus Other Available Funds are not sufficient to be in compliance with the rate covenant set forth in the Indenture, so long as Debt Service is paid when due.

Increasing the schedule of rentals, rates, fees and other charges for the use of the Airport System and for services rendered by the Aviation Board in connection with the Airport System is subject to contractual, statutory and regulatory restrictions. Implementation of an increase in the schedule of rentals, rates, fees and other charges for the use of the Airport System could have an unfavorable impact on the operation of the Airport System by making the cost of operating at the Airport System unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport System. Notwithstanding this potential impact, the Airline Agreements acknowledge the existence of the rate covenant under the Indenture and include an agreement by the Signatory Airlines to pay such rentals, rates, fees and charges.

Availability of PFCs and PFC Approval

Pursuant to the PFC Act, the FAA has approved the Aviation Board's applications to require the airlines to collect and remit to the Aviation Board a $4.50 PFC on each enplaning revenue passenger at the Airport until February 1, 2026, after which the collection level becomes $3.00 per passenger. See "**THE PASSENGER FACILITY CHARGE PROGRAM.**"

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

The PFC Act requires an airline in bankruptcy protection to segregate PFCs from all of its other revenues.

It is possible that the Aviation Board could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Aviation Board cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFCs revenues owed to the Aviation Board or whether the bankruptcy estate would have sufficient moneys to pay the Aviation Board in full for the PFCs revenues owed by such airline. All of the airlines that were operating at the Airport at the time of their respective filings for bankruptcy protection and during the time they operated at the Airport while under bankruptcy protection submitted to the Aviation Board all of the PFCs collected by them.

The Aviation Board expects to use PFCs to pay a portion of the debt service on the Series 2017 Bonds.

Not all PFCs are pledged to the payment of the Series 2017 Bonds; only PFCs credited to the Excess PFC Funds under the PFC Indenture that are transferred to the Transferred PFC Account of the Debt Service Fund are pledged to and will pay debt service on the Series 2017 Bonds.

The amount of PFCs received by the Aviation Board in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. See "**- Factors Affecting the Airline Industry**" above. Additionally, the FAA may terminate the Aviation Board's authority to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects

in accordance with the FAA's approval, the PFC Act or regulations promulgated by the FAA under authority of the PFC Act ("**PFC Regulations**"), or (b) the Aviation Board otherwise violates the PFC Act or the PFC Regulations. The Aviation Board's authority to impose a PFC may also be terminated if the Aviation Board violates certain provisions of the Airport Noise and Capacity Act of 1990 (the "**ANCA**") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Aviation Board's authority to impose a PFC would not be summarily terminated. No assurance can be given that the Aviation Board's authority to impose a PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Aviation Board or that the Aviation Board will not seek to decrease the amount of PFCs to be collected, provided such decrease does not violate the Aviation Board's covenant in the Indenture. A shortfall in PFCs may cause the Aviation Board to increase rates and charges at the Airport to meet the debt service requirements on the Series 2017 Bonds that the Aviation Board plans to pay from PFCs, and/or require the Aviation Board to identify other sources of funding for its capital program, including issuing Additional Bonds and/or Subordinate Obligations, to finance the pay-as-you-go projects currently expected to be paid with PFCs.

Availability of Funding for the Long Term Development Plan

The Aviation Board's plan of finance assumes that proceeds of the Series 2017 Bonds, PFCs, federal grants, and other available revenues of the Aviation Board will be received by the Aviation Board in certain amounts and at certain times to pay the costs of the planned projects described in "**SOURCES AND USES - Funding Plan for the North Terminal Project**" and "**REPORT OF THE AVIATION CONSULTANT**". No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed.

To the extent that any portion of the funding assumed in the plan of finance for the Long Term Development Plan is not available as anticipated, the Aviation Board may be required to defer or remove projects or issue Additional Bonds and/or Subordinate Obligations to pay the costs of such projects.

Federal Funding

On July 15, 2016, the "FAA Extension, Safety, and Security Act of 2016" (H.R. 636) was signed into law which extends authorization for FAA programs and related revenue authorities through September 30, 2017. The FAA reauthorization retained the federal cap on PFCs at $4.50 and authorized $3.35 billion per year for the Airport Improvement Program ("**AIP**") through Fiscal Year 2017. AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set- asides and the national priority ranking system). There can be no assurance that the FAA will receive spending authority. The Aviation Board is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Aviation Board for the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Aviation Board would need to fund from other sources (including surplus revenues, additional Revenue Bonds or Subordinate Obligations), (ii) result in decreases to Planned CIP Projects or (iii) extend the timing for completion of certain projects. See "**CAPITAL IMPROVEMENT PROGRAM**" in this document.

As mentioned above, the current FAA authorization statute will expire on September 30, 2017. Congress has held hearings on a long-term FAA reauthorization act but, as of the date of this Official Statement, no long-term reauthorization legislation has been approved by either house of Congress. Prior to the last reauthorization act, Congress enacted over 20 continuing resolutions providing temporary

funding for the FAA and its programs, and during this period, funding for non-essential operations of the FAA was terminated once. There can be no assurance that Congress will enact and President Trump will sign a FAA reauthorization act before the current authorization terminates. Failure to adopt such legislation could have a material adverse impact on U.S. aeronautical operations as well as on the AIP grant program.

Forward-Looking Statements

This Official Statement, including the Appendices and the documents incorporated by reference in this document, contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices in this document, that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the Airport Consultant's Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Aviation Board and the Airport Consultant, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform to expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "**INVESTMENT CONSIDERATIONS**" caption in this document as well as additional factors beyond the Aviation Board's control. The risk factors and assumptions described under such caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices in this document are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Net Revenues or the operations of the Airport. All subsequent forward-looking statements attributable to the Aviation Board or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Aviation Board on the date hereof, and the Aviation Board does not assume any obligation to update any such forward-looking statements.

The forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to numerous 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, 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, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Aviation Board's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Aviation Board's independent auditors have not been consulted in connection with the preparation of any financial projections contained

in this Official Statement and the Aviation Board's independent auditors assume no responsibility for its content.

Assumptions in the Airport Consultant's Report

As noted in the Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may and are likely to occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular set of facts or circumstances, and prospective purchasers of the Series 2017 Bonds are cautioned not to place undue reliance upon the forecast in the Report of the Aviation Consultant or upon any other forecasts or projections or requirements for forecasts or projections. If actual results are less favorable than the results forecast or projected or if the assumptions used in preparing such forecasts or projections prove to be incorrect, the Aviation Board's ability to make timely payment of the principal of and interest on all of its obligations, including the Series 2017 Bonds, may be materially and adversely impaired. See "**Appendix C – REPORT OF THE AIRPORT CONSULTANT**" in this document. See "**TAX MATTERS**" herein.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS

The following is a summary of certain United States of America federal income tax consequences of the ownership of the Series 2017 Bonds as of the date hereof. Each prospective investor should consult with such investor's own tax advisor regarding the application of United States of America federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Internal Revenue Code of 1986 (the "**Code**"), as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2017 Bonds, generally, and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, it generally is addressed only to original purchasers of the Series 2017 Bonds that are "U.S. holders" (as defined below), deals only with Series 2017 Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, FASITs, S-corporations, persons that hold Series 2017 Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, except as described below, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Series 2017 Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a Beneficial Owner of a Series 2017 Bond. A "non-U.S. investor" is a holder (or beneficial owner) of a Series 2017 Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States of America, a corporation or partnership created or organized in or under the laws of the United States of America or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate, the income of which is subject to United States of America federal income taxation regardless of its source, or a trust if (i) a United States of America court is able to exercise primary supervision over the trust's administration and (ii) one or more United States of America persons have the authority to control all of the trust's substantial decisions.

Tax Status of Series 2017 Bonds

In the opinion of Foley & Judell, L.L.P. and Auzenne & Associates, L.L.C ("**Co-Bond Counsel**"), under existing law and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants described herein, interest on the Series 2017A Bonds, Series 2017B Bonds, the Series 2017D-1 Bonds, and the Series 2017D-2 Bonds (together, the "**Tax-exempt Bonds**") is excluded from gross income for federal income tax purposes under Section 103 of the Code, except that no opinion is expressed as to the status of interest on the Series 2017B Bonds or the Series 2017D-2 Bonds for any period that either such bond is held by a "substantial user" of the facilities financed by such bonds or by a "related person" within the meaning of Section 147(a) of the Code. Co-Bond Counsel is of the further opinion that interest on the Series 2017A Bonds and the Series 2017D-1 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Co-Bond Counsel is also of the opinion that interest on the Series 2017C Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and that the interest on the Series 2017 Bonds is exempt from all taxation for state, parish, municipal, or other purposes in the State. The proposed form of opinion of Co-Bond Counsel is set forth in Appendix D hereto.

The Series 2017A Bonds, the Series 2017B Bonds and the Series 2017D Bonds have been sold to the public at a premium (collectively, the "**Premium Bonds**"). The premium is the excess of the issue price over the stated redemption price at maturity and must be amortized on an actuarial basis by the owner of the Premium Bonds from the date of acquisition of the Premium Bonds through the maturity date thereof. The premium is not deductible for federal income tax purposes, and owners of the Premium Bonds sold at a premium are required to reduce their basis in such Premium Bonds by the amount of premium that accrued while they owned such Premium Bonds. Owners of the Premium Bonds should consult their own tax advisors as to the federal income tax purposes of the amount of premium purposes of determining the taxable gain or loss upon the sale or other disposition of the Premium Bonds (prior to maturity and at maturity), and all other federal tax consequences and any state and local tax aspects of owning the Premium Bonds.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-exempt Bonds. The Aviation Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-exempt Bonds. The opinion of Co-Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Co-Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Co-Bond Counsel's attention after the date of issuance of the Tax-exempt Bonds, may adversely affect the value of, or the tax

status of interest on, the Tax-exempt Bonds. Accordingly, the opinion of Co-Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Co-Bond Counsel is of the opinion that interest on the Tax-exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from all taxation for state, parish, municipal, or other purposes in the State, the ownership or disposition of, or the accrual or receipt of interest on, the Tax-exempt Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Co-Bond Counsel expresses no opinion regarding any such other tax consequences.

Tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Tax-exempt Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to state taxation, or otherwise prevent the beneficial owners of the Tax-exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Tax-exempt Bonds. For example, ongoing negotiations between the Executive and Legislative Branches of the government of the United States of America to resolve federal budget deficits may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Tax-exempt Bonds. It cannot be predicted whether or in what form any such tax legislation might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced and proposed, and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-exempt Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Tax-exempt Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Tax-exempt Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations. The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-exempt Bonds, and Co-Bond Counsel has expressed no opinions as of any date of issuance and delivery of the Tax-exempt Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

The opinion of Co-Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Co-Bond Counsel's judgment as to the proper treatment of the Tax-exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("**IRS**") or the courts. Furthermore, Co-Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Aviation Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Aviation Board has covenanted, however, to comply with the requirements of the Code.

Co-Bond Counsel's engagement with respect to the Tax-exempt Bonds ends with the issuance of the Tax-exempt Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Aviation Board or the Beneficial Owners regarding the tax-exempt status of the Tax-exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Aviation Board and the Beneficial Owners and their appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Aviation Board legitimately disagrees may not be practicable. Any action of the IRS, including

but not limited to selection of the Tax-exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-exempt Bonds, and may cause the Aviation Board or the Beneficial Owners to incur significant expense.

LEGAL MATTERS

No litigation has been filed questioning the validity of the Series 2017 Bonds or the security thereof and a certificate to that effect will be delivered by the Issuer to the Underwriters (hereinafter defined) upon the issuance of the Series 2017 Bonds.

The approving opinion of Co-Bond Counsel is limited to the matters set forth therein, and Co-Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Co-Bond Counsel 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 Co-Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Co-Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinion.

A manually executed original of such opinion will be delivered to the Underwriters on the date of payment for and delivery of the Series 2017 Bonds. The proposed form of said legal opinion appears in **Appendix D** to this Official Statement. For additional information regarding the opinion of Co-Bond Counsel, see the preceding section titled "**TAX MATTERS**." The compensation of Co-Bond Counsel is contingent upon the sale and delivery of the Series 2017 Bonds.

Certain other legal matters will be passed upon for the Underwriters by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana and Golden Holley James LLP, Atlanta, Georgia.

AUDITED FINANCIAL STATEMENTS

The financial statements of the Airport for Fiscal Years ended December 31, 2015 and 2014, included as **Appendix F** to this Official Statement, have been audited respectively by Postlethwaite & Netterville, APAC, of New Orleans, Louisiana to the extent, and for the periods indicated in the report. It should be noted that such financial statements are prepared in accordance with generally accepted accounting principles which may not be consistent with the methods used in accounting for Revenues under the Indenture.

The Airport's independent auditors have not complied, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

BOND RATINGS

S&P Global Ratings, Moody's Investors Service, Inc. and Fitch Ratings, Inc. have assigned their long-term ratings of "A-" (Stable Outlook), "A3" (Stable Outlook) and "A-" (Stable Outlook), respectively, to the Series 2017 Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2017 Bonds. Any desired explanation of the

significance of such ratings should be obtained from the rating agency furnishing the same, at the following corporate addresses:

S&P Global Ratings
55 Water Street
New York, New York 10041
Telephone: (212) 438-2076

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Telephone: (212) 553-0300

Fitch Ratings, Inc.
One State Street Plaza
New York, New York 10004
Telephone: (212) 908-0500

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such ratings agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2017 Bonds.

VERIFICATION OF COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the Aviation Board relating to (a) computation of forecasted receipts of principal and interest on the Defeasance Obligations (and the forecasted payments of principal and interest to pay at maturity or earlier redemption the Refunded Bonds) and (b) computation of the yields on the Series 2017 Taxable Bonds and the Defeasance Obligations was verified by Terminus Analytics. Such computations were based solely on assumptions and information supplied by the Underwriters on behalf of the Aviation Board. Terminus Analytics has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

UNDERWRITING

Citigroup Global Markets Inc., as Senior Managing Underwriter, and Backstrom McCarley Berry & Co., LLC, Blaylock Van, LLC, Dorsey & Company, Inc., Harvestons Securities, Inc., Loop Capital Markets, Siebert Cisneros Shank & Co., L.L.C. and Sisung Securities Corporation (collectively, the "**Underwriters**") have agreed to purchase the Series 2017 Bonds from the Aviation Board at an aggregate purchase price of $459,964,766.50 (consisting of the $420,690,000.00 face amount of the Series 2017 Bonds, plus original issue premium of $39,759,610.65, less $484,844.15 underwriting discount); provided, however, the Series 2017D Bonds are being sold by the Issuer to the Underwriters on a forward delivery basis on the Settlement Date. The Bond Purchase Agreement (the "**Purchase Agreement**") between the Underwriters and the Aviation Board provides that the Underwriters will purchase all of the

Series 2017 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2017 Bonds is subject to various conditions contained in the Purchase Agreement.

The Underwriters intend to offer the Series 2017 Bonds to the public at the initial offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2017 Bonds to the public. The Underwriters may offer and sell the Series 2017 Bonds to certain dealers at prices lower than the public offering price. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2017 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Citigroup Global Markets Inc., an underwriter of the Series 2017 Bonds, has entered into a retail distribution agreement with and UBS Financial Services Inc. ("**UBSFS**"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for its selling efforts with respect to the Series 2017 Bonds.

Backstrom McCarkley Berry & Co., LLC ("**BMcB**"), one of the Underwriters, has entered into separate distribution agreements (each a "**Distribution Agreement**") with UMB Financial Corp ("**UMB**"), and Hilltop Securities ("**Hilltop**") that enables each distributor to distribute certain new issue municipal securities underwritten by or allocated to BMcB, which could include the Series 2017 Bonds. Under these Distribution Agreements, BMcB may share with UMB and Hilltop a portion of the fee or commission paid to BMcB.

Blaylock Van, LLC ("**Blaylock Van**" or "**BV**") has entered into a distribution agreement (the "**BV Distribution Agreement**") with TD Ameritrade, Inc. ("**TD**") for the retail distribution of certain municipal securities offerings underwritten by or allocated to Blaylock Van, including the Series 2017 Bonds. Under the BV Distribution Agreement, Blaylock Van will share with TD a portion of the underwriting compensation paid to BV.

Siebert Cisneros Shank & Co., L.L.C. (formerly known as Siebert Brandford Shank & Co., L.L.C.) has entered into a separate agreement with Muriel Siebert & Co. for retail distribution of certain securities offerings, at the original issue prices. Pursuant to this distribution agreement, if applicable to the Series 2017 Bonds, Muriel Siebert & Co. will purchase Series 2017 Bonds at the original issue price less the selling concession with respect to any Series 2017 Bonds that such entity sells. Siebert Cisneros Shank & Co., L.L.C. will share a portion of its underwriting compensation with Muriel Siebert & Co.

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 Issuer 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 (other 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 Issuer.

CERTAIN FORWARD DELIVERY CONSIDERATIONS, ACKNOWLEDGEMENTS AND RISKS

The following is a summary description of certain provisions of the Forward Delivery Bond Purchase Contract which the Aviation Board entered into on May 11, 2017 (the "**Sale Date**") with Citigroup Global Markets Inc. (the "**Representative**") on behalf of itself and the other underwriters named therein, and the conditions therein (the "**Forward Delivery Contract**"). Subject to the terms of the Forward Delivery Contract, the Aviation Board expects to issue and deliver the Series 2017D Bonds on or about October 4, 2017, or on such later date as is mutually agreed upon by the Aviation Board and the Representative (the "**Settlement Date**").

The obligation of the Underwriters to purchase the Series 2017D Bonds from the Aviation Board is subject to the satisfaction of certain conditions on May 25, 2017 (the "**Preliminary Closing Date**"), and on the Settlement Date. The conditions to be satisfied during the period from and including the Sale Date to and including the Preliminary Closing Date are, in general, comparable to those in connection with bond closings that utilize a standard two to three week period between sale dates and settlement dates. Because of the forward delivery in connection with the sale and settlement of the Series 2017D Bonds, there are certain additional termination rights and settlement conditions that are not generally present in bond transactions that do not involve a forward delivery. Certain of those additional rights and conditions are summarized below.

BY PLACING AN ORDER WITH THE UNDERWRITERS FOR THE PURCHASE OF THE SERIES 2017D BONDS, THE PURCHASER ACKNOWLEDGES AND AGREES THAT THE SERIES 2017B BONDS ARE BEING SOLD ON A "FORWARD" BASIS AND THAT THE PURCHASER IS OBLIGATED TO ACCEPT DELIVERY OF AND PAY FOR THE SERIES 2017D BONDS ON THE SETTLEMENT DATE SUBJECT TO THE CONDITIONS IN THE FORWARD DELIVERY CONTRACT, AND THAT EACH INVESTOR MAY BE REQUIRED TO SIGN, AND DELIVER TO THE REPRESENTATIVE, AN INVESTOR LETTER AS A CONDITION TO ANY SERIES 2017D BONDS BEING ALLOCATED TO SUCH INVESTOR. ADDITIONALLY, EACH INVESTOR ACKNOWLEDGES AND AGREES THAT ANY SALE OF THE SERIES 2017D BONDS BY THE INVESTOR DURING THE DELAYED DELIVERY PERIOD (AS DEFINED BELOW) MAY BE REQUIRED TO BE ACCOMPANIED BY AN INVESTOR LETTER EXECUTED BY THE NEW PURCHASER, TOGETHER WITH DELIVERY OF THE OFFICIAL STATEMENT TO THE NEW PURCHASER.

Settlement Date

The Underwriters' obligations under the Forward Delivery Contract to purchase, accept delivery of, and pay for the Series 2017D Bonds on the Settlement Date are conditioned upon the performance by the Aviation Board of its obligations thereunder, the delivery of certain certificates and legal opinions, and the satisfaction of other conditions as of the Settlement Date. The Underwriters may terminate the Forward Delivery Contract without liability at any time after the Preliminary Closing Date and on or prior to the delivery of and payment for the Series 2017D Bonds (the "**Settlement**") if any of the following shall occur during such period (the "**Delayed Delivery Period**"):

(a) as a result of a Change in Law or for any other reason, Co-Bond Counsel does not expect to be able to issue an opinion substantially in the form and to the effect set forth in **Appendix D** to this Official Statement, except solely as a result of the occurrence of any of the events described in clauses (i) through (iv) of the definition of "Change in Law" that applies to "state or local bonds" regardless of when issued and results in the holder of

a Series 2017D Bond not being able to utilize the full benefit of the exclusion from gross income for federal income tax purposes of interest payable on the Series 2017D Bonds;

(b) as a result of the occurrence of any of the events described in clauses (i) through (iv) of the definition of "Change in Law" that applies only to "state or local bonds" that are issued and delivered after the Preliminary Closing Date (such as the Series 2017D Bonds), the holder of a Series 2017D Bond is not able to utilize the full benefit of the exclusion from gross income for federal income tax purposes of interest payable on the Series 2017D Bonds;

(c) for any reason, including a Change in Law, the issuance, offering, or sale of the Series 2017D Bonds as contemplated by this Forward Delivery Purchase Contract or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended;

(d) an event of default has occurred and is continuing, technical or otherwise, under the Indenture; or

(e) as of the Settlement Date, the Series 2017D Bonds are not rated (or any rating is suspended) by either Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or Fitch Ratings, Inc. See "**BOND RATINGS**" herein.

If the holder of a Series 2017D Bond is not able to utilize the full benefit of the exclusion from gross income for federal income tax purposes of interest payable on the Series 2017D Bonds as a result of a change that applies to all "state or local bonds," regardless of when issued, the Underwriters will not have a right to terminate their obligation to purchase the Series 2017D Bonds under the Forward Delivery Contract and the purchasers will be required to accept delivery of the Series 2017D Bonds.

"Change of Law" is defined as any of the following: (i) any change of or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies or self-regulatory bodies, (ii) any legislation enacted by the Congress of the United States or recommended for passage by the President of the United States (whether or not such enacted or recommended legislation has a proposed effective date which is on or before the Settlement Date), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency or self-regulatory bodies (whether or not such proposed or enacted law, rule or regulation has a proposed effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, all of which in any such case (as provided in (i) - (iii) above), would, (A) as to the Underwriters, legally prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) their purchase of the Series 2017D Bonds as provided in the Forward Delivery Contract or the sale of the Series 2017D Bonds or beneficial ownership interests therein to the public or, (B) as to the Aviation Board, make illegal the issuance, sale or delivery of the Series 2017D Bonds (or have the retroactive effect of making illegal such issuance, sale or delivery, if enacted, adopted, passed or finalized); (C) eliminate the exclusion from gross income of interest on the Series 2017D Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized); or (D) require the Series 2017D Bonds to be registered under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, or require the Indenture to be qualified under the Trust Indenture Act of 1939, as amended (or have the retroactive effect of requiring such registration or qualification if enacted, passed, finalized or adopted).

If at any time after the Preliminary Closing Date, and on or prior to the Settlement Date, Co-Bond Counsel determines that it is unable for any reason, including a Change of Law, to deliver the Co-Bond Counsel Opinion in substantially the form attached hereto as **Appendix D** (the "**Co-Bond Counsel Opinion**"), Co-Bond Counsel will provide written notice thereof to the Aviation Board and the Representative (the "**Co-Bond Counsel Notice**"). Unless the Aviation Board notifies the Representative within five business days of receipt of the Co-Bond Counsel Notice that it has retained a new firm or firms to deliver the Co-Bond Counsel Opinion, the Underwriters will have the right to terminate their obligations under the Forward Delivery Contract.

During the period of time between the date of this Official Statement and the Settlement Date, certain information contained in this Official Statement could change in a material respect. The Aviation Board has agreed to amend or supplement this Official Statement with an updated Official Statement not more than 25 days or less than 10 days prior to the Settlement Date. Although the Aviation Board is not aware, as of the date of this Official Statement, of any information that would lead it to believe that it will be unable to satisfy its obligations under the Forward Delivery Contract on the Settlement Date, no assurances can be made that, as of the Settlement Date: (i) there will have been no Change of Law; (ii) the facts and circumstances that are material to one or more of the required legal opinions will not differ from the facts and circumstances as of the Preliminary Closing Date, or (iii) that all necessary certifications and representations can or will be delivered and made in connection with the proposed issuance and delivery of the Series 2017D Bonds. As a consequence of any of the foregoing, one or more of the foregoing legal opinions may not be rendered or one or more of the Settlement Date conditions in the Forward Delivery Contract may not be met, with the possible result that the Settlement will not occur.

NONE OF THE UNDERWRITERS (NOR, IN TURN, YOU AS PURCHASER OF THE SERIES 2017D BONDS FROM THE UNDERWRITERS) MAY REFUSE TO PURCHASE THE SERIES 2017D BONDS BY REASON OF "GENERAL MARKET OR CREDIT CHANGES," INCLUDING, BUT NOT LIMITED TO, (A) CHANGES IN THE RATINGS ASSIGNED TO THE SERIES 2017D BONDS ON THE PRELIMINARY CLOSING DATE OR (B) CHANGES IN THE FINANCIAL CONDITION, OPERATIONS, PERFORMANCE, PROPERTIES OR PROSPECTS OF THE AVIATION BOARD PRIOR TO THE SETTLEMENT DATE.

Additional Risks Related to the Delayed Delivery Period

DURING THE DELAYED DELIVERY PERIOD, CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT COULD CHANGE IN A MATERIAL RESPECT. ANY CHANGES IN SUCH INFORMATION WILL NOT PERMIT THE UNDERWRITERS TO TERMINATE THE FORWARD DELIVERY CONTRACT OR RELEASE THE PURCHASERS FROM THEIR COMMITMENTS TO PURCHASE THE SERIES 2017D BONDS UNLESS THE CHANGE REFLECTS AN EVENT DESCRIBED UNDER "CERTAIN FORWARD DELIVERY CONSIDERATIONS, ACKNOWLEDGEMENTS AND RISKS - SETTLEMENT DATE." IN ADDITION TO THE RISKS SET FORTH ABOVE, PURCHASERS OF THE SERIES 2017D BONDS ARE SUBJECT TO CERTAIN ADDITIONAL RISKS, SOME OF WHICH ARE DESCRIBED BELOW, AND WHICH WILL NOT CONSTITUTE GROUNDS FOR PURCHASERS TO REFUSE TO ACCEPT DELIVERY OF AND PAY FOR THE SERIES 2017D BONDS.

Ratings Risk

Issuance of the Series 2017D Bonds and the Underwriters' obligations under the Forward Delivery Contract are not conditioned upon the assignment of any particular ratings for the Series 2017D Bonds or the maintenance of the ratings assigned to the Series 2017D Bonds as of the Preliminary Closing Date. A change in ratings does not entitle the Underwriters to terminate the Forward Delivery Contract or release the Underwriters from their obligations to purchase Series 2017D Bonds.

Secondary Market Risk

The Underwriters are not obligated to make a secondary market in the Series 2017D Bonds and no assurances can be given that a secondary market will exist for the Series 2017D Bonds during the Delayed Delivery Period. Purchasers of the Series 2017D Bonds should assume that the Series 2017D Bonds will be illiquid throughout the Delayed Delivery Period.

Market Value Risk

The market value of the Series 2017D Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2017D Bonds, the financial condition and business operations of the Aviation Board and federal, state and local income tax and other laws. The market value of the Series 2017D Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2017D Bonds and that difference could be substantial. The Underwriters will nevertheless be obligated to take delivery of and pay for the Series 2017D Bonds if the Settlement Date conditions in the Forward Delivery Contract are satisfied. Neither the Aviation Board nor the Underwriters make any representation as to the expected market price of the Series 2017D Bonds as of the Settlement Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Series 2017D Bonds as of the Settlement Date or thereafter or not have a materially adverse impact on any secondary market for the Series 2017D Bonds.

Tax Law Risk

Subject to the additional conditions of settlement described under "**CERTAIN FORWARD DELIVERY CONSIDERATIONS, ACKNOWLEDGEMENTS AND RISKS - Settlement Date**" above, the Forward Delivery Contract obligates the Aviation Board to deliver and the Underwriters to purchase and accept delivery of the Series 2017D Bonds if the Aviation Board delivers an opinion of Co-Bond Counsel with respect to the Series 2017D Bonds substantially in the form and to the effect as set forth in "**Appendix D - Form of Opinion of Co-Bond Counsel**." During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered, or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Co-Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. On the other hand, if any such action only diminishes the value, as opposed to eliminating the exclusion from gross income for federal income tax purposes of interest payable on "state or local bonds" regardless of when issued, the Underwriters would not have the right to terminate their obligations under the Forward Delivery Contract. In the latter case, the Underwriters (and you, in turn, as a purchaser of the Series 2017D Bonds from the Underwriters) would be required to accept delivery of the Series 2017D Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood that legislation affecting the treatment of interest on the Series 2017D Bonds may be enacted and the consequences of such enactment for the purchasers.

CONTINUING DISCLOSURE

General

The Aviation Board will enter into an undertaking (the "**Undertaking**") for the benefit of the owners of the Series 2017 Bonds to file, so long as the Series 2017 Bonds are outstanding, certain financial information and operating data annually and upon the occurrence of certain events, notice of certain events, in each case with the Municipal Securities Rulemaking Board ("**MSRB**") electronically through MSRB's Electronic Municipal Market Access system ("**EMMA**").

The specific nature of the information to be contained in the Annual Report or notices of material events is set forth in "**Appendix G – Form of Continuing Disclosure Certificate**", pursuant to the requirement of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, §140.15c2-12) (the "**Rule**").

A failure by the Aviation Board to comply with the Undertaking will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Series 2017 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2017 Bonds and their market price.

Prior Undertakings

The Aviation Board has entered into prior undertakings (the "**Prior Undertakings**") for the benefit of the owners of all bonds issued under (i) the General Indenture, as supplemented by Supplemental Indentures, (ii) the PFC Indenture, and (iii) the Customer Facility Charge Master Revenue Bond Trust Indenture dated as of December 1, 2009 (the "**CFC Master Indenture**") including any refundings of the foregoing. The Prior Undertakings require the Aviation Board to provide certain financial information and operating data annually and upon the occurrence of certain listed events, notice of certain listed events, in each case with the MSRB electronically through EMMA.

The following summarizes the Aviation Board's understanding with respect to non-compliance with such Prior Undertakings.

The Audited Financial Statement for the Fiscal Year ended December 31, 2011 was not filed with EMMA within eight (8) months after the end of Fiscal Year ended December 31, 2011, but was filed (a) on October 1, 2012 with respect to (i) the New Orleans Aviation Board Gulf Opportunity Zone PFC Revenue Bonds (Consolidated Rental Car Projects) Series 2009A (the "**Series 2009A Bonds**"), and (ii) the New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBS), Series 2009A-1 (the "**Series 2009A-1 Bonds**"), Series 2009A-2 (the "**Series 2009A-2 Bonds**"), Series 2009B (the "**Series 2009B Bonds**") and Series 2009C (the "**Series 2009C Bond**s"), and (b) on December 18, 2012 with respect to (i) the Series 2007 PFC Bonds, (ii) the New Orleans Aviation Board Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-1 (the "**Series 2007B-1 Bonds**") and Series 2007B-2 (the "**Series 2007B-2 Bonds**"), (iii) the New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010A (the "**Series 2010A Bonds**"), and (iv) the New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2010B (the "**Series 2010B Bonds**"). As a result of the foregoing, during the five years preceding the date of this Official Statement (the "**Compliance Period**"), the Aviation Board inadvertently failed to comply with the requirement to provide certain financial information required under the Prior Undertakings with respect to such bonds with EMMA in a timely manner.

Certain operating data with respect to the Series 2007 PFC Bonds, the Series 2007B-1 Bonds, the Series 2007B-2 Bonds, the Series 2009A Bonds, the Series 2009A-1 Bonds, the Series 2009A-2 Bonds, the Series 2009B Bonds, the Series 2009C Bonds, the Series 2010A Bonds, the Series 2010B Bonds and the Series 2015 Bonds was inadvertently not timely submitted by the Aviation Board to EMMA during the Compliance Period; however, as of the date of this Official Statement, all such filings have been filed with EMMA. In addition, certain quarterly reports relating to the Series 2009A Bonds were inadvertently not timely submitted by the Aviation Board to EMMA during the Compliance Period; however, as of the date of this Official Statement, all such reports have been filed with EMMA.

During the Compliance Period, the Aviation Board inadvertently failed to provide notice to EMMA or its predecessors with respect to downgrades of insurers relating to the Series 2007 PFC Bonds, the Series 2009A-1 Bonds and the Series 2009A-2 Bonds. As of the date of this Official Statement, all such notices have been filed with EMMA.

THE FOREGOING DESCRIPTION OF INSTANCES OF NON-COMPLIANCE BY THE AVIATION BOARD WITH PRIOR UNDERTAKINGS SHOULD NOT BE CONSTRUED AS AN ACKNOWLEDGMENT THAT ANY SUCH INSTANCE WAS MATERIAL.

The Aviation Board has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, effective August 1, 2014, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Aviation Board, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Aviation Board's auditor, as part of the preparation of the Aviation Board's annual financial audit, review the Aviation Board's compliance with its continuing disclosure undertakings and record keeping requirements.

MUNICIPAL ADVISOR

Frasca & Associates, LLC (the "**Municipal Advisor**") serves as independent registered municipal advisor to the Aviation Board on matters relating to debt management. Shift 4 Consulting and The Hackett Group serve as subcontractors to the Municipal Advisor. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Series 2017 Bonds and has reviewed and commented on certain legal documentation, including the Official Statement. The advice on the plan of financing and the structuring of the Series 2017 Bonds was based on materials provided by the Aviation Board and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated or otherwise verified the information provided by the Aviation Board or the information set forth in this Official Statement or any other information available to the Aviation Board with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information contained in this Official Statement.

MISCELLANEOUS

The references, excerpts and summaries of all documents referenced herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for the payment of the Series 2017 Bonds and the rights and obligations of the holders thereof. Copies of the documents referred to herein are available for inspection at the office of the Aviation Board, Louis Armstrong New Orleans International Airport, New Orleans, Louisiana. Any statements made in this Official Statement involving matters of opinion, forecasts, or estimates, where or not so expressly stated,

are set forth as such and not as representations of fact, and no representation is made that any of the opinions, forecasts or estimates will be realized.

This Official Statement has been deemed to be final by the Issuer as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the permitted omissions under said Rule.

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This Official Statement has been duly authorized by the Aviation Board and duly executed and delivered on its behalf by the official signing below.

NEW ORLEANS AVIATION BOARD

By: /s/ Cheryl Teamer
Cheryl Teamer, Chairwoman

APPENDIX A

MASTER DEFINITION LIST

I. GENERAL INDENTURE

"**Act**" shall mean collectively Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Section 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including without limitation La.R.S. 39:1430 and the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

"**Additional Bonds**" shall mean Bonds of the Board issued pursuant to Section 205 of the General Indenture.

"**Additional Security**" shall have the meaning set forth in Section 209 of the General Indenture and as may be provided through a Supplemental Indenture.

"**Airport**" means the Louis Armstrong New Orleans International Airport (formerly called Moisant Field) owned by the City and operated, administered and maintained by the Board as it presently exists, including all lands, buildings, hangars, runways, shops or other aviation facilities, or other facilities related or appurtenant thereto, and any additions, extensions or improvements to said Airport hereafter made or acquired. The said term "Airport" shall not include Special Facilities as defined herein whether financed with the proceeds of "Special Facility Bonds" or not or pursuant to a "Special Facility Lease," as such terms are defined herein.

"**Airport Facility**" shall mean any portion or component of the Airport System, other than a Special Facility.

"**Airport Facilities**" shall mean collectively all and each of the portions and components of the Airport System other than a Special Facility.

"**Airport Operating Account**" shall mean the account of the Airport Operating Fund described in the General Indenture.

"**Airport Operating Fund**" shall mean the fund described in the General Indenture.

"**Airport System**" shall mean all airport and aviation facilities, or any interest therein, now or from time to time hereafter owned by the City and/or operated or controlled in whole or in part by the Board, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the Board in connection therewith except any Special Facility. The Airport System shall include the Airport and the downtown heliport.

"**Applicable Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of a particular Series of Bonds, adopting the form of the Supplemental Indenture pursuant to which such series of Bonds shall be issued and authorizing the execution of such Supplemental Indenture.

"**Applicable Supplemental Indenture**" shall mean, with respect to any Series of Bonds, the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"**Arbitrage Rebate Fund**" shall mean the Fund described in the General Indenture.

"**Architect**" means any registered architect or firm of architects entitled to practice and practicing as such under the laws of the State, and retained by the Board for the purpose of designing and supervising the construction, reconstruction, renovating or repair of properties comprising the Airport System.

"**Authorized Newspapers**" shall mean not less than two newspapers or financial journals of general circulation (or substantial circulation in the financial community), one in the City of New Orleans, Louisiana, and one in the Borough of Manhattan, City and State of New York, each customarily published at least once a day for at least five days (other than legal holidays) in each calendar week and printed in the English language.

"**Authorized Officer**" or "**Authorized Board Representative**" shall mean the Chairman of the Board of Commissioners of the Board, the Director of Aviation or any other officer, official, employee, agent or other person authorized by resolution of the Board or the City, respectively, to act on behalf of said entity for any purpose of this General Indenture.

"**Aviation Board**" shall mean the New Orleans Aviation Board, an agency of the City created and established pursuant to Article V, Chapter 6, Section 5-602 of the Charter and as further recognized in Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, or the successor thereto.

"**Aviation Consultant**" means any nationally recognized consultant or firm of consultants employed by the Board in accordance with the provisions of Section 606 of the General Indenture.

"**Bond Counsel**" shall mean any law firm nationally recognized as having experience with the issuance of tax-exempt debt by or on behalf of operators of airports served by scheduled commercial air carriers.

"**Bonds**" shall mean any of the New Orleans Aviation Board Revenue Bonds authenticated and delivered under the General Indenture as Secured Obligations, including without limitation the Initial Bonds, all Additional Bonds, Reimbursement Obligations arising with respect to items of Additional Secured constituting Secured Obligations as provided in the General Indenture but shall not include Subordinated Bonds or any other Subordinated Obligations(s).

"**Bondowner**," "**Owner**" or "**Registered Owner**" when used with reference to Bonds shall mean the registered owner of the Bonds from time to time as shown on the register for a particular Series of Bonds held by the Paying Agent for such Series of Bonds.

"**Bond Debt Service Requirement**" shall mean, for any period of calculation, the aggregate of the Debt Service Fund Requirement on all Bonds Outstanding during such period (not including principal due as a result of acceleration, optional redemption or as a result of purchase upon tender of any Tender Bonds).

"**Bond Year**" shall mean a 12 month period commencing with January 2, 2009, and each January 2 thereafter while any Bonds are Outstanding and ending on January 1 of the Next succeeding year provided that the first and last Bond Year for any Series of Bonds may be a longer of shorter period as required under the circumstances.

"**Business Day**" shall mean herein a day of the year on which banks located in the cities in which the Principal Offices of the Board, the Trustee, the Paying Agent, the Providers and the Remarketing Agent are located, are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

"**Capitalized Interest Account**" shall mean the account by that name described in the General Indenture.

"**Capital Improvement**" shall mean any improvement to the Airport System or related facilities the cost of which would be properly chargeable to the capital account of the Board.

"**Capital Improvement Fund**" shall mean the fund described in the General Indenture.

"**CFC**" shall mean the per transaction or per diem customer facility charge expressed in dollars or as a percentage of gross rentals imposed by the Board through ordinance or resolution or resulting from agreement upon either (i) the lessors or (ii) the lessees of rental cars to be collected by those persons and entities engaging in the business of leasing cars to the public using the Airport whether located on the Airport or operating from an off Airport site to be remitted to the Board, its designee or assignee.

"**Charter**" shall mean the Home Rule Charter of the City adopted on May 1, 1954, as amended from time to time, and any home rule charter for the City replacing it.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"**Commercial Airlines Lease**" shall mean any Commercial Airlines Leases, Airline Use And Lease Agreement or similar agreement providing for the use of the facilities and services of the Airport System made and entered into by and between the City of New Orleans, Louisiana (acting by and through the Board) and the commercial airlines operating at, from and out of the Airport, and in the event there is at any time no such lease then in existence, shall include the resolution or other proceedings adopted by the Board prescribing the effective rates and charges for the services, commodities and facilities of the Airport System.

"**Compound Interest Bonds**" shall have the meaning given such term in the General Indenture.

"**Cost**" as applied to any Capital Improvement, shall mean all or any part of the cost, paid by or on behalf of or reimbursable by or to the Board, of construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement, all lands, real and personal property, rights of way, water rights, air rights, franchises, easements and interests necessary or convenient therefor, the cost of any demolitions or relocations necessary in connection therewith, financing charges, interest prior to, during and for such period as the Board shall determine after the period of construction of such Capital Improvement on Bonds and bond anticipation notes or other obligations issued in whole or in part to finance such construction, architectural, engineering, financial and legal services, plans, specifications, appraisals, surveys, inspections, estimates of costs and revenues, and other expenses necessary or incident to determining the feasibility or practicality of such work, organizational, administrative, operating and other expenses prior to the commencement of and during such work, advance training of operating personnel and other expenses, including initial working capital, of completing such work and placing the same in operation, and any other item of "Cost" attributable to the construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement and placing the same in operation.

"**Cost of Issuance**" shall mean all items of expense directly or indirectly payable or reimbursable by or to the Board and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiduciaries, legal fees and charges, underwriter's fees or other compensation, fees and disbursements of consultants and professionals, costs and expenses of refunding, accrued interest payable upon the initial investment of the proceeds of Bonds, premiums for the insurance of the payment of Bonds, fees, expenses and termination fees or costs incurred in connection with Swaps, fees and expenses payable in connection with any Additional Security or Reserve Asset, fees and expenses payable in connection with any remarketing agreements or interest rate indexing agreements and any other cost, charge or fee in connection with the original issuance of Bonds.

"**Costs of Issuance Account**" shall mean the account of the Proceeds Fund described in the General Indenture.

"**Counsel's Opinion**" shall mean an opinion signed by an attorney or firm of attorneys selected by the Board, the City or the Trustee respectively.

"**Debt Service Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Fund Requirement**" shall mean, as of any particular date of computation, the amount of money obtained by aggregating the several sums, computed with respect to the Bonds of each Series outstanding, of (i) any unpaid interest due on such Bonds at or before said date and an amount equal to the product realized by multiplying the next succeeding installment of interest on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding date to which interest has been paid or, if there be no such date, the date of issuance of such Bonds and the denominator of which is the number of months between the next preceding date to which interest has been paid or, if there has been no such date, the date of issuance of such Bonds and the next succeeding interest payment date and with regard to Variable Rate Bonds if at the time of any such calculation the rate of interest for such period is not known, at the rate for the Pro Forma Bond Issue, (ii) the principal amount of any such Bonds matured and unpaid at or before said date, (iii) with respect to any Principal Installment of any Bonds not included in (iv) above, but payable on the next succeeding Principal Installment payment date other than by reason of acceleration or redemption at the option of the Board or the Registered Owner of any Bonds, an amount equal to the product realized by multiplying the next succeeding Principal Installment due on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding Principal Installment payment date on which principal was paid or if there be no such date with respect to such Bonds, the date twelve months prior to the first Principal Installment payment date, or, if later, the date of issuance of such Bonds, unless some other date is provided for in the Applicable Supplemental Indenture, and the denominator of which is the number of months between the next preceding Principal Installment payment date on which principal was paid or, if there has been no such date, the later of the date twelve months prior to the first Principal Installment payment date or the date of issuance of the Bonds, and the next succeeding Principal Installment payment date and (iv) any unpaid sum due by the Board in regard to any Swap at or before such date and an amount equal to the product realized by multiplying the next succeeding payment payable by the Board with respect to such Swap by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Board with regard to such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Board was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Board will be scheduled to make or receive a payment regarding said Swap, LESS an amount equal to the

product realized by multiplying the next succeeding payment due to be made by the Swap Party to the Board by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Swap Party or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Swap Party was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Swap Party will be scheduled to make or receive a payment regarding such Swap. Any Non-issuance Swap Term-out Payment shall be included in the calculation of Debt-Service Fund Requirement only to the extent provided within and in accordance with the provisions of the Swap with respect to which such Non-issuance Swap Term-out Payment is due. If any payment due pursuant to a Swap is a variable amount to be determined in accordance with any index or other method for the purposes of calculating such amount unless otherwise provided in the Supplemental Indenture or resolution authorizing such Swap, such payment, if unknown, shall be assumed to be equal in amount to the last such variable payment made pursuant to such Swap or due pursuant to such Swap or, if no such payment has yet been made or due, shall be assumed to be equal in amount to the payment that would have been required during the immediately preceding appropriate period of time.

"**Debt Service Reserve Fund**" or "**Reserve Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Reserve Fund Requirement**," "**Reserve Fund Requirement**" or "**Reserve Requirement**" shall mean, with respect to Reserve Bonds (there being no Reserve Fund Requirement for Bonds, Dual Bonds, Additional Bonds or Subordinated Bonds which have not been designated by the Board as Reserve Bonds), as of any particular date of computation, the amount specified in the Supplemental Indenture providing for any Series of Reserve Bonds; provided however with respect to any Series of Tax-Exempt Reserve Bonds, the Debt Service Reserve Fund Requirement shall not exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve fund.

"**Defeasance Obligations**" shall mean:

A. Cash
B. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — "SLGS").
C. Direct obligations of the Treasury which have been stripped by the Treasury itself.
D. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
E. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by Standard & Poor's. If however, the issue is only rated by Standard & Poor's (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
F. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

    1. U.S. Export-Import Bank (Eximbank)
       Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. General Services Administration
   Participation certificates

4. U.S. Maritime Administration
   Guaranteed Title XI financing

5. U.S. Department of Housing and Urban Development (HUD)
   Local Authority Bonds

"**Depository**" or "**Depository Banks**" means any bank or banks located in the City and designated as a City depository or City depositories under the Charter of the City and into which the monies of the treasury of the Board are deposited constituting Revenues of the Airport System.

"**Director of Finance**" or "**Director of Finance of the City**" means the single executive heading the Department of Finance pursuant to the Charter.

"**Discount Bonds**" shall have the meaning given such term in the General Indenture.

"**Event of Default**" shall mean any event specified in Section 701 of the General Indenture.

"**FAA**" shall mean the Federal Aviation Administration.

"**FAA Grant**" shall mean a grant in aid by the FAA to the Board for the benefit of the Airport.

"**Favorable Tax Opinion**" shall mean an opinion of Bond Counsel acceptable to the Board and the Trustee to the effect that any proposed action or inaction will not adversely affect the exclusion of the interest on any Tax-Exempt Bonds from gross income for federal income tax purposes.

"**Fiduciary**" shall mean any Trustee or any Paying Agent

"**Fiscal Year**" shall mean the period beginning on January 1 of any calendar year and ending on December 31 of such calendar year or such other period of twelve calendar months as may be authorized by the Board.

"**Fitch**" shall mean the credit rating agency known by such name which is a wholly owned subsidiary of Fimalac, S. A. and any credit rating agency which is a successor thereto.

"**Funded Debt Service Reserve Fund Requirement**" shall mean, as of any particular date of computation, an amount equal to the Debt Service Reserve Fund Requirement less the stated and unpaid amounts of all Reserve Asset relating to Bonds.

"**Funds and Accounts**" shall mean the funds and accounts created by the General Indenture or any Supplemental Indenture.

"**General Airport Revenues**" shall mean the Revenues derived from the operation of the Airport System not including the items which are initially excluded from such definition (as defined herein below) such excluded items being Passenger Facility Charge (PFC) revenues excluded by item (iii) of the

exclusions from such definition, Customer Facility Charge (CFC) revenues excluded by item (v) of the exclusions from such definition, and Special Facility Revenues.

"**General Indenture**" shall mean the General Revenue Bond Trust Indenture by and among the Board, the City and the Trustee dated as of February 1, 2009 as supplemented and amended from time to time.

"**General Purposes Account**" shall mean that account of the Airport Operating Fund created pursuant to the General Indenture.

"**General Purposes Account Requirement**" shall mean as of any particular date of computation with respect to the Bonds an amount to be specified, if any, in the Commercial Airlines Leases, if any.

"**Grant Receipt Fund**" shall mean the fund described the General Indenture.

"**hereunder,**" "**hereby**," "**hereof**," and any similar terms refer to the General Indenture as a whole; the term "**heretofore**" shall mean before the effective date of the General Indenture; and the term "**hereafter**" shall mean after the effective date of the General Indenture.

"**Interest**" with respect to any Bond, shall mean the stated interest payment thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as interest pursuant to an Applicable Supplemental Indenture.

"**Interest Payment Date**" shall mean the dates for the payment on interest on any Bonds as provided in the applicable Supplemental Indenture.

"**Major Portion**" shall mean, for purposes of Section 603 (6) of the General Indenture, any Airport Facilities or portions thereof which, if the governance or ownership of such facilities had been voluntarily transferred, sold or disposed of by the City and/or the Board or taken by eminent domain proceedings at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition or taking would have resulted in a reduction in Net Revenues for such annual period of more than 50% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds, prior to voluntarily transferring the governance, selling or disposing of a Major Portion of any Airport Facilities or portions thereof and upon its becoming aware of any proposed or actual eminent domain proceedings.

"**Maximum Annual Debt Service**" shall mean as of any computation date the maximum Bond Debt Service Requirement payable in the current or any future Bond Year.

"**Maximum Rate**" shall have the meaning set forth in the General Indenture.

"**Mayor**" shall mean the Mayor or Chief Executive Officer of the City.

"**Moody's**" shall mean Moody's Investors Service and any credit rating agency which is a successor thereto.

"**Net PFC Revenues**" shall mean all passenger facility charges collected from passengers for the use of the Airport pursuant to 14 Code of Federal Regulations Part 158 and approved by the FAA in the Approval and all Future Approvals after deducting all collection compensation due to the Carriers or

other entities pursuant to Section 158.53 of 14 Code of Federal Regulations Part 158 including such amounts authorized in Future Approvals, including any interest earned thereon after receipt by the Board.

"**Net Revenues**" means all revenues from the use and operation of the Airport System as described in the definition of Revenues contained herein, after they have been deducted from the Operation and Maintenance Expenses of the Airport System.

"**NOAB Wire Account**" shall mean the account of the Board acknowledged and referred to in the General Indenture.

"**Non-Borrowed Capital Budget**" shall mean the amount of Revenues reflected in the budget of the Airport System for any Fiscal Year prepared in accordance with the provisions of Section 606 of the General Indenture to be used to pay Costs of Capital Improvements.

"**Non-issuance Swap Term-out Payment**" shall mean with respect to any particular Swap, the meaning set forth in such Swap.

"**Operation and Maintenance Expenses**" shall mean the current expenses of operation, maintenance, and current repair of the Airport System and other Aviation facilities or the Board, and shall include, without limiting the generality of the foregoing, insurance premiums, salaries and administrative expenses of the Board, labor, the cost of materials and supplies used for current operation, the cost of audits, Aviation Consultant, legal, engineering or architectural services required by the provisions of the General Indenture, fees and other amounts due pursuant to any Credit Facility or Liquidity Facility (other than as to Providers as Owners of Bonds), amounts payable pursuant to final judgments rendered against the Board by a court of proper jurisdiction and venue; and charges for the accumulation of appropriate reserves not annually recurrent but which are sure or may be incurred in accordance with sound accounting practice. There shall be included within the term Operation and Maintenance Expenses for the purpose hereof the amounts required to be paid into the Operation and Maintenance Reserve Fund and the Renewal and Replacement Reserve Fund Required pursuant to items (f) and (g) of Paragraph 2 of Section 505 of the General Indenture. "Operation and Maintenance Expenses" shall not include any allowance for depreciation, renewals or extensions or any charges for the accumulation of reserves for capital replacements, renewals or extensions.

"**Operation and Maintenance Reserve Fund**" means the fund described in Section 509 of the General Indenture.

"**Operation and Maintenance Reserve Fund Requirement**" shall mean, as of any particular date of computation with respect to the Bonds, an amount at least equal to 1/6th of the "Operation and Maintenance Expenses" reflected in the most current calculation of rates and charges as prepared by the Aviation Consultant.

"**Outstanding**," when used with reference to Bonds, shall mean as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered except any Bond cancelled by the Board or a Fiduciary at or before said date, any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the General Indenture and Bonds deemed to have been paid as provided in the General Indenture, Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Indenture or by law and when used with reference to a Swap, shall mean any Swap executed by the Board and a Swap Party which has not terminated.

"**Owner(s)**" shall mean Bondowners.

"**PFC**" shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to 14 C.F.R. § 158.

"**PFC Indenture**" shall mean that certain PFC General Revenue Bond Trust Indenture among the Board, the City and J.P. Morgan Trust Company, N.A., as trustee, which has been succeeded in function by J.P. Morgan Mellon Trust Company, N.A., dated as of November 1, 2007.

"**Paying Agent**" or "**Paying Agent/Registrar**" shall mean the paying agent appointed in accordance with the General Indenture for any series of Bonds, and its successors which may at any time be substituted in its place pursuant to the General Indenture, any such Fiduciary to be appointed in a Supplemental Indenture.

"**Period of Construction**" shall have the meaning set forth in the General Indenture.

"**Permitted Investments**" shall mean any of the following securities to the extent permitted by applicable law:

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

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

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. Federal Housing Administration Debentures (FHA)

e. General Services Administration
Participation certificates

f. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

g. U.S. Maritime Administration
Guaranteed Title XI financing

h. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

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

a. Federal Home Loan Bank System
Senior debt obligations

b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

c. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

d. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of AAAm-G; AAAm; or AAm.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or FSLIC.

(7) Investment Agreements, including GIC's, acceptable to the applicable Credit Provider.

(8) Commercial paper rated, at the time of purchase, "Prime – 1" by Moody's and "A-1" or better by Standard & Poor's.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies.

(10) Federal funds or banker's acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime – 1" or "A3" or better by Moody's and "A-1" or "A" or better by Standard & Poor's.

(11) Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Board, the City or a Fiduciary (buyer/lender) and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Board, the City or a Fiduciary in exchange for the securities at a specified date. Repurchase Agreements must satisfy the following criteria or be approved by the appropriate Credit Provider.

a. Any Repurchase Agreements must be between the Board, the City or a Fiduciary and a dealer bank or securities firm which are:

(i) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or

(ii) Banks rated "A" or above by Standard & Poor's and Moody's.

b. The written Repurchase Agreement contract must include the following:

(i) Securities which are acceptable for transfer are:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(ii) The term of the Repurchase Agreement may be up to 30 days

(iii) The collateral must be delivered to the Board, the City or a Fiduciary, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) Valuation of Collateral

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the Board, the City or a Fiduciary to the dealer bank or security firm under the Repurchase Agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the Board, the City or a Fiduciary:

(i) The Repurchase Agreement meets guidelines under state law for legal investment of public funds.

"**Principal Amount**" with respect to any Bond, shall mean the stated principal thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as principal pursuant to an Applicable Supplemental Indenture.

"**Principal Installment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, an amount of money equal to the aggregate of the principal amount of Outstanding Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds which would at or before said future date be retired by reason of the payment when due and application in accordance with this General Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds, plus the amount of any Sinking Fund Payment payable at or before said future date for the retirement of any Outstanding Bonds of said Series.

"**Proceeds Fund**" shall mean the fund so denominated described in the General Indenture.

"**Pro Forma Bond Issue**" shall have the meaning given such term in the General Indenture.

"**Pro Forma Rate Agent**" shall have the meaning set forth in the General Indenture.

"**Project**" shall mean the undertaking to be accomplished with the proceeds of any series of Bonds, including without limitation, the acquisition and construction of tangible or intangible items and the refinancing of any debt of the Board or debt of the City relating to the Board or the Airport System.

"**Project Account**" shall mean the account so denominated of the Proceeds Fund described in the General Indenture.

"**Provider(s)**" shall mean any entity providing any item of Additional Security.

"**Purchase Price**" shall mean the total sum due the owners of any Tender Bond tendered for purchase pursuant to the provision of the Applicable Supplemental Indenture.

"**Rates and Rentals**" shall mean, collectively, the rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System as such term is used in Section 604 of the General Indenture and throughout the General Indenture.

"**Rating Agency**" shall mean Fitch Ratings and Standard & Poor's and Moody's or any other nationally recognized credit rating agency which has issued and maintains a rating on any of the Bonds at the request of the Board.

"**Redemption Fund**" shall mean the fund described in the General indenture.

"**Redemption Price**" shall mean, with respect to any Bond, the principal amount thereof plus the premium, if any, payable upon redemption thereof.

"**Released Revenues**" shall mean Revenues in respect of which the Trustee has received the following:

(a) a request of an Authorized Officer describing those Revenues and requesting that those Revenues be excluded from the pledge and lien of the General Indenture on Revenues;

(b) an Aviation Consultant's certificate or report based upon reasonable assumptions, to the effect that Revenues, after the Revenues covered by the Authorized Officer's request are excluded for each of the five full Fiscal Years following the Fiscal Year in which such certificate or report is delivered, will be sufficient to enable the Board to satisfy the coverage covenant set forth in the General Indenture in each of those five Fiscal Years;

(c) a Bond Counsel's opinion to the effect that (i) the conditions set forth in the General Indenture to the release of those Revenues have been met and (ii) the exclusion of those Revenues from the pledge and lien of the Indenture will not, in and of itself, cause the interest on any outstanding Tax-exempt Bonds to be included in gross income from purposes of federal income taxation; and

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of those Revenues from the pledge and lien of this Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to any Bonds or Subordinated Bonds or other Secured Obligations or Subordinated Obligations.

Upon the Trustee's receipt of those documents, the Revenues described in the Authorized Officer's request shall be excluded from the pledge and lien of this Indenture, and the Trustee shall take all reasonable steps requested by the Authorized Officer to evidence or confirm the release of that pledge and lien on the Released Revenues.

"**Reserve Asset(s)**" shall mean an instrument providing for the payment of sums for the payment of principal and interest on any particular Series of Reserve Bonds and the scheduled payment obligations of the Board pursuant to a Swap (but not any Swap termination payments) in the manner provided under the General Indenture in one or more of the following forms:

(1) an irrevocable, unconditional and unexpired surety bond or letter of credit issued or confirmed by a banking institution, the long term unsecured debt obligations of which are rated on the date of delivery of such instrument within the three highest rating categories generally available to banking institutions by one or more of Fitch Ratings, Moody's or Standard & Poor's; or

(2) an irrevocable and unconditional policy or policies of insurance in full force and effect and issued by a municipal bond insurer, obligations insured by which are rated on the date of delivery of such policy, by reason of such insurance, within the three highest rating categories available to insurers generally issuing such insurance by one or more of Fitch Ratings, Moody's or Standard & Poor's or A.M. Best Company;

(3) The obligation to reimburse the issuer of a Reserve Asset credit instrument for any fees, expenses, claims or draws upon such Reserve Asset credit instrument shall be subordinate to the payment of debt service on the Reserve Bonds. The right of the issuer of a Reserve Asset credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Asset credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Asset credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Asset credit instrument and the amount then available for further draws or claims. If (i) the issuer of a Reserve Asset credit instrument becomes insolvent or (ii) the issuer of a Reserve Asset credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the third highest rating category one or more of Fitch Ratings, Moody's or Standard & Poor's or A.M. Best Company then the obligation to reimburse the issuer of the Reserve Asset credit instrument shall be subordinate to the cash replenishment of

the Reserve Fund should the Board determine to replace such Reserve Asset with a cash Funded Reserve Requirement.

(4) If (i) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below the third highest rating category of one or more of Fitch Ratings, Moody's or Standard & Poor's or A.M. Best Company, the Board may at its sole option (a) elect to not replace the subject Reserve Asset and not replace it with a cash Funded Reserve Requirement (b) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Debt Service Reserve Fund Requirement on the applicable Series of Reserve Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (c) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of 1-2 above within six months of such occurrence.

(5) Where applicable, the amount available for draws or claims under the Reserve Asset credit instrument may be reduced by the amount of cash or Permitted Investments deposited in the Account of the Reserve Fund for the applicable Series of Reserve Bonds pursuant to the preceding subparagraph.

(6) If the Board chooses the above described alternatives to a cash-funded Reserve Fund for any particular Series of Reserve Bonds, any amounts owed by the Board to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of Debt Service Fund Requirement required to be made pursuant to the General Indenture for any purpose, e.g., rate covenant or additional bonds test.

(7) The Trustee shall ascertain the necessity for a claim or draw upon the Reserve Asset credit instrument and provide notice to the issuer of the Reserve Asset credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Asset credit instrument) prior to each interest payment date.

(8) Cash on deposit in the applicable account of the Reserve Fund for any particular Series of Reserve Bonds shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Asset credit instrument. If and to the extent that more than one Reserve Asset credit instrument is deposited in the applicable Account of the Reserve Fund for any particular Series of Reserve Bonds, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

"**Reserve Bond(s)**" shall mean any Bonds, Dual Bonds, Additional Bonds or Subordinated Bonds for which a Reserve Fund Requirement is made applicable by the Series Resolution providing therefor.

"**Revenues**" and "**Revenues of the Airport System**" shall mean all revenues derived by the Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the "PFC" established by the Board for use by the Board (iv) any sums received by the Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the

General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; provided however the Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued hereunder and the amount of any such pledged CFC, PFC or Released Revenues deposited into any one of the Airport Operating Accounts or a sub-account created therein, the Debt Service Fund or any account or sub-account created therein, or any account or sub-account created within any fund or account created under the General Indenture or created for a particular Series of Bonds, Subordinated Bonds, Swap or any other obligation by the Applicable Supplemental Indenture authorizing such Series, Swap or other obligations shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Board or the City on account of the operation of limousines and taxi-cabs to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Board including, without limitation, investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

"**Secured Obligations**" shall mean, collectively, any Bonds and Additional Bonds, and any Swap secured by a first lien pledge of the Revenues of the Airport System issued pursuant to the provisions of the General Indenture and shall be measured for the purposes of voting or counting consents (i) as to Bonds by Outstanding principal amount or (ii) as to Swaps by an amount equal to 30% of the Outstanding notional amount of each Swap.

"**Secured Obligees**" shall mean any Secured Obligation, including, without limitation, any Owner of Outstanding Bonds and any Swap Party pursuant to an Outstanding Swap.

"**Series**" when used with respect to less than all of the Bonds, shall mean such Bonds designated as a Series of Bonds pursuant to a Supplemental Indenture.

"**Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of any Series of Bonds, approving the form and authorizing the execution of the applicable Supplemental Indenture.

"**Significant Portion**" shall mean, for purposes of the General Indenture, any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the City and/or the Board at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition, would have resulted in a reduction in Net Revenues for such annual period of more than 4% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds prior to the selling or disposing of a Significant Portion of any Airport Facilities or portions thereof.

"**Signing Parties**" shall mean those parties designated to execute the Bonds by the Applicable Supplemental Indenture.

"**Sinking Fund Payment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, the amount of money required by any Supplemental Indenture to be paid by the Board on a single future date for the retirement of any Outstanding Bonds of said Series which mature on or after said future date, but does not include any amount payable by the Board by reason of the redemption of Bonds at the election of the Board.

"**Special Facility**" shall mean any existing or planned facility, structure, equipment or other property, real or personal, which is or is to be located at the Airport or a part of any facility or structure located at the Airport and is designated as such by the Board as more fully provided in Section 801 of the General Indenture financed with Special Facility Bonds.

"**Special Facility Bonds**" shall have the meaning set forth in the General Indenture.

"**Special Facility Lease(s)**" shall mean a lease of a Special Facility or a portion of a Special Facility.

"**Special Facility Revenues**" shall mean the revenues earned or paid to the Board from or with respect to any Special Facility and designated as such by the Board.

"**Special Receipts Fund**" shall mean that fund described in the General Indenture.

"**Standard & Poor's**" shall mean Standard & Poor's U. S. Finance Ratings and any credit rating agency which is a successor thereto.

"**State**" shall mean the State of Louisiana.

"**Subordinated Bonds**" shall mean any Bonds issued pursuant to the provisions of of the General Indenture.

"**Subordinated Obligation(s)**" shall mean any obligation for the payment of money of the Board incurred or issued pursuant to the provisions of the General Indenture which are secured by a lien on the Revenues and the Trust Estate on a subordinated or inferior basis to the first lien pledge of such items to Secured Obligations.

"**Supplemental Indenture**" shall mean any supplemental or amending trust indentures supplementing or amending the General Indenture by and between the Board, the City and any financial institution, as trustee, executed in connection with the issuance of any Series of Bonds issued as Initial Bonds or Additional Bonds authorized pursuant hereto, which provides the details for such Additional Bonds including the provisions regarding determining the Variable Rates, purchase and remarketing of Tender Bonds and providing Additional Security for such Additional Bonds pursuant to Section 209 of the General Indenture.

"**Swap**" or "**Swaps**" shall mean an interest rate swap agreement executed by the Board payable from and secured by the Trust Estate and the Revenues of the Airport System.

"**Swap Party**" or "**Swap Parties**" shall mean the entity which enters any Swap with the Board and any assignee thereof and, collectively, all such entities pursuant to all Outstanding Swaps.

"**Swap Revenues**" shall mean the sums of money due to be paid by the Swap Party to the Board pursuant to any Swap subject to any netting of payments provided by the applicable Swap.

"**Tax Certificate**" shall mean the Tax Certificate, concerning certain matters pertaining to the use of proceeds of a particular Series of Tax-Exempt Bonds executed and delivered by the Board and the Trustee on the date of issuance of a particular Series of Tax-Exempt Bonds, including any and all exhibits attached thereto.

"**Tax-exempt Bonds**" means any series of Bonds which, when issued, are accompanied by an Opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes.

"**Tender Bonds**" shall have the meaning given such term in the General Indenture.

"**Trust Estate**" shall mean all items granted as security for and pledged to the payment of Outstanding Bonds issued pursuant to the General Indenture.

"**Trustee**" means any trustee appointed in accordance with Section 901 of the General Indenture and any successor or successors to any thereof.

"**Variable Rate Bonds**" shall have the meaning given such term in the General Indenture.

"**Vendor Payment Fund**" shall mean that fund described in the General Indenture.

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II. THIRD SUPPLEMENTAL INDENTURE

"**Accounts**" shall mean the accounts referred to or established pursuant to the Third Supplemental Indenture.

"**Act**" shall mean Part XIV of Chapter 4 of Subtitle II of Title 39 of the Revised Statutes of Louisiana of 1950, as amended, (La. R.S. 39:1034 (D) and (F), together with the constitutional and statutory authority supplemental thereto, including without limitation, Chapter 13 of Title 39 (La. R.S. 39:1421 through 1430, inclusive) and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended.

"**Authorized Board Representative**" shall mean the Chairwoman, or in her absence the Vice Chairman, the Director of Aviation or in the absence thereof, any of the Deputy Directors of Aviation of the Board.

"**Authorized Denominations**" shall mean $5,000 or any integral multiple thereof.

"**Beneficial Owner**" shall have the meaning referred to in the Third Supplemental Indenture.

"**Bondowners**," "**Owners**" or "**Registered Owners**" shall mean the person in whose name any Series 2017 Bond is registered on the records maintained by the Trustee as paying agent registrar.

"**Bond Resolution**" shall mean the Resolutions adopted by the Board on February 2, 2017 and April 27, 2017, providing for the issuance of the Series 2017 Bonds.

"**Bonds**" shall mean any bonds secured by a first lien parity pledge of the Net Revenues pursuant to the General Indenture, including without limitation, the Outstanding Series 2009 Bonds, the Series 2015 Bonds and the Series 2017 Bonds issued under the General Indenture.

"**Cede**" shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Council**" shall mean the City Council of New Orleans, Louisiana.

"**Debt Service Reserve Fund Requirement**" or "**Reserve Fund Requirement**" for the Series 2017 Bonds shall mean the least of:

(A) the Maximum Annual Debt Service coming due in any Fiscal Year with respect to the Series 2017 Bonds;

(B) 125% of average annual Bond Debt Service Requirement on all Series 2017 Bonds Outstanding; or

(C) 10% of the principal amount of Series 2017 Bonds;

calculated as of the issuance date of the Series 2017 Bonds, initially $30,208,381.81 on May 25, 2017, the issuance date of the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and $34,656,838.21 on October 4, 2017, the expected issuance date of the Series 2017D Bonds, and thereafter recalculated upon any refunding of less than all the then Outstanding Series 2017 Bonds. In such case, the Reserve Fund Requirement for the un-refunded Outstanding Series 2017 Bonds and the Series of

Refunding Bonds which refunded a portion of the Series 2017 Bonds may be calculated on the basis of a single Reserve Fund Requirement for both the applicable Series of Refunding Bonds and the un-refunded Outstanding Series 2017 Bonds. However, in no event shall the Reserve Fund Requirement calculated or recalculated at the times required above exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve with respect to Tax-exempt Bonds.

"**Default Interest**" shall have the meaning set forth in the Third Supplemental Indenture.

"**Disbursement Certificate**" means the certificate in the form attached as Exhibit "B" to the Third Supplemental Indenture.

"**DTC**" shall mean The Depositary Trust Company, New York, New York, and its successors and assigns.

"**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"**Event of Default**" shall mean any one of the Events of Default as described in the Third Supplemental Indenture.

"**First Supplemental Indenture**" shall mean the First Supplemental Trust Indenture dated as of February 1, 2009 among the Aviation Board, the City and the Trustee.

"**GARB(s)**" shall mean the Series 2009 Bonds, Series 2015 Bonds and the Series 2017 Bonds issued and Outstanding pursuant to the General Indenture.

"**General Indenture**" shall mean the General Revenue Bond Trust Indenture among the Board, the City and the Trustee dated as of February 1, 2009, as supplemented and amended by Supplemental Indentures, including this Third Supplemental Indenture.

"**Interest Payment Date**" shall mean each January 1 and July 1, commencing July 1, 2017 with respect to the Series 2017A Bonds, Series 2017B Bonds and Series 2017C Bonds and January 1, 2018 with respect to the Series 2017D Bonds.

"**Mayor**" shall mean the Mayor or Chief Executive Officer of the City.

"**North Terminal Expansion**" shall mean a five (5) gate expansion to the North Terminal Project in conjunction with related apron and baggage carousel expansions and modifications to accommodate two wide-body aircraft simultaneously for international flights.

"**North Terminal Project**" shall mean a new passenger terminal initially consisting of thirty (30) gates and other related enabling facilities such as aircraft parking aprons and taxiways, a 2,200-space parking garage, and associated roadway access and infrastructure, and related improvements associated with the new passenger terminal, including the North Terminal Expansion.

"**PFC**" shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to14 C.F.R. § 158.

"**PFC Indenture**" shall mean the PFC General Revenue Bond Trust Indenture dated as of November 1, 2007 by and among Board, the City and the PFC Trustee.

"**PFC Trustee**" shall mean The Bank of New York Trust Company, N. A. as trustee under the PFC Indenture and any successor trustee in interest thereunder.

"**Principal Office**" shall mean those offices set forth in the Third Supplemental Indenture.

"**Proceeds Fund**" shall mean the Proceeds Fund created by the General Indenture to be utilized with respect to the proceeds of the Series 2017 Bonds as provided in the Third Supplemental Indenture.

"**Rating Agency**" shall mean the company or companies whose ratings of taxable and tax-exempt bonds are nationally recognized and accepted as indicators of the investment qualities of such bonds and which has or have assigned a rating to the Series 2017 Bonds, initially Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, Moody's Investors Service, Inc. and Fitch Ratings, Inc.

"**Regular Record Date**" shall mean the fifteenth day of the month next preceding any Interest Payment date, whether such day is a Business Day or not.

"**Released Series 2007 PFC Bonds**" shall mean $9,840,288.57 representing amounts available from the Series 2007 PFC Bonds Debt Service Reserve plus the funds on hand.

"**Released Series 2009 Bond Amounts**" shall mean $13,483,220 representing amounts available from the Series 2009 Bonds Debt Service Reserve plus the funds on hand.

"**Second Supplemental Indenture**" shall mean the Second Supplemental Trust Indenture dated as of March 1, 2015 executed by and among the Board, the City, and Trustee.

"**Secured Obligation**" shall have the meaning set forth in the General Indenture.

"**Series 2009 Bonds**" shall mean the New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBs) Series 2009.

"**Series 2009 Bonds Trustee**" shall mean The Bank of New York Mellon Trust Company, N.A. and its successors and assigns.

"**Series 2015 Bonds**" shall mean the Series 2015A Bonds and the Series 2015B Bonds.

"**Series 2015A Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015A (Non-AMT).

"**Series 2015B Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015B (AMT).

"**Series 2007 PFC Bonds**" shall mean the Outstanding Revenue Bonds (Passenger Facility Charge Projects), Series 2007.

"**Series 2007 PFC Bonds Trustee**" shall mean The Bank of New York Mellon Trust Company, N.A. and its successors and assigns.

"**Series 2017 Bonds**" shall mean the Outstanding Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2017D Bonds.

"**Series 2017A Bonds**" shall mean the $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT).

"**Series 2017B Bonds**" shall mean the $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT).

"**Series 2017C Bonds**" shall mean the $46,995,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C (Taxable).

"**Series 2017D Bonds**" shall mean the (i) $4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) and (ii) $50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT).

"**Series 2017 Bonds Sub-Account of the Costs of Issuance Account**" shall mean the sub-account for the Series 2017 Bonds created within the Cost of Issuance Account of the Proceeds Fund.

"**Series 2017A Bonds Sub-Account of the Project Account**" shall mean the sub-account for the Series 2017A Bonds created within the Project Account of the Proceeds Fund.

"**Series 201B Bonds Sub-Account of the Project Account**" shall mean the sub-account for the Series 2017B Bonds created within the Project Account of the Proceeds Fund.

"**Series 2017 Bonds Capitalized Interest Account**" shall mean the sub-account for the Series 2017A Bonds and Series 2017B Bonds created within the Debt Service Fund.

"**Series 2017 Bonds Redemption Account**" shall mean the sub-account for the Series 2017 Bonds created within the Redemption Fund.

"**Series 2017 Bonds Account of the Arbitrage Rebate Fund**" shall mean the account for the Series 2017 Bonds created within the Arbitrage Rebate Fund.

"**Series 2017 Tax-exempt Bonds**" shall mean the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017D Bonds.

"**Signing Parties**" shall mean the Chairwoman, or in her absence the Vice-Chairman and the Director of Aviation of the Board.

"**Special Record Date**" shall mean the date selected for payment of overdue interest in accordance with the provisions of the Third Supplemental Indenture.

"**Tax-exempt Bonds**" shall mean Bonds, the interest on which may be excluded from gross income for federal income tax purposes.

"**Third Supplemental Indenture**" shall mean this Third Supplemental Trust Indenture dated as of May 1, 2017 executed by and among the Board, the City, and Trustee, or other appropriate entity authorized to perform trustee functions authorized to be executed by the Bond Resolution.

"**Transferred PFCs**" shall mean PFCs transferred by the PFC Trustee and received by the Trustee for deposit to the Transferred PFCs Account of the Debt Service Fund established pursuant to Section 3.02 herein.

"**Transferred PFCs Account**" shall mean the sub-account for the Series 2017 Bonds created within the Debt Service Fund as required by Section 3.02 hereof.

"**Trustee**" shall mean The Bank of New York Mellon Trust Company N.A., and its successors and assigns.

"**Trust Estate**" shall have the meaning set forth in the General Indenture.

"**Underwriter**" shall mean the syndicate of underwriters for the purchase of the Series 2017 Bonds consisting of Citigroup Global Markets Inc., as Senior Managing Underwriter, on its own behalf and on behalf of Backstrom McCarley Berry & Co., LLC, Blaylock Van, LLC, Dorsey & Company, Inc., Harvestons Securities, Inc., Loop Capital Markets LLC, Siebert Cisneros Shank & Co., L.L.C. and Sisung Securities Corporation or a syndicate of other underwriters as revised by the Chairperson of the Board and Director of Aviation.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE AND THE THIRD SUPPLEMENTAL INDENTURE

I. GENERAL INDENTURE

Authorization of Bonds

One or more issues of Bonds may be issued for the benefit of the City to be designated as "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds issued pursuant to the General Indenture "New Orleans Aviation Board Refunding Bonds," which Bonds may be issued from time to time, without limitation as to amount except as provided in the General Indenture or as limited by law. The Bonds may, if and when authorized by the Board pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds "New Orleans Aviation Board Refunding Bonds" may include such further appropriate designations added to or incorporated in such title for the Bonds of any particular Series as the Board may determine.

Conditions Precedent to the Delivery of Additional Bonds Other Than Refunding Bonds

One or more Series of additional Bonds other than Refunding Bonds (the "**Additional Bonds**") may be issued in accordance with the General Indenture for the purpose of paying all or a portion of the Cost of any Capital Improvement, the making of deposits in the Debt Service Fund, the Debt Service Reserve Fund, and, if any, the insurance reserve account established pursuant to the General Indenture, the payment of Cost of Issuance, the payment of the principal of and interest and premium, if any, on notes issued in anticipation of such Bonds in accordance with the General Indenture, the refunding of any Outstanding Bonds, payment of any termination fees relating to any interest rate swap agreements of the Board any combination of the foregoing and any other purpose not expressly prohibited by applicable law.

A Series of Additional Bonds shall be executed by the Signing Parties and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that it has received:

(i) A Certificate of an Authorized Officer of the Board stating that the General Indenture is still effective and identifying every Supplemental Indenture relating thereto;

(ii) The documents, monies and opinions required by the General Indenture;

(iii) The requirements of either sub-part (a) or (b) of this item (iii) are met:

(a) the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation consultant) and projecting that the estimated Net Revenues for each year of the applicable forecast shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued. The term "Period of Construction" shall mean with respect to any income producing capital asset the period of time beginning with the initiation of study and design and of construction or acquisition, or beginning with the issuance of a Series of the Bonds for the financing of the cost of such construction or acquisition of any improvement or additions or extensions or betterment of the Airport System, whichever is earlier, and ending on the date of substantial completion of such improvements, additions, extensions or betterments as determined by the Aviation Consultant.

All calculations of Debt Service Fund Requirement for Variable Rate Bonds shall be based upon the applicable Pro Forma Bond Issue. In the case of Bonds which are not secured by the revenues until a "Crossover Date," the certificate shall be for as appropriate (a) any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding or (b) three (3) consecutive calendar years following the Crossover Date and shall be made for the current and any future Fiscal Year on the basis of estimates of Net Revenues for such years of the Aviation Consultant). In making the calculations required by this subpart (2)(iii), if the Board has adopted, implemented and imposed higher rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System prior to the date of the issuance of a series of Additional Bonds, the calculation of Net Revenues may be made assuming such rats had been in effect during such period. Further, if the Board has adopted resolutions providing or the Commercial Airline Lease requires the Board to provide Rollover Coverage for any Fiscal Year included within any period of calculation the amount of such Rollover Coverage or an appropriate portion thereof in the case of a calculation period of 12 consecutive months not all included within one Fiscal Year may be included in such calculation.

The requirements of this sub-part (2)(iii) are not applicable to Subordinated Bonds and other Subordinated Obligation(s).

(iv) A certificate of an Authorized Officer of the Board stating that, as of the delivery of such Additional Bonds, no Event of Default, as described in the General Indenture, will have happened and will then be continuing;

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount, 10% of the total costs of the Capital Improvement(s) for which they are issued to complete and shall be executed by the Signing Parties and delivered by the Board to the Trustee/Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that all requirements of applicable State law have been satisfied and that it was received:

(i) the documents, moneys, showings, consents, approvals, certificates and opinions required by the Indenture;

(ii) the documents and moneys, if any, required by the applicable Supplemental Indenture authorizing such Completion Bonds;

(iii) a certificate of an Authorized Officer of the Board stating that, as of the delivery of such Completion Bonds, no Event of Default will have happened and will then be continuing; and

(iv) a certificate of an Authorized Officer of the Board stating (i) which previous Series of Bonds were issued to provide the amounts to acquire or construct the Capital Improvement(s) to which the proceeds of the Completion Bonds will be applied, (ii) identifying such Capital Improvement(s), and (iii) stating that the amounts available to be applied to such Capital Improvement(s) from the proceeds of the Completion Bonds will be sufficient to complete such Capital Improvement(s) and directing the Trustee to deposit such proceeds in the appropriate Project Account of the appropriate Proceeds Fund.

Additional Security

(1) In connection with the initial issuance or subsequent to the issuance of any Series of Bonds and subject to the restrictions contained in the General Indenture, the Board may obtain or cause to be obtained letters of credit, lines of credit, insurance, standby bond purchase agreements, interest rate swap and cap agreements, Reserve Assets or similar obligations or instruments ("**Additional Security**") providing for payment of all or a portion of the principal, premium, or interest due or to become due on one or more specific Series of Bonds, providing for the purchase of such Bonds or a portion thereof by the issuer of any such Additional Security or providing for exchanging, capping, modifying debt service payments incurred in connection with one or more specific Series of Bonds. The issuer of Additional Security or the guarantor of the obligations of the issuer of such Additional Security must be (at the time of such issuance) an entity, the unsecured long term debt obligations of which is rated in one of the three highest long term rating categories by at least one of the entities constituting the Rating Agency or the obligations insured or guaranteed by which are rated in such categories by reason of such insurance or guarantee except that the Swap Party or the guarantor of the obligations of the Swap Party to any Swap shall be at the time of execution of any such Swap an entity the unsecured short term debt of which is rated at least MIG-3 by Moody's or SP-2 by Standard & Poor's and the unsecured long term debt of which is rated at least A by Moody's and A by Standard & Poor's provided however, if any Bonds or obligations of the Board pursuant to any Swap are guaranteed by a Credit Provider, any Swap Party approved in writing by all affected Credit Providers shall be permitted. In connection therewith, the Board may enter into agreements with the issuer of such Additional Security providing for, inter alia:

(i) the payment of fees and expenses to such issuer for the issuance of such Additional Security;

(ii) the terms and conditions of such Additional Security and the Series of Bonds affected thereby; and

(iii) the security, if any, to be provided for the issuance of such Additional Security.

The Board may secure such Additional Security by an agreement providing for the purchase of a particular Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Board in the Applicable Series Resolution and/or the Applicable Supplemental Indenture. The Board may also in an agreement with the Provider of such Additional Security agree to directly reimburse (a "**Reimbursement Obligation**") such Provider for amounts paid under the terms of such Additional Security, including fees and expenses together with interest thereon, which payments shall be subordinate, except for (i) regularly scheduled payments due by the Board pursuant to a Swap, and (ii) payments due to a Provider as a result of its subrogation to rights of an Owner to any other amounts required to be paid under the General Indenture with respect to principal, premium, if any, and interest on the Bonds. As long as no amounts shall be paid under such Additional Security and such Reimbursement Obligation shall remain contingent, such Reimbursement Obligation shall not be taken in account hereof under the provisions of the General Indenture. Upon the payment of amounts under the Additional Security which results in the Reimbursement Obligations becoming due and payable, such Reimbursement Obligation shall be deemed a Bond Outstanding hereunder for the purposes of the General Indenture. With respect to a Swap, the Board may agree to pay to the Swap Party any and all amounts that may be payable by the Board under the Swap.

(2) Any such Additional Security shall be solely for the benefit of and secure the specific Series of Bonds or portion thereof as specified in the Applicable Supplemental Indenture.

Transfer of Bonds

(1) Except for such Bonds as may be issued in bearer form with coupons as provided in the General Indenture, each Bond shall be transferable only upon the register for the Series of which such Bond is a part by the Registered Owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his duly authorized attorney. Upon the transfer of any such Bond the Board shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

(2) The Board and each Fiduciary may deem and treat the person in whose name any Outstanding Bond shall be registered upon the register for Bonds of such Series as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary. The Board agrees to indemnify and save each Fiduciary harmless from and against any and all loss, expense, judgment of liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Registered Owner.

Regulations with Respect to Exchanges and Transfers

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Signing Parties shall execute and the Paying Agent for such Series of Bonds shall authenticate and deliver Bonds in accordance with the provisions of this General Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Paying Agent. For every such exchange or transfer of Bonds, whether temporary or definitive, the Board or the Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Board shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an interest or principal payment date of the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series of Bonds of any Series selected, called or being called for redemption in whole or in part except transfers to any Provider.

The Pledges Effected by the Indenture

There are pledged for the payment of the principal and Redemption Price of and interest on the Bonds, and the sums due and payable by the Board in connection with any Swaps, subject to the payment of all necessary Operation and Maintenance Expenses of the Airport System, subject to the provisions of the General Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein in this Section, and on a basis subordinate to the Bondowners and any Swap party in favor of the entity to whom any Reimbursement Obligation is due as set forth in the General Indenture (i) subject to the General Indenture, the proceeds of sale of such Bonds, to the extent set forth in the Applicable Supplemental Indenture, (ii) the Net Revenues remaining after payment from the Revenues of all Operation and Maintenance Expenses of the Airport System (including when authorized by the Applicable Supplemental Indenture PFC Revenues), (iii) the Swap Revenues, (iv) all monies, securities and Reserve Asset(s) in all funds and accounts established by or pursuant to the General Indenture, except the Arbitrage Rebate Fund, Capital Improvement Fund, Grants Receipt Fund, Operational and Maintenance Reserve Fund, Special Receipts Fund, Vendor Payment Fund and the Improvement Account, General Purpose Account and Rollover Coverage Account of the Airport Operating Fund and NOAB Wire Account, which shall not constitute security for the Bonds, and (v) other money, property or rights added to this pledge by any Supplemental Indenture. Neither the City nor the State shall be obligated to pay the Bonds or any other sums due under the General Indenture and neither the faith and credit nor the taxing power of the City, the State or any other entity is pledged to such payment.

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Establishment of Funds and Accounts

(1) On or prior to the date of delivery of Bonds, the following funds and accounts shall be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By	Pledged to Series 2017 Bonds
1. Proceeds Funds		
a) Costs of Issuance Account	The Trustee	Yes
b) Project Account	The Trustee	Yes
2. Airport Operating Fund		
a) Airport Operating Account	The City	Yes
b) Improvement Account	The City	No
c) General Purposes Account	The City	No
d) Rollover Coverage Account	The City	No
3. Debt Service Fund	The Trustee	Yes
4. Redemption Fund	The Trustee	Yes
5. Debt Service Fund	The Trustee	Yes
6. Operation and Maintenance Reserve Fund	The Trustee	No
7. Arbitrage Rebate Fund	The Trustee	No
8. NOAB Wire Account	The Trustee	No
9. Grants Receipt Fund	The Trustee	No
10. Capital Improvement Fund	The Trustee	No
11. Special Receipts Fund	The Trustee	No
12. Vendor Payment Fund	The Trustee	No

There shall also be established such other funds and accounts within the aforementioned funds and such additional funds and such additional funds and accounts which are necessary or desirable under any Applicable Supplemental Indenture for a specific Series of Bonds, Subordinated Bonds, Swaps or other obligations which are additionally secured by a pledge of a CFC or a PFC, Commercial Paper, Variable Rate Bonds or Tender Bonds.

(2) On or prior to the date of issuance of any Dual Bonds the following funds and accounts may be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By
1. Dual Bonds Proceeds Fund	The Trustee
a) Costs of Issuance Account	
b) Project Account	
2. Transfer Fund	The Trustee
3. Dual Bonds Debt Service Fund	The Trustee
4. Dual Bonds Redemption Fund	The Trustee
5. Dual Bonds Debt Service Reserve Fund	The Trustee
6. Dual Bonds Arbitrage Rebate Fund	The Trustee

There shall also be established within the aforementioned Dual Bonds Funds and Accounts such additional funds and accounts as are necessary or desirable under any Applicable Supplemental Indenture for a specific series of Dual Bonds.

(3) Use of Transfer Fund. The Trustee shall establish a Transfers Fund to be used with respect to Dual Bonds together with such appropriately designated other sub-accounts as may be desirable under the circumstances and as provided by a Supplemental Indenture providing for Dual Bonds. The Transfers of Net PFC Revenues to be used to pay and secure Dual Bonds received by the Trustee shall be credited to the Transfers Fund and applied, credited or deposited into the other Funds and Accounts for Dual Bonds as provided in the applicable Series Resolution relating to any Series of Dual Bonds. If the amount of the Transfers for any relevant period received by the Trustee is insufficient to meet the requirements of paragraph (b) below the Trustee shall immediately take the actions required pursuant to the applicable 1 Series Resolution and use its best efforts to obtain additional Transfers in the required amount.

(4) Use of Dual Bonds Funds and Accounts. The Dual Bonds Funds and Accounts shall be used for the same purposes as the Funds and Accounts of the same name (except for the words "Dual Bonds") as provided in the below sections.

Proceeds Fund

(1) The Trustee shall establish a Proceeds Fund for which each Series of Bonds into which such amounts shall be deposited as required by the Applicable Supplemental Indenture to pay Costs of Issuance and Costs of the Projects financed with each Series of Bonds. Unless otherwise provided in the Applicable Supplemental Indenture, there shall be established within the Proceeds Fund the following separate accounts for each Series of Bonds:

(a) A Costs of Issuance account into which shall be credited the amount, if any, provided in the Applicable Supplemental Indenture to pay Costs of Issuance of such Series. Such amount shall be disbursed in such manner as shall be determined by the Board and/or provided in the Applicable Supplemental Indenture.

(b) A Project Account into which shall be credited (i) the portion of the proceeds of any Series of Bonds to be applied to the Costs of the Project financed by such Series that portion, if any, of the balance then remaining of the proceeds of any notes (or renewals thereof) issued in anticipation of the Bonds of such Series which were issued to pay the Cost of any Project financed in whole or in part by such Bonds, (ii) the proceeds of insurance on any such Project received by the Board during the period of its construction pursuant to Section 605(1) of the General Indenture, (iii) earnings on investments in the Costs of Issuance Account and the Project Account, provided however that the Supplemental Indenture applicable to any series of Bonds may provide that the earnings on investments in the accounts for such Series of Bonds shall be credited monthly to the Airport Operating Account, and (iv) any other amounts (not required by this General Indenture to be otherwise deposited), as determined by the Board.

(2) Amounts in the Cost of Issuance Account for a particular Series of Bonds shall be applied to the Cost of Issuance of the Series of Bonds for which such Account was established and to the Cost of the Projects financed in whole or in part by such Series. Such amounts shall be disbursed in such manner as determined by the Board. Upon completion of such Projects, the Board shall file with the Trustee a certificate of an Authorized Officer, setting forth the final Cost of such Projects and stating that such Projects have been completed to the satisfaction of the Board and that all amounts withdrawn from the applicable Project Account for such Projects have been applied to the Cost of such Projects. Such

certificate shall further set forth the balance, if any, remaining in the applicable Project Account not required for the payment of Costs of Issuance or for the payment of Cost of such Projects. Any such balance shall be applied at the request of the Board (i) to the Cost of Capital Improvements, including Projects, by deposit of such amount in another and separate Project Account, or (ii) to the redemption of the Bonds of the Series for which such Project Account was established by deposit of such amount in the applicable account in the Redemption Fund.

(3) Upon the determination by the Board that a Project undertaken or to be undertaken has been or should be delayed and that no further amounts or significantly reduced amounts should be expended with respect thereto from the applicable Project Account, the Board may, by resolution duly adopted by the Board, direct the Trustee to transfer all or a specified amount of the sums then on deposit in (i) the applicable Project Account to the Capitalized Interest Account as provided in the General Indenture (ii) another and separate Project Account or (iii) the applicable account in the Redemption Fund for application to the redemption of Bonds of the Series for which such Project Account was established.

Application of Revenues

(1) All Revenues shall be collected by the Board and deposited into the Airport Operating Fund (except as provided in the General Indenture and shall be credited to the accounts of said fund, used and expended at the times and for the purposes as set forth in the General Indenture, and in the order of priority set forth in sub-parts (a) through (h) below Airport Operating Fund below.

(2) Net PFC Revenues shall be collected by the Board as provided in its PFC Indenture as long as there is a separate PFC Indenture, and with respect to Dual Bonds shall be transferred to the Trustee for deposit into the Transfer Fund as provided in any Supplemental Indenture providing for Dual Bonds. If at any time there is no need for a PFC Indenture or the General Indenture is consolidated with the PFC Indenture, all Net PFC Revenues shall be collected by the Board and deposited daily into a PFC Receipts Fund to be held by the Trustee, then transferred to the Transfer Fund and applied as provided in the amendments made to the General Indenture to accommodate the lack of need of a PFC Indenture, any consolidation and the requirements of any Supplemental Indenture providing for Dual Bonds.

Airport Operating Fund

(1) All Revenues shall be deposited by the Board daily as received into the Airport Operating Fund (except investment earnings, and the items specified in paragraph (2) below which shall be applied as specified in the General Indenture) which shall consist of the following accounts to be used for the following purposes:

(a) the Airport Operating Account into which all Revenues deposited into the Airport Operating Fund shall be credited, from which all Operation and Maintenance Expenses of the Airport System shall be debited and from which the other transfers provided for in paragraph 2 herein below shall be made;

(b) the Improvement Account into which there shall be credited from the Airport Operating Account such amounts, if any, as shall be required to be deposited therein by the Commercial Airline Leases with terms commencing subsequent to December 31, 2008 or such amount, if any, determined by the Airport Consultant within the Non-Borrowed Capital Budget, if so prepared, of the annual budget provided for in the General Indenture, which sums may be used to pay the costs of improvements to the Airport System;

(c) a General Purposes Account into which there shall be credited the amounts in the order of priority set forth in paragraph (2)(h) below. The sums credited to the General Purposes Account may be held and applied by the Board to any lawful purpose or use of the Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds, and the payment of the Cost of any Capital Improvement. All earnings on the investment of sums credited to the General Purposes Account shall be credited as soon as practicable to the Airport Operating Account; and

(d) a Rollover Coverage Account into which shall be transferred the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. To the extent required by the Commercial Airline Leases the sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

(2) All Revenues except Special Facility Revenues, (i) except Net PFC Revenues which shall be credited to the PFC Receipts Fund, (ii) CFC proceeds, (iii) Released Revenues, (iv) proceeds of insurance and condemnation to the extent provided in the General Indenture, (v) proceeds of any sale or other disposition of any part of the Airport System to the extent provided in the General Indenture, and (vi) Swap Revenues, (which shall be applied in the Debt Service Fund) shall be collected by or for the account of the Board and deposited daily, as far as practicable, in the Airport Operating Fund and be credited to the Airport Operating Account. The foregoing sentence notwithstanding, provided however (i) CFC, PFC, or Released Revenues which constitute Revenues because it is pledged as an item of security for a series of Bonds, Subordinated Bonds, Swaps or any other obligation may be deposited to the Airport Operating Account, the Debt Service Fund, any account or sub-account created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Bonds, Subordinated Bonds, Swap or other obligation and (ii) any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. There shall be credited to the Transfer Fund or if so provided in an the applicable Supplemental Indenture providing for Dual Bonds to a sub-account for a Series of Dual Bonds in the Airport Operating Account, the Debt Service Fund, any account or sub-accounted created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Dual Bonds. There shall also be deposited in the Airport Operating Fund any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, beginning with the month following the month in which any of the Initial Bonds are delivered, the Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied to the following purposes and in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) To the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) To the payment of all Operation and Maintenance Expenses;

(c) To the Debt Service Fund an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) To the Debt Service Reserve Fund an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset instrument, sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset instruments so as to reinstate the amounts available thereunder and second to replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) To the Improvement Account such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

(f) To the Operation and Maintenance Reserve Fund an amount equal to one-twelfth (1/12th) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom an amount equal to 1/36th of the amount which together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36th month following such withdrawal;

(g) Any balance remaining in the Airport Operating Account following the above and foregoing payments or credits and the payment of all obligations due any Provider under a Credit Facility, Liquidity Facility or a Reserve Asset instrument including interest and fees shall be credited in the General Purpose Account, until there has been credited therein such amount as shall be specified in the Commercial Airlines Leases with terms commencing subsequent to December 31, 2008, if any, (such amount being hereinafter referred to as the "General Purposes Account Requirement"). The sums credited to the General Purposes Account may be applied by the Board to any lawful use or purpose of the Board including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds and the payment of the cost of any Capital Improvement.

(h) After an amount equal to the General Purposes Account Requirement, if any, as provided in the Commercial Airline Leases, if any, has been credited during such Fiscal Year in the General Purposes Account, (but not necessarily accumulated therein) any balance remaining in the Airport Operating Account following the above and foregoing transfers shall be credited to the Rollover Coverage Account if required by the Commercial Airline Leases and if the Commercial Airlines Leases do not provide for credit to the Rollover Coverage Account, such sums shall be credited to the General Purpose Account.

Debt Service Fund

(1) There shall be paid into the Debt Service Fund (i) the amounts on the dates provided for in the General Indenture such amounts derived from any CFC or PFC pledged to the payment of a particular series of Bonds, Subordinated Bonds, Swap or other obligation if so specified by the Applicable Supplemental Indenture and (ii) the Swap Revenues, when received.

(2) There shall be paid out of the Debt Service Fund to the respective Paying Agents for any Bonds or any Swap Party pari passu without priority of one such payment over any other such payment on or before each interest payment date of any Bonds the amount required for the interest and Principal Installments payable on such date (as more specifically provided in the Applicable Supplemental Indenture or Swap), on the date payments are due by the Board pursuant to any Swap, if any such payment is then due, the sum due by the Board to the Swap Party, on the dates Reimbursement Obligations are due which reimburse the Provider of any Additional Security for the payment of interest or principal on any Bonds or any payment due by the Board on a Swap, the sum due such Provider of such Additional Security and on or before each redemption date for the Bonds, other than a redemption date on account of Sinking Fund Payments, the amount required for the payment of interest on the Bonds then to be redeemed; provided that in each case the Board may direct the making of such payments to the Paying Agents on such date prior to the due date as the Board determines to the extent amounts are available therefore in such fund. The Paying Agents shall apply such amounts to the payment of interest and principal on and after the due dates thereof. If on any interest payment date of the Bonds the amount accumulated in the Debt Service Fund for any of the purposes specified above exceeds the amount required therefore, the Board may direct the Trustee to deposit such excess in the Redemption Fund or, in its discretion, in the Airport Operating Account. There shall also be paid out of the Debt Service Fund accrued interest included in the purchase price of Bonds purchased for retirement under any provision of the General Indenture.

(3) Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Payment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Payment was established) may, and if so directed by the Board shall, be applied prior to the 30th day preceding the due date of such Sinking Fund Payment to the purchase of Bonds of the Series and maturity for which such Sinking Fund Payment was established, at prices not exceeding the applicable sinking fund Redemption Price plus interest on such Bonds to the first date on which such Bonds could be redeemed (or in the case of a Sinking Fund Payment due on the maturity date, the principal amount thereof plus interest to such date), such purchases to be made in such manner as the Trustee shall determine, or the redemption, pursuant to the General Indenture, of such Bonds then redeemable by their terms. The applicable Redemption Price or principal amount (in the case of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Payment date for the purpose of calculating the amount of such fund. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Payment, the Trustee shall proceed (by giving notice as provided in the General Indenture) to call for redemption on such due date Bonds of the Series and maturity for which such Sinking Fund Payment was established (except in the case of Bonds maturing on a Sinking Fund Payment date) in such amount as shall be necessary to complete the retirement of the principal amount of the Bonds of such Series and maturity as specified for such Sinking Fund Payment in the Applicable Supplemental Indenture, and whether or not the balance in the Debt Service Fund is sufficient to pay all such Bonds. There shall be paid out of the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date or maturity date, the amount required for the redemption of the Bonds so called for redemption or for the payment of such Bonds then maturing, and such amount shall be applied by such Paying Agents to such redemption or payment.

(4) In satisfaction, in whole or in part, of any amount required to be paid into the Debt Service Fund pursuant to the General Indenture which is attributable to a Sinking Fund Payment, there may be delivered on behalf of the Board to the Trustee, Bonds of the Series and maturity entitled to such payment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Payment shall reduce the amount thereof by the amount of the aggregate of the sinking fund Redemption Prices of such Bonds.

(5) Notwithstanding anything to the contrary contained in the General Indenture, the Trustee shall not purchase or accept Bonds in lieu of any Sinking Fund Payment during the period of 30 days prior to the due date of any Sinking Fund Payment.

(6) The Board may establish in any Applicable Supplemental Indenture a separate account (called "**Capitalized Interest Account**") within the Debt Service Fund and may deposit or transfer to the Trustee to deposit in the Capitalized Interest Account any proceeds of Bonds as directed by such Supplemental Indenture and any other monies not otherwise directed to be applied by this General Indenture. Amounts in the Capitalized Interest Account shall be applied to the payment of interest on the Bonds and as otherwise provided in the Applicable Supplemental Indenture.

(7) The Board may establish in any Applicable Supplemental Indenture which pledges a CFC or a PFC as additional security for a series of Bonds, Subordinated Bonds, Swap or other obligation separate accounts or sub-accounts within the Debt Service Fund for such series of Bonds, Subordinated Bonds, Swap or other obligation to be used to hold and apply to the payment of any thereof and transfer therefrom any amounts derived from a CFC or PFC which are in excess of the Debt Service Fund Requirement for such series of Bonds, Subordinated Bonds, Swap or other obligation as directed by the Applicable Supplemental Indenture.

(8) All earnings on the investment of sums held within the Debt Service Fund shall be transferred as soon as practicable to the Airport Operating Fund and credited to the Airport Operating Account.

Redemption Fund

(1) The Board may deposit in the Redemption Fund any monies, including Revenues, not otherwise required by the General Indenture to be deposited or applied. There shall be established in the Redemption Fund a separate account (herein called "**Redemption Account**") with respect to each Series of Bonds.

(2) If at any time the amount on deposit and available therefore in the Debt Service Fund is insufficient to pay the principal and Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Redemption Fund and deposit in the Debt Service Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall have been given). Subject to the foregoing, amounts in each account in the Redemption Fund may be applied to the redemption of related Bonds in accordance with the General Indenture and the Applicable Supplemental Indenture or, in lieu thereof, to the purchase of related Bonds at prices not exceeding the applicable Redemption Prices (plus accrued interest) had such Bonds been redeemed (or, if not then subject to redemption, at the applicable Redemption Prices when next subject to redemption), such purchases to be made by the Trustee at such times and in such manner as directed by the Board.

(3) All earnings on the investment of sums held within the Redemption Fund shall be transferred as soon as practicable to the Airport Operating Account.

Debt Service Reserve Fund

(1) The Board and the Trustee shall at all times maintain the Debt Service Reserve Fund Requirement in the Debt Service Reserve Fund.

(2) If at any time the amounts on deposit and available therefore in the Debt Service Fund and the Redemption Fund are insufficient to pay the principal and Redemption Price of and interest on the Bonds then due or to make other payments required to be made from the Debt Service Fund there shall be withdrawn from the Debt Service Reserve Fund and deposited in the Debt Service Fund the amount necessary to meet the deficiency. Amounts so withdrawn shall be derived as set forth in the Applicable Supplemental Indenture with respect to the Bonds for which such withdrawal is to be made; provided however, (i) in the event a portion of the Debt Service Reserve Requirement is at the time of such withdrawal satisfied by a Reserve Asset instrument, draws shall only be made upon any Reserve Asset instrument after all other sums have been depleted from the Debt Service Reserve Fund, (ii) only amounts due as regularly scheduled payment obligations of the Board pursuant to any Swap may be paid with the proceeds of draws upon a Reserve Asset instrument unless otherwise directed by the Reserve Asset Provider, and (iii) in the event more than one Reserve Asset is contained within the Debt Service Reserve Fund and a draw is required, such draw shall be made pro-rata upon each Reserve Asset instrument then in effect.

(3) If on the last Business Day of any month, the amount on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Fund Requirement (calculated as of the first day of the next succeeding month) such excess shall be withdrawn and deposited in the Airport Operating Fund to the credit of the Airport Operating Account.

(4) Whenever the Board shall determine that the cash and Permitted Investments on deposit in the Debt Service Reserve Fund together with all other funds available for the purpose of redeeming Bonds is equal to or in excess of the Redemption Price of all Bonds Outstanding and the Bonds are then subject to optional redemption, the Trustee, at the direction of the Board shall transfer the balance of such cash and Permitted Investments from the Debt Service Reserve Fund to the Redemption Fund in connection with the redemption of all Bonds Outstanding.

(5) Earnings on the investment of sums held in the Debt Service Reserve Fund shall remain therein unless the Supplemental Indenture applicable to any particular series of Bonds provides that such earnings shall be transferred to the Airport Operating Account.

Operation and Maintenance Reserve Fund

An Operation and Maintenance Reserve Fund shall be credited the Operation and Maintenance Reserve Fund Requirement and shall be therein at all times be maintained the amount required by the General Indenture. Amounts from time to time credited to the Operation and Maintenance Reserve Fund may be used at any time first to pay for any Operation and Maintenance Expenses for which amounts are not otherwise available in the Airport Operating Account; second, to purchase land for runway clear zones for which no bond proceeds are available; and third, to the extent any amounts are remaining to be transferred to the Debt Service Fund, the Debt Service Reserve Fund or any similar fund created to provide for the payment, or reserves for payment of the Bonds to the extent of any deficiency therein. All earnings on the investment of sums held within the Operation and Maintenance Reserve Fund shall be transferred as soon as practicable to the Airport Operating Account.

Vendor Payment Fund

In order to facilitate payment of (i) Costs of any Capital Improvement or expense relating to the Airport System and (ii) payment of invoices relating to Ineligible Costs or non-PFC Projects (as such terms are defined in the PFC Indenture) relating to an Approved Project (as such term is defined in the PFC Indenture) with a single check, the Trustee shall create a Vendor Payment Fund into which the Trustee shall credit amounts derived from any source including Funds and Accounts created by the

General Indenture and any Supplemental Indenture, the Funds and Accounts created by the PFC Indenture and any supplemental indenture issued pursuant thereto, and grants. All amounts in payment of vendors with respect to Costs of any Capital Improvement or expense to be derived from (i) the Special Receipts Fund shall be paid with checks drawn upon the Vendor Payment Fund and (ii) derived from other sources including the Funds and Accounts created by the General Indenture may be paid with checks drawn upon the Vendor Payment Fund.

Arbitrage Rebate Fund

In order to maintain the tax-exempt status of the tax-exempt Bonds, there is authorized and ordered established with respect to each series of tax-exempt Bonds an "Arbitrage Rebate Account" within the "Arbitrage Rate Fund." This Fund shall be maintained by the Trustee and used to receive any amounts payable by the Board to the U.S. Treasury pursuant to Section 148(f) of the Code and invested and applied as described in the Applicable Supplemental Indenture relating thereto. The amounts on deposit in this Fund shall be payable to the United States Treasury in such amounts and at such times as provided in the said Supplemental Indenture but in no event later than required by Section 148(0 of the Code and the regulations promulgated thereunder. The Board further covenants that it will comply with any Treasury Regulations applicable to Section 148(f) of the Code including any calculations of rebate amounts required under said Treasury Regulations. It is hereby recognized and understood that monies deposited in the Arbitrage Rebate Fund and any earnings thereon do not constitute Revenues of the Board and such amounts are not and never shall be pledged to the payment of or be security for any Bonds.

Special Receipts Fund

Due to the special needs and requirements pertaining to the administration and management of money which is received by the Board from various sources to be applied to various projects which may be related to other projects, which may need to be paid from one source but later reimbursed from a different source and some of which projects may transition over time from a non-PFC Project to a PFC Project, (as such terms are defined in the PFC Indenture) and in order to facilitate the payment with one check of invoices relating to non-PFC Projects which may in the future become PFC Projects (as such terms are defined in the PFC Indenture), are acquired or constructed in connection with Approved Projects (as such term is defined in the PFC Indenture) or the accounting for such amounts will be simplified if administered by the Trustee under the provisions of the General Indenture, the Trustee shall create a Special Receipts Fund into which the Trustee shall deposit or credit any amounts provided by the Board to the Trustee which do not constitute the proceeds of Revenues, Bonds, Secured Obligations, Subordinated Obligations, PFC Bonds or Net PFC Revenues (as such terms are defined in the PFC Indenture) accompanied by written instructions of the staff of the Board to place such amounts therein. Monies in the Special Receipts Fund shall be transferred to the Vendor Payment Fund upon receipt by the Trustee of a requisition executed by an Authorized Board Representative.

NOAB Wire Account

The Board shall, to the extent possible, instruct the FAA to wire transfer all grant payments to the Board into the NOAB Wire Account. Any FAA Grant payments not wired to such account shall be deposited by the Board in the NOAB Wire Account day by day when actually received by the Board. The Board shall wire transfer to the Trustee for deposit into the Grant Receipt Fund of the General Indenture (as opposed to the Grant Receipt Fund of the PFC Indenture) immediately upon receipt, the portion of any payment of any FAA Grant which represents a portion of any Cost of any Capital Improvement or Project to be paid from or reimburse amounts derived from General Airport Revenues or financed with Secured Obligations. Notwithstanding the foregoing, the Board may utilize the NOAB Wire Account to receive amounts from any source whether related to any Capital Improvement and/or Project or not but upon

receipt of such amounts shall direct the Trustee as to the holding and transfer of such amounts in a written direction from an Authorized Board Representative. FAA Grants relating to PFC Projects shall be paid by the Board into the Grants Receipt Fund of the PFC Indenture.

Grant Receipt Fund

The Grant Receipt Fund shall be used to receive wire transfers of monies from the Board's NOAB Wire Account representing those portions of FAA Grants which are due by the FAA with respect to any Capital Improvement or Project, a portion of any Cost of which were or are to be paid by the Trustee from any Fund or Account created pursuant to the General Indenture or any Supplemental Indenture. Within two Business Days following receipt by the Trustee of monies in the Grant Receipt Fund, the Trustee shall transfer from the Grant Receipt Fund to the credit of the appropriate sub-account of the Project Account, the Proceeds Fund, the General Purposes Account, the Capital Improvement Fund or the Special Receipts Fund, the amount needed to reimburse such Account or Fund as confirmed in written instructions of an Authorized Board Representative for prior unreimbursed debits from any such Account or Fund made in anticipation of receipt of an amount from a FAA Grant.

Capital Improvements Fund

The Board may deposit to the Capital Improvements Fund amounts derived from any source, including, without limitation, amounts in the Airport Operating Account, and General Purposes Account of the General Indenture, FAA Grants and General Airport Revenues (not otherwise required by the provisions of the General Indenture to be credited to another Fund or Account) which by law or direction of the Board may only be or are intended to be spent on any Capital Improvements. Amounts credited to the Capital Improvement Fund may only be used to pay the Costs of any Capital Improvement or Project or reimburse amounts previously spent by the Board for such purposes. The Board shall deliver its instructions to the Trustee for transfers from the Capital Improvement Fund pursuant to a certificate or other written instrument of an Authorized Board Representative.

Investments

(1) Except as otherwise provided in the General Indenture, money held for the credit of any fund or account under the General Indenture shall, to the fullest extent practicable, be invested, either alone or jointly with monies in any other fund or account, by the applicable Fiduciary at the direction of an Authorized Officer of the City in Permitted Investments which shall mature or be redeemable at the option of the holder thereof on such dates and in such amounts as may be necessary to provide monies to meet the payments from such funds and accounts; provided that if monies in two or more funds or accounts are commingled for purposes of investments, the holder of such commingled accounts shall maintain appropriate records of the Permitted Investments or portions thereof held for the credit of such fund or account. Permitted Investments purchased as an investment of monies in any fund or account shall be deemed at all times to be a part of such fund or account and all income thereon shall accrue to and be deposited in such fund or account and thereafter, except with respect to the Proceeds Fund and the Debt Service Reserve Fund, transferred to the Airport Operating Fund to the credit of the Airport Operating Account and all losses from investment shall be charged against such fund or account unless otherwise provided by a Supplemental Indenture; provided that all income earned on investment of the Proceeds Fund and the Debt Service Reserve Fund for any Series of Bonds shall be credited to and deposited in the Proceeds Fund or the Debt Service Reserve Fund unless the Supplemental Indenture applicable to such series of Bonds provides that such earnings shall be transferred to the Airport System Account.

(2) In lieu of investment in Permitted Investments, amounts on deposit in any fund or account may be deposited by the holder of such fund or account in its name for the account of such fund or account on demand or on time deposit with such depository or depositories (including any Fiduciary) as the holder of such fund or account may from time to time appoint for such purpose. Any depository so appointed shall be a bank or trust company which is a member of the Federal Deposit Insurance Corporation organized under the laws of the State or a national banking association authorized to do business in, and having its principal office in the State for general banking business, and in each case qualified under the laws of the State to receive deposits of public monies. No monies shall be deposited with a depository in amounts in excess of Federal Deposit Insurance Corporation insurance limits unless all monies so deposited are secured to the extent and in the manner required by law for the securing of deposits of a political subdivision of the State.

(3) In computing the amount in any fund or account hereunder for any purpose, Permitted Investments shall be valued at the lesser of fair market value or amortized cost. As used herein the term "amortized cost," when used with respect to an obligation purchased at a premium above or a discount below par means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and in the case of an obligation purchased at a premium, by deducting the product thus obtained from the purchase price, and in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price. Unless otherwise provided in the General Indenture, Permitted Investments in any fund or account hereunder shall be valued at least once in each Fiscal Year on the last day thereof. Notwithstanding the foregoing, Permitted Investments in the Debt Service Reserve Fund shall be valued (0 semiannually if the Permitted Investments thereon have an average weighted maturity of ten years or more or (ii) annually if such Permitted Investments average weighted maturity is less than ten years at the lesser of fair market value or amortized cost for all purposes of the Resolution.

Holding of Special Deposits

Monies held by or for the account of the Board, the City, the Trustee or any Fiduciary in connection with the Airport System which are required to be applied under the terms of an agreement to the construction or alteration of a facility which is the subject to such agreement (including, without limitation, any such monies received by the Board or the City for such purpose under any grant or loan agreement with the United States of America or the State or any agency, political subdivision or instrumentality of either) or which are subject to refund by the Board or the City or held for the account of others or subject to refund to others, including, without limitation, any amounts which, under any agreement by the Board providing for adequate separation of such amounts from Revenues, any amounts deducted from wage and salary payments to the employees of the Board or the City, any amounts contributed by the Board or the City to any pension or retirement fund or system which amounts are held in trust for the benefit of the employees of the Board and any amounts held as deposits, including customers' service deposits, guaranteed revenue contract deposits, unexpended developer's deposits under construction loan contracts, minimum revenue deposits and unexpended jobbing deposits, together with any investments of such monies and interest and profits thereon to the extent such interest and profits are also held for the account of others or subject to refund to others, may be held by the Trustee, the City or the Board outside of the various funds and accounts established by the General Indenture and, notwithstanding anything herein to the contrary, shall not be subject to the pledge created by the General Indenture or be considered Revenues hereunder while so held.

Covenants of the Aviation Board and the City

Extension of Payment of Bonds

Except as expressly authorized with respect to a particular Series of Bonds in an Applicable Supplemental Indenture, the Board shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under the General Indenture to the benefit of the General Indenture or to any payment out of any assets of the Board or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to the General Indenture) held by the Trustee, the City or the Fiduciaries, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this Section shall be deemed to limit the right of the Board to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Completion of Construction; Maintenance and Improvements of the Airport System; To Manage Airport System Efficiently; Sale, Lease or Other Disposition of Airport Facilities; Eminent Domain

(1) The Board will proceed with all reasonable dispatch to complete the acquisition, construction, reconstruction, improvement, betterment or extension of any properties, the costs of which are to be paid from the proceeds of Bonds or from monies in the Airport Operating Fund, the Proceeds Fund, or from government grants or contributions.

(2) The Board will maintain, preserve, keep and operate or cause to be maintained, preserved, kept and operated, the properties constituting the Airport System (including all additions, improvements and betterments thereto and extensions thereof and every part and parcel thereto) in good repair, working order and operating condition in conformity with standards customarily followed in the Aviation industry for airports of like size and character, and from monies lawfully available therefore or made available therefore, will from time to time construct additions and improvements to and extensions and betterments of said properties which are economically sound, so that at all times the business carried on in connection therewith shall be properly and advantageously conducted in an efficient manner and at reasonable cost.

(3) The Board shall operate and maintain the Airport System as a revenue-producing enterprise and shall manage the same in the most efficient manner consistent with sound economy and public advantage and consistent with the protection of the Bondowners.

(4) The City and/or the Board shall not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this section, any transfer of an asset over which the City and/or the Board retains substantial control in accordance with the terms of such transfer shall not, for as long as the City and/or the Board has such control, be deemed a disposition of an Airport Facility or Airport Facilities. A lease pursuant to the FAA airport privatization pilot program pursuant to 49 USC § 47134 shall constitute a disposition of the Airport for these purposes.

The City and/or the Board may transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out;

(b) The property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Airport Operating Fund to be used as described in subpart (5) below and the Board believes that such disposal will not prevent it from fulfilling its obligations under the Indenture; or

(c) Prior to the disposition of such property, there is delivered to the Trustee a certificate of the Aviation Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Board as evidenced by a certificate of an Authorized Board Representative, the Consultant estimates that Board will be in compliance with the provisions of Section 604 of the General Indenture during each of the five Fiscal Years immediately following such disposition.

Airport Facilities which were financed with the proceeds of obligations, the interest on which is then excluded from gross income for federal income tax purposes, shall not be disposed of, except under the terms of provision a) above, unless the Board has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition shall be made which would cause the City and/or the Board to be in default of any other covenant contained in the General Indenture.

(5) If a Significant Portion which is less than a Major Portion of any Airport Facility or Airport Facilities is voluntarily transferred or otherwise disposed of or should be taken by eminent domain proceedings or conveyance in lieu thereof, the City and/or the Board shall create within the Airport Operating Fund a special account and credit the net proceeds received as a result of such taking or conveyance to such account and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds to (i) replace the Airport Facility or Airport Facilities which were taken or conveyed, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem Bonds or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IV of the General Indenture.

(6) Should the governance of the Airport System or a Major Portion of the Airport System be voluntarily transferred or otherwise disposed of including a long-term lease under the FAA airport privatization pilot program to any entity other than the City or taken by eminent domain proceedings:

(a) if the transferee by notarial act, (i) assumes all of the obligations of both the Board and the City pursuant to this General Indenture, every Supplemental Indenture, every agreement providing for every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations, (ii) releases the Board and the City from all such obligation assumed by the Transferee, (iii) agrees to indemnify the Board and the City from all such obligations, (iv) an original or certified copy of such notarial act of assumption is delivered to the Trustee and (v) the Board has received a Favorable Tax Opinion with respect to such assumption, then the transferee shall be substituted as the obligor for all such obligations and the Board and the City shall be automatically without any further actions or requirements discharged from all liability pursuant to the General Indenture, every Supplemental Indenture, every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations; or

(b) if the transferee does not by notarial act assume all the obligations of both the Board and the City and comply with all of the provisions of item (a) of this subpart (6) above, including the receipt of a Favorable Tax Opinion, then the Board shall (i) replace the Airport Facility or Airport Facilities which were transferred, otherwise disposed or the governance of which was transferred to any entity other than the City or taken by eminent domain proceeds, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem all Bonds and Subordinated Bonds and discharge all Secured Obligations and Subordinated Obligations or (iv) create an escrow fund pledged to pay Bonds, Subordinated Bonds, other Secured Obligations and Subordinated Obligations and thereby cause such items to be deemed to be paid as provided in Article IV of the General Indenture.

Rates, Rents, Fees and Charges

(1) The Board shall impose, charge and collect reasonable rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System (collectively, the "**Rates and Rentals**") so that:

(a) Revenues in each Fiscal year will be at least sufficient to make all the payments required by the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

(b) Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted at the time of such computation by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

(2) If after the end of any Fiscal Year, the Net Revenues did not meet the requirements of paragraph (1) of the General Indenture, if permitted by the Commercial Airline Lease the Airlines shall be billed the additional amounts required to make the Net Revenues meet the requirements of paragraph (1) above.

(3) If during any Fiscal year, Revenues and other funds are estimated to produce less than the amount required under subsection (1) above, the Board shall revise the Rates and Rentals or alter its methods of operation or take other action in such manner as is necessary to produce the amount so required, or if less, the maximum amount deemed feasible by the Aviation Consultant.

(4) Within 120 days after the end of each Fiscal Year, the Board shall furnish to the Trustee calculations of the coverage requirement under subsection (1) and (2) of this Section.

(5) If any of the calculations specified in subsection (2), (3) or (4) of this Section for any Fiscal Year indicates that the Board has not satisfied its obligations under subsection (1) or (2) of this Section, then as soon as practicable, but in any event no later than 45 days after the receipt by the Trustee of such calculation, the Board shall employ an Aviation Consultant to review and analyze the financial status and the administration and operation of the Airport System and to submit to the Board, within 45 days after employment of the Aviation Consultant, a written report on the same, including the action which the Aviation Consultant recommends should be taken by the Board with respect to the revision of Rates and Rentals, alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the then current Fiscal Year or, if less, the maximum amount deemed feasible by the Aviation Consultant. Within 60 days following its receipt of the recommendations, the Board shall, after giving due consideration to the recommendations, revise the Rates and Charges or alter its methods of operation, which revisions or alterations need not comply with

the Aviation Consultant's recommendations as long as any revisions or alterations are projected by the Board to result in compliance with subsections (1) and (2) above. The Board shall transmit copies of the Aviation Consultant's recommendations to the Trustee and to each Owner who has requested the same.

(6) If at any time and as long as the Board is in full compliance with the provisions of subsections (3), (4) and (5) above, there shall be no Event of Default under the General Indenture as a consequence of the Board's failure to satisfy the covenants contained in subsection (1) or (2) of above during such period.

Nothing contained hereinabove shall be construed to prevent the City, acting by and through the Board, from entering into long term leases or contracts after the effective date hereof, in the manner provided by law.

Aviation Consultant

The Board covenants that (i) at all times required by the General Indenture and (ii) at such other times as the Board, in its reasonable judgment, deems assistance from the Aviation Consultant to be appropriate, while any of the Bonds are outstanding, it will employ an Aviation Consultant experienced in the field of administration, maintenance and operation of airports and facilities thereof. The Aviation Consultant shall be appointed by the Board at such compensation as may be fixed by it. The Aviation Consultant shall at the request of the Board inspect the Airport System and make reports thereon and advise and make recommendations to the Board in connection with the administration, maintenance and operation thereof, including recommendations for any revisions necessary in fees, rates, and other charges to comply with the provisions of the General Indenture, and shall, if so requested, prepare a recommended budget for Operation and Maintenance Expenses and needed Capital Improvements of the Airport System on a Fiscal Year basis. Such budget shall, when deemed appropriate by the Aviation Consultant, include as a portion thereof an amount of the Revenues for such Fiscal Year to be used in such Fiscal Year to pay the Costs of Capital Improvements which will not be borrowed (the "**Non Borrowed Capital Budget**"). Copies of any report and recommendations made by the Aviation Consultant shall be filed as soon as available with the Board and the Trustee and made available for inspection by any holder of any of the Bonds upon request. If any Bonds or obligations of the Board pursuant to a Swap are Outstanding which are insured or guaranteed by any Provider, the Trustee shall furnish such Provider copies of the report and recommendations of the Aviation Consultant within 30 days of receipt of such items by it.

Compliance with Law and Leases

The Board will perform punctually all duties and obligations with respect to the properties constituting the Airport System required by the General Indenture and the laws of the State and will perform all contractual obligations undertaken by it under any leases and agreements with the United States of America, its agencies and with persons and corporations both public and private.

Accounts and Reports

(1) The Board shall maintain its books and accounts in accordance with generally accepted accounting principles and in accordance with such other principles of accounting as the Board shall deem appropriate.

(2) The Board shall annually file with the City and the Trustee a copy of an annual report for such year, accompanied by financial statements audited by and containing the report of a nationally recognized independent public accountant or firm of accountants, relating to the operations and properties of the Airport System for such Fiscal Year and setting forth in reasonable detail its financial condition as

of the end of such year, the income and expenses for such year, including a summary of the receipts in and disbursements from the funds and accounts maintained under the General Indenture during such Fiscal Year and the amounts held therein at the end of such Fiscal Year. The annual report shall include a portion thereof which clearly sets forth and itemizes the Revenues and reflects the amount of Net Revenues. Each annual report shall be accompanied by a certificate of the accountant or firm of accountants auditing the same to the effect that in the course of and within the scope of their examination of such financial statements made in accordance with generally accepted auditing standards, nothing came to their attention that would lead them to believe that a default had occurred under the General Indenture or, if such is not the case, specifying the nature of the default.

In the event any Outstanding Bonds or the obligations of the Board to pay pursuant to any Outstanding Swap are insured or guaranteed by any Provider a copy of the annual report and audit required by this section shall be provided to such Provider within 30 days of receipt by the Trustee.

Covenant as to Arbitrage

The Board agrees that as long as any of the tax-exempt Bonds remain Outstanding, money on deposit in any fund or account maintained in connection with a particular series of such Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources in connection therewith, will not be used in a manner that would cause such series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder. The Board and the City shall observe and not violate the requirements of Section 148(c) of said Code and any such applicable regulations. In the event that nationally recognized bond counsel is of the opinion that it is necessary to restrict or limit the yield on the investment of monies held by it pursuant to a particular series of tax-exempt Bonds, or to use such monies in certain manners, in order to avoid the bonds being considered "arbitrage bonds" within the meaning of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the Board shall enter into an arbitrage rebate agreement requiring the rebate of arbitrage earnings to the United States Treasury.

Tax Covenant

The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the applicable Tax Certificate, which is incorporated in the General Indenture as if fully set forth therein. This covenant shall survive payment in full or defeasance of any Tax-Exempt Bonds.

Further Assurances

At any and all times the City and the Board shall, as far as may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, Supplemental Indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Board or the City may hereafter become bound to pledge or assign.

Declaration of Default or Early Termination of Swap

The Board covenants and agrees that as long as any Swap is Outstanding pursuant to which the obligations of the Board to pay are insured or guaranteed by any Provider and such Provider is continuing to perform its payment obligations pursuant to such Swap, the Board shall not declare an event of default or early termination of any such Swap insured or guaranteed by such Provider unless such Provider shall have consented to such declaration or early termination or shall have directed the same.

City Shall Not Issue Bonds

The City covenants and agrees that it shall:

(1) not issue any additional bonds whatsoever pursuant to the provisions of the Basic Bond Resolution;

(2) not issue any additional bonds whatsoever pursuant to the provisions of the General Bond Resolution;

(3) not avail itself of the provisions of Part XIV of Chapter 4 of Subtitle II of Title 39 and/or Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, in so far as such provisions authorize the City to issue bonds in its name secured by the pledge of the revenues of the Airport and/or the Airport System as long as any Bonds issued hereunder are Outstanding; and

(4) cause the Board to issue in the Board's name pursuant to the authority of the Act any bonds to be secured by a pledge of the Revenues or pledge of any other revenues derived from the Airport System as long as any Bonds issued hereunder are Outstanding.

Events of Default

If one or more of the following events (in the General Indenture called "**Events of Default**") shall happen,

(i) if default shall be made in the payment of the principal or Redemption Price of any Bond when due, whether at maturity or by call for mandatory redemption or redemption at the option of the Board or any Registered Owner or otherwise, or in the payment of any Sinking Fund Payment when due,

(ii) if default shall be made in the payment of any installment of interest on any Bond when due,

(iii) if default shall be made by the Board or the City in the performance or observance the covenants, agreements and conditions on its part with respect to rates, rents, fees and charges as provided in the General Indenture,

(iv) if default shall be made by the Board or the City in the performance or observance of any other of the covenants, agreements or conditions on either such party's part provided in the General Indenture or in the Bonds and such default shall continue for a period of 30 days after written notice thereof shall be given to the Board, or the City by the Trustee or to the Board and the City by the Registered Owners of a majority in principal amount of the Bonds Outstanding; provided that if such default cannot be remedied within such 30 day period, it shall

not constitute an Event of Default under the General Indenture if corrective action is instituted by the Board or the City within such period and diligently pursued until the default is remedied,

(v) if under the provision of any law for the relief of debtors, an order, judgment or decree is entered by a court of competent jurisdiction appointing a receiver, trustee, or liquidator

(vi) for the Board or the whole or any substantial part of the Airport System granting relief in involuntary proceedings with respect to the Board under the federal bankruptcy act, or assuming custody or control of the Board or of the whole or any substantial part of the Airport System and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree,

(vii) if the Board admits in writing its inability to pay its debts generally as they become due, commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness makes an assignment for the benefit of its creditors, consents to the appointment of a receiver of the whole or any substantial part of the Airport System under any law for the relief of debtors, or consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Board or of the whole or any substantial part of the Airport System, or

(viii) if any event of default shall have occurred pursuant to any Supplemental Indenture,

then, and in each and every such case, as long as such Event of Default shall not have been cured, the applicable Fiduciary only with the consent of or at the direction of the Secured Obligees of twenty-five percent (25%) in amount of the Secured Obligations Outstanding (by notice in writing to the Board), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, and the payments due by the Board and not made by any guarantor of the Board's obligation pursuant to any Swap to be due and payable immediately, and upon any such declaration, the same shall become due and payable immediately, anything in the General Indenture, in any of the Bonds or any Swap contained to the contrary notwithstanding. The right to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, all Events of Default (other than the payment of principal and interest due and payable solely by reason of such declaration) shall have been cured or provision deemed by the applicable Fiduciary to be adequate shall be made therefore, then and in every such case, unless a final judgment has been obtained for any principal, interest or payment due pursuant to a Swap coming due and payable solely by reason of such declaration, the Secured Obligees of a majority in amount of the Secured Obligations Outstanding, by written notice to the applicable Fiduciary, the City and the Board may annul such declaration or if the applicable Fiduciary shall have acted without a direction from Secured Obligees theretofore delivered to the applicable Fiduciary, the City and the Board written direction to the contrary by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding, then any such declaration shall be deemed to be annulled provided that no such annulment shall be possible without the approval of a Swap Party if (1) the Event of Default giving rise to such declaration was an Event of Default of a kind described in clause (vii) above relating to a Swap with that Swap Party, (2) that Swap Party has taken action in reliance on such declaration and (3) as a result, that Swap Party would incur damages if such declaration were annulled.

The above and foregoing provisions to the contrary notwithstanding (i) payments made by any Provider pursuant to any policy of insurance or surety bond shall not be given effect in determining whether a payment default has occurred and (ii) any Provider shall be deemed to be the sole holder of Bonds it has insured and shall be deemed to be the Swap Party with respect to any obligation pursuant to any Swaps which obligation has been insured by such Provider; provided, however, that should any

Provider be in default or have repudiated its obligations to pay pursuant to any insurance policy or surety bond relating to Outstanding Bonds and/or Swaps then such Provider shall not be considered to be the holder of such Bonds nor the Swap Party pursuant to such Swap, it being understood that the actual Swap Party, and not such Provider, shall be considered the Swap Party pursuant to such Swap whether any such default or repudiation by such Provider relates to such Swap or to Outstanding Bonds.

In connection with any election regarding remedies provided for in Article VII of the General Indenture, a Credit Provider (not in default under the terms of its Credit Facility) shall be deemed to be the sole Secured Obligee with respect to the applicable Series of Bonds and/or Swap.

Application of Revenues and Other Monies after Default

(1) During the continuance of an Event of Default, the Revenues, Swap Revenues and the monies, securities and funds held by the applicable Fiduciary, the Board or the City and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses incurred in connection with (i) the administration of the provisions of the General Indenture and any Supplemental Indenture of the Board, City, the Trustee, and (ii) of the Aviation Consultant selected by the Board pursuant to the General Indenture;

(ii) to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses, including reasonable and necessary reserves and working capital therefore, and for the reasonable repair and replacement of the Airport System necessary to prevent loss of Revenues or to provide for the continued operation of the Airport System, as certified to the Board by an Aviation Consultant selected by the Board;

(iii) to the payment of the interest and principal amount or Redemption Price then due on the Bonds, and the payment of sums due Swap Parties subject to the extension of payment provisions of the General Indenture, as follows:

(a) unless the principal amount of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto to all installments of interest and the payment of sums due Swap Parties other than sums due by the Board upon early termination or default of a Swap then due in the order of the maturity of such installments and sums maturing, and if the amount available shall not be sufficient to pay in full all installments and sums maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amount or Redemption Price of any Bonds which shall become due, whether at maturity or by call for redemption, and to the payment of any sums due a Swap Party by the Board as a result of early termination or default of a Swap, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds sums due a Swap Party by the Board as a result of early termination or default of a Swap, due on any date, then to the payment thereof ratably, according to the amounts of principal, Redemption Price or payments due upon early termination or default on a Swap due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal amount and interest then due and unpaid upon the Bonds and the payment of any amounts due and unpaid by the Board pursuant to a Swap as a result of early termination or default, without preference or priority of principal over interest or of interest over principal, or principal or interest over sums due by the Board pursuant to a Swap as a result of early termination or default, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, or over principal or interest over sums due by the Board pursuant to a Swap, ratably according to the amounts due respectively for principal amount and interest to the persons entitled thereto without any discrimination or preference;

(iv) to the payment of amounts owing to Providers, other than amounts owing as a result of such Providers' subrogation or ownership rights in respect of Bonds.

(2) If and whenever all overdue installments of interest on all Bonds together with the reasonable and proper charges and expenses of the City, the Board and the Fiduciaries, and all other sums payable by the Board under the General Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, and all payments due by the Board pursuant to any Swap, shall either be paid by or for the account of the Board, or provision satisfactory to the Board shall be made for such payment and all defaults under the General Indenture, the Bonds and Swaps shall have been cured, the Board shall pay all monies, securities and funds remaining unexpended in all funds and accounts provided by the General Indenture to be held by the Board and thereupon the Board and the City shall be restored, respectively, to their former positions and rights under the General Indenture and all Revenues shall thereafter be applied as provided in Article V. No such payment over to the Board by the City or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the General Indenture or impair any right consequent thereon.

(3) The proceeds of any Additional Security shall be applied by the Board in the manner provided in the Applicable Supplemental Indenture authorizing or providing for such Additional Security.

(4) The above and foregoing provisions shall not be applicable to the proceeds of the remarketing of any tendered Bonds or the proceeds of a draw upon a Liquidity Facility which proceeds shall only be applied to the payment of the Purchase Price due the Owners of the tendered Bonds remarketed or sold as Bank Bonds.

(5) The amounts derived from any CFC or PFC pledged as security for any Bonds, Subordinated Bonds, Swap or other obligation shall be applied by the Trustee and the Board only to the Bonds, Subordinated Bonds, Swap or other obligation to which such CFC or PFC is pledged as shall be provided in the Applicable Supplemental Indenture.

Proceedings Brought by Applicable Fiduciary

(1) Whether or not a declaration shall be made by the applicable Fiduciary, Bondowners or Swap Party pursuant to the General Indenture, if an Event of Default shall happen and shall not have been remedied, then and in every such case, the Fiduciary may proceed to protect and enforce its rights and the rights of the Registered Owners of the Bonds and Swap Parties under the General Indenture by a suit or suits in equity or at law, but only with the consent of 25% of the Secured Obligees whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or for the enforcement of any other legal or equitable right as the Fiduciary, being advised by counsel, shall

deem most effectual to enforce any of its rights or to perform any of its duties under the General Indenture.

(2) Upon the occurrence of an Event of Default, by suit, action or proceedings in any court of competent jurisdiction, the applicable Fiduciary shall be entitled to obtain the appointment of a receiver of the monies, securities and funds then held in any fund or account under the General Indenture and of the Revenues, with all such powers as the court making such appointment shall confer. Such receiver may take possession of the Airport System, operate and maintain it, and collect and receive the Revenues in the same manner as the Board itself might do, including if necessary the use of a lock box, and shall apply the same in accordance with the obligations of the Board. Notwithstanding the appointment of any receiver, the Board shall be entitled to retain possession and control of and to collect and receive income from any monies, securities and funds deposited or pledged with it under the General Indenture or agreed or provided to be delivered to or deposited or pledged with it under the General Indenture.

(3) All rights of action under the General Indenture may be enforced by the applicable Fiduciary without the possession of any of the Bonds or the production thereof on the trial or other proceedings.

(4) The Secured Obligees of a majority in amount of the Secured Obligations Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the applicable Fiduciary, provided that the applicable Fiduciary shall have the right to decline to follow any such direction if the applicable Fiduciary shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the applicable Fiduciary in good faith shall determine that the action or proceeding so directed would involve the applicable Fiduciary in personal liability or be unjustly prejudicial to the Secured Obligees not parties to such direction.

(5) Regardless of the happening of an Event of Default, the applicable Fiduciary, but only with the consent of 25% of the Secured Obligees, shall have the power to, but unless requested in writing by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as it may deem necessary or expedient to prevent any impairment of the security under the General Indenture by any acts which may be unlawful or in violation of the General Indenture, or necessary or expedient to preserve or protect its interests and the interests of the Secured Obligees.

Restriction on Action

(1) Except as provided in subpart (2) herein below, no Secured Obligee shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this General Indenture or for any remedy under this General Indenture, unless such Secured Obligee shall have previously given to the applicable Fiduciary written notice of the happening of any Event of Default and the Secured Obligees of at least twenty-five percent (25%) in amount of the Secured Obligations then Outstanding shall have filed a written request with the applicable Fiduciary, and shall have offered it reasonable opportunity, to exercise the powers granted in the General Indenture in its own name, and unless such Secured Obligees shall have offered to the applicable Fiduciary adequate security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the applicable Fiduciary shall have refused to comply with such request within a reasonable time.

(2) No Swap Party shall have any right to institute any suit, action or proceeding at law (but not in equity) for the enforcement of any provision of the General Indenture available to it or to the Trustee on its behalf (including enforcement of the Pledge hereby created to the Trustee on behalf of the

Swap Party) or for any remedy under the General Indenture, unless such Swap Party shall not have timely received the payments due to be received by it pursuant to the applicable Swap from either the Board or any guarantor of the obligations of the Board and notice shall have been given to the Board and any grace period as provided in the Swap with respect thereto shall have elapsed. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by a Swap Party necessary to preserve and protect the pledge created by the General Indenture in favor of a Swap Party to the extent provided in any Swap and to enforce the obligations of the Board with respect to any Swap. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted herein or to institute any action, suit or proceeding in its own name, the Swap Party shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(3) Nothing in the General Indenture shall affect or impair the obligation of the Board to pay on the respective dates of maturity thereof the principal amount of and interest on the Bonds, or affect or impair the right of action of any Registered Owner to enforce the payment of its Bond.

Remedies Not Exclusive

No remedy by the terms of the General Indenture conferred upon or reserved to the Fiduciary, the Bondowners or a Swap Party is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or provided at law or in equity or by statute.

Effect of Waiver and Other Circumstances

(1) No delay or omission of any Fiduciary, of any Bondowner, or any Swap Party to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be acquiescence therein.

(2) Prior to the declaration of maturity of the Secured, the Secured Obligees of a majority in principal amount of the Secured Obligations at the time Outstanding may on behalf of the Secured Obligees of all of the Secured Obligations waive any past default under the General Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds and except a default relating to a Swap, which can only be waived by the applicable Swap Party. No such waiver shall extend to any subsequent or other default.

Special Facility; Special Facility Bonds

The Board may (a) designate an existing or planned facility, structure, equipment or other property, real or personal, which is located or to be located at the Airport or part of any facility or structure at or to be located at the Airport as a Special Facility, (b) provide that revenues earned by the Board from or with respect to such Special Facility whether pursuant to Special Facility Leases(s) or otherwise derived shall constitute Special Facility Revenues and shall not be included as Revenues, and (c) issue Special Facility Bonds for the purpose of acquiring, constructing, renovating, or improving such Special Facility, or providing financing to a third party for such purposes. Principal, purchase price, if any, redemption premium, if any, and interest with respect to Special Facility Bonds shall be payable from and secured by the Special Facility Revenues, and not from or by Net Revenues.

No Special Facility Bonds shall be issued by the Board unless an Aviation Consultant has certified (i) that the estimated Special Facility Revenues with respect to the proposed Special Facility will be at least sufficient to pay the principal, or purchase price, interest, and all sinking fund, reserve fund and

other payments required with respect to Special Facility Bonds when due, and to pay all costs of operating and maintaining the Special Facility not paid by a party other than the Board; (ii) that estimated Net Revenues calculated without including the Special Facility Revenues and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses will be sufficient so that the Board will be in compliance with the rate covenants of the General Indenture during each of the five Fiscal Years immediately following the issuance of the Special Facility Bonds; and (iii) no Event of Default exists under the General Indenture. Upon the payment in full or other discharge of the Special Facility Bonds, Special Facility Revenues with respect to the Special Facility shall be included as Revenues.

Supplemental Indentures Effective upon Filing

The Board may, at any time and from time to time, execute a Supplemental Indenture supplementing the General Indenture for any one or more of the following purposes, which Supplemental Indenture, upon the approval by and the filing with the signing parties, in accordance with the General Indenture, of a copy thereof certified by an Authorized Officer of the Board, the City and the Trustee, shall be fully effective in accordance with its terms:

(1) to close the General Indenture against, or provide limitations and restrictions contained in the General Indenture on, the original issuance of Bonds or Swaps;

(2) to add to the covenants and agreements of the Board or the City contained in the General Indenture other covenants and agreements thereafter to be observed for the purpose of further securing the Bonds or Swaps;

(3) to surrender any right, power or privilege reserved to or conferred upon the Board or the City by the General Indenture;

(4) to authorize Bonds of a Series and Swaps and, in connection therewith, specify and determine any matters and things relative to such Bonds and Swaps not contrary to or inconsistent with the General Indenture;

(5) to exercise any provision herein or to make such determinations hereunder as expressly provided herein to be exercised or determined in any Supplemental Indenture;

(6) to confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by the General Indenture of the Revenues;

(7) to facilitate credit enhancement;

(8) to make any other changes which do not materially adversely affect the interests of any Bondholders or any Swap Party; and

(9) to make any change for any purpose prior to the issuance of any of the Initial Bonds and prior to the execution of any Swap.

Supplemental Indenture Regarding Ambiguities

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture of the Board amending or supplementing the General Indenture may be executed curing any ambiguity or curing, correcting or supplementing any defect or

inconsistent provisions contained in the General Indenture or making such provisions in regard to matters or questions arising under the General Indenture as may be necessary or desirable, but no such resolution shall be effective until after the filing with the Board, the City and the Trustee in accordance with the General Indenture of a executed copy of such Supplemental Indenture.

Supplemental Indentures Amending Indentures or Bonds

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture amending or supplementing the General Indenture may be executed modifying any of the provisions of the General Indenture or Bonds or releasing the City or the Board from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but, except as provided in the General Indenture, no such Supplemental Indenture shall be effective until after the filing with the Board, the City and the Trustee, in accordance with the General Indenture, of a copy of such Supplemental Indenture and unless no Bonds or Swaps authorized by a Supplemental Indenture adopted prior to the adoption of such Supplemental Indenture remain Outstanding at the time it becomes effective, or such Supplemental Indenture is consented to by or on behalf of Secured Obligees in accordance with and subject to the provisions of the General Indenture permitting Amendments thereto.

Execution and Filing of Supplemental Indentures

Any Supplemental Indenture referred to and permitted or authorized by the General Indenture may be executed without the consent of any of the Secured Obligees, but shall become effective only on the conditions to the extent and at the time provided in the General Indenture. Every such Supplemental Indenture so becoming effective shall thereupon form a part of the General Indenture. Any such Supplemental Indenture when executed and filed shall be accompanied by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly and lawfully executed by the Board, the City and the Trustee in accordance with the provisions of the General Indenture, is authorized or permitted by the General Indenture, and constitutes the lawful and binding obligation of the Board, the City and the Trustee in accordance with its terms. Any Supplemental Indenture executed while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding shall not become effective until consented to by such Provider provided, however, no such consent of any Provider shall be required if such Provider shall be in default or have repudiated its obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligations to pay pursuant to any Swap.

Powers of Amendment

Any modification or amendment of the Bonds or of the General Indenture may be made by a Supplemental Indenture, with the written consent given as provided in the General Indenture, in case no Swap Outstanding is affected by such modification of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in the principal amount of all Bonds Outstanding at the time such consent is given, or if less than all of the several Series of Bonds then Outstanding are affected by the modification, or amendment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, in case only Swaps are affected by such modification, of the Swap Parties of Swaps representing sixty-six and two-thirds percent (66 2/3%) of the Outstanding notional amount of the Swaps or if less than all Swaps are affected thereby of the Swaps of the affected Swap Parties, and in case both Bonds and Swaps are affected by such modification, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in Outstanding Principal amount of all Bonds affected and of at least sixty-six and two/thirds percent (66 2/3%) in notional amount of all Outstanding Swaps affected by such modification

and in case the modification or amendment changes the amount or date of any Sinking Fund Payment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the vote or consent of the Registered Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the General Indenture; and provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon or the method for determining such rate without the consent of the Registered Owner of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages of the principal amount of Bonds the consent of which is required to effect any such modification or amendment. No modification or amendment shall become effective while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding until consented to by such Provider provided, however, no such consent of such Provider shall be required if such Provider shall be in default or have repudiated its payment obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligation to pay pursuant to any Swap. For purposes of this Section, and notwithstanding anything to the contrary in Section 701 or elsewhere in the General Indenture, if the consent of a Swap Party is required in connection with any amendment or modification affecting a Swap and the obligations of the Board in connection with such Swap are guaranteed under a policy of insurance or surety bond issued by any Provider, both such Swap Party and such Provider shall be treated as Swap Parties with respect to such Swap.

Consent

The Board may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of the General Indenture to take effect when and as provided in the General Indenture. Upon the adoption of such Supplemental Indenture, an executed copy thereof shall be filed with the Board, the City and the Trustee, any other Fiduciary and each Provider for the inspection of the Bondowners and/or Swap Parties. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Board) together with a request to Bondowners and/or Swap Parties shall be mailed by the Board to Bondowners and Swap Parties. A copy of each Supplemental Indenture shall be mailed by the Board to each Swap Party pursuant to any Outstanding Swap even though the Board deems such Supplemental Indenture not to affect any Swap within 10 days after the adoption of the Supplemental Indenture. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Board the written consents of the percentages of the Registered Owners of Outstanding Bonds and/or Swap Parties and any required insurer or guarantor specified in the General Indenture and a notice shall have been given as hereinafter in this Section provided. Any such consent shall be binding upon the Registered Owner of the Bonds, Swap Party and any required insurer or guarantor giving such consent and on any subsequent Registered Owner, Swap Party and any required insurer or guarantor (whether or not such subsequent Registered Owner or Swap Party has notice thereof). At any time after the Registered Owners or Swap Parties and any required insurer or guarantor of the required percentages of Bonds shall have filed their consent to the Supplemental Indenture, notice, stating in substance that the Supplemental Indenture has been consented to by the Registered Owners, Swap Parties and any required insurer or guarantor of the required percentages of Bonds or Swaps and will be effective as provided in this Section, shall be given to the Bondowners and/or Swap Parties and any required insurer or guarantor by mailing such notice to Bondowners and/or Swap Parties and any required insurer or guarantor even though the Board in its judgment deems such Supplemental Indenture not to affect any Swap (but failure to mail such notice shall not prevent such Supplemental Indenture from

becoming effective and binding as herein provided). The Board shall file with the Trustee proof of giving such notice. Such Supplemental Indenture shall be deemed conclusively binding upon the City, the Board, the Fiduciaries, the Registered Owners of all Bonds, the Swap Parties and any required insurer or guarantor at the expiration of sixty (60) days after the filing with the Trustee proof of the mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced for such purpose within such sixty day period or commenced thereafter if commenced by a Swap Party to whom neither a copy of the relevant Supplemental Indenture nor a copy of such notice was sent as provided in this Section; provided, however, that any Fiduciary and the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Modification by Unanimous Action

Notwithstanding anything contained in the General Indenture, the rights and obligations of the Board, the City and the Trustee and of the Registered Owners of the Bonds and Swap Parties and the terms and provisions of the Bonds or of the General Indenture may be modified or amended in any respect upon the adoption of a Supplemental Indenture by the Board and the consent of the Registered Owners of all of the Bonds then Outstanding, and all Swap Parties of Outstanding Swaps such consent to be given as provided in the General Indenture except that no notice to Bondowners, Swap Parties and Credit Providers shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Defeasance

If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Bonds then Outstanding the principal amount and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Indenture, no Swaps are then Outstanding and all amounts due any Provider, including a Provider of a Reserve Asset instrument, have been paid, then the pledge of any Revenues or other monies and securities pledged by the General Indenture and all other rights granted by the General Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Board all such instruments as may be desirable to evidence such release and discharge and the Fiduciaries shall pay over or deliver to the Board all monies or securities held by them pursuant to the General Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

No Recourse on the Bonds

No recourse shall be had for the payment of the principal or Redemption Price of or the interest on the Bonds or for any claim based thereon or on this General Indenture against any member, officer, agent, representative or employee of the Board, the City, the Trustee or any person executing the Bonds. No member, officer, agent, representative or employee of the Board, the City or the Trustee shall be held personally liable to any purchaser or holder of any Bond under or upon such Bond, or under or upon this General Indenture or any Supplemental Indenture relating to Bonds, or, to the extent permitted by law, because of the sale or issuance or attempted sale or issuance of Bonds, or because of any act or omission in connection with the construction, acquisition, operation or maintenance of the Airport System, or because of any act or omission in connection with the investment or management of the Revenues, funds or monies of the Board, the City or the Trustee or otherwise in connection with the management of their affairs, excepting solely for things willfully done or omitted to be done with an intent to defraud.

II. THIRD SUPPLEMENTAL INDENTURE

Items Pledged by the Board to the Series 2017 Bonds:

(i) Net Revenues as defined in the General Indenture on a first lien parity basis with the Outstanding Series 2009 Bonds and the Series 2015 Bonds;

(ii) The other items relating only to the Series 2017 Bonds as defined herein including PFCs deposited to the Transferred PFCs Account of the Debt Service Fund as provided in Section 3.03 of the Third Supplemental Indenture and such other accounts and sub-accounts made specific to the Series 2017 Bonds.

Details of the Series 2017 Bonds; Manner of Payment

Subject to the further provisions of the Third Supplemental Indenture, each Series 2017 Bonds shall bear interest and be payable as to interest as follows:

1) Date of Series 2017 Bonds. The Series 2017 Bonds shall be dated the date of their original issuance and delivery. Each Series 2017 Bonds shall bear interest at the applicable rate, from the date of authentication, if authenticated, on an Interest Payment Date to which interest has been paid, or if not authenticated, on an Interest Payment Date from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid on the 2017 Bonds, the date of the original issuance of the 2017 Bonds, respectively.

2) Maturity. The 2017 Bonds shall mature on the dates and in the principal amounts and shall bear interest, payable on each Interest Payment Date commencing January 1 of the years and at the rates per annum set forth below.

Series 2017A (Non-AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price
2020	$1,485,000	5.000%	1.280%	109.481
2021	1,190,000	5.000%	1.470%	112.332
2022	1,250,000	5.000%	1.690%	114.588
2023	1,315,000	5.000%	1.890%	116.450
2024	930,000	5.000%	2.100%	117.783
2025	1,000,000	5.000%	2.310%	118.649
2026	1,045,000	5.000%	2.510%	119.150
2027	1,105,000	5.000%	2.650%	119.801
2028	1,160,000	5.000%	2.800%	118.404[C]
2029	1,220,000	5.000%	2.940%	117.118[C]
2030	1,275,000	5.000%	3.050%	116.119[C]
2031	1,340,000	5.000%	3.140%	115.310[C]
2032	1,410,000	5.000%	3.190%	114.863[C]
2033	1,445,000	5.000%	3.310%	113.798[C]
2034	1,520,000	5.000%	3.380%	113.183[C]

2035	1,590,000	5.000%	3.420%	112.833[C]
2036	1,675,000	5.000%	3.460%	112.485[C]
2037	1,765,000	5.000%	3.470%	112.398[C]
2038	1,775,000	5.000%	3.510%	112.051[C]

$9,805,000 5.000% Term Bonds due January 1, 2043; Yield 3.500%; Price 112.137[C]
$64,710,000 5.000% Term Bonds due January 1, 2048; Yield 3.560%; Price 111.619[C]

[C] Priced to the first par call date of January 1, 2027.

Series 2017B (AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price
2020	$3,295,000	5.000%	1.470%	108.971
2021	2,635,000	5.000%	1.720%	111.400
2022	2,770,000	5.000%	1.980%	113.213
2023	2,905,000	5.000%	2.210%	114.617
2024	2,080,000	5.000%	2.420%	115.648
2025	2,160,000	5.000%	2.630%	116.227
2026	2,270,000	5.000%	2.870%	116.127
2027	2,380,000	5.000%	3.010%	116.481
2028	2,500,000	5.000%	3.100%	115.669[C]
2029	2,625,000	5.000%	3.200%	114.774[C]
2030	2,760,000	5.000%	3.310%	113.798[C]
2031	2,895,000	5.000%	3.400%	113.008[C]
2032	3,035,000	5.000%	3.470%	112.398[C]
2033	3,225,000	5.000%	3.540%	111.791[C]
2034	3,385,000	5.000%	3.610%	111.189[C]
2035	3,560,000	5.000%	3.650%	110.846[C]
2036	3,730,000	5.000%	3.690%	110.505[C]
2037	3,920,000	5.000%	3.720%	110.250[C]
2038	3,955,000	5.000%	3.750%	109.996[C]

$21,235,000 5.000% Term Bonds due January 1, 2043; Yield 3.780%; Price 109.742[C]
$142,070,000 5.000% Term Bonds due January 1, 2048; Yield 3.820%; Price 109.405[C]

[C] Priced to the first par call date of January 1, 2027.

Series 2017C (Taxable)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price
2020	$11,335,000	2.227%	2.227%	100.000
2021	11,595,000	2.466%	2.466%	100.000
2022	11,875,000	2.666%	2.666%	100.000
2023	12,190,000	2.949%	2.949%	100.000

Series 2017D-1 (Non-AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price
2019	$1,615,000	5.000%	1.580%	104.186
2020	2,535,000	5.000%	1.730%	107.156

Series 2017D-2 (AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price
2019	$2,145,000	5.000%	1.680%	104.060
2020	1,570,000	5.000%	1.880%	106.814
2021	1,650,000	5.000%	2.120%	108.973
2022	1,730,000	5.000%	2.390%	110.465
2023	1,820,000	5.000%	2.640%	111.477
2024	1,910,000	5.000%	2.850%	112.209
2025	2,005,000	5.000%	3.060%	112.511
2026	2,105,000	5.000%	3.260%	112.482
2027	2,210,000	5.000%	3.400%	112.592
2028	2,320,000	5.000%	3.530%	111.500[C]
2029	2,440,000	5.000%	3.610%	110.834[C]
2030	2,560,000	5.000%	3.680%	110.256[C]
2031	2,690,000	5.000%	3.760%	109.599[C]
2032	2,825,000	5.000%	3.830%	109.028[C]
2033	2,965,000	5.000%	3.900%	108.461[C]
2034	3,110,000	5.000%	3.960%	107.977[C]
2035	3,270,000	5.000%	4.020%	107.496[C]
2036	3,435,000	5.000%	4.060%	107.177[C]
2037	3,600,000	5.000%	4.090%	106.938[C]
2038	3,785,000	5.000%	4.120%	106.700[C]

[C] Priced to the first par call date of January 1, 2027.

3) Book Entry. The Series 2017 Bonds shall initially be issued as registered bonds as book-entry only securities to be evidenced solely by book entries in the bond register maintained in accordance with the authority of Chapter 13-A of Title 39 of the Louisiana Revised States of 1950, as amended.

The Series 2017 Bonds will be issued as fully registered Series 2017 Bonds, respectively, initially in the name of CEDE & CO., the nominee of DTC, as registered Owner of the Series 2017 Bonds. For the period from the date of issuance of the Series 2017 Bonds as long as CEDE & CO., as nominee of DTC, is the registered Owner of all of the Series 2017 Bonds, a Bond for each maturity of Series 2017 Bonds, respectively, in the aggregate principal amount thereof so held will be prepared and immobilized in the custody of DTC. Purchasers of such Series 2017 Bonds (the "**Beneficial Owners**") will not receive physical delivery of Series 2017 Bonds certificates. By purchasing such a Series 2017 Bonds, a Beneficial Owner shall be deemed to have waived the right to receive a Series 2017 Bonds certificate except under the circumstances described under this Section. For purpose of the Third Supplemental Indenture, as long as any of the Series 2017 Bonds are immobilized in the custody of DTC, references to Bondowners, Owners or Registered Owners refer, with respect to the Series 2017 Bonds, to DTC or its nominee.

As long as DTC or its nominee is the registered Owner of the Series 2017 Bonds, payments of the principal of and interest on the Series 2017 Bonds shall be made directly to DTC or its nominee, as the case may be; disbursal of such payments to the DTC participants will be the responsibility of DTC (and not the responsibility of the Trustee or the Board) and disbursal of such payments to the Beneficial Owners thereof will be the responsibility of the DTC participants. Neither the Board nor the Trustee is responsible or liable for (i) sending transaction statements or for maintaining, supervision or reviewing any records showing the Beneficial Owners to be maintained by DTC, (ii) any payments to be made by DTC, (iii) any notice which is required or permitted to be given by Bondowners, (iv) the selection by DTC of any Person to receive payment in the event of a partial redemption of Series 2017 Bonds, or (v) any consent given or not given or other action taken or not taken by DTC. When reference is made to any action which is required or permitted to be taken by the Beneficial Owners of the Series 2015 Bonds, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Trustee, or any other fiduciary acting on behalf of the Board, to DTC with a request that DTC forward (or cause to be forwarded) the notices to the participants so that such participants or the indirect participants may forward (or cause to be forwarded) the notices to the Beneficial Owners.

Series 2017 Bonds certificates may be issued directly to registered Owners of the Series 2017 Bonds other than DTC, or its nominee, but only in the event that (a) DTC determines not to continue to act as securities depository for the Series 2017 Bonds; or (b) the Board has advised DTC of its determination that DTC is incapable of discharging its duties; or (c) the Board has determined that it is in the best interest of the Board not to continue the book-entry-only system of transfer or that interests of the Beneficial Owners of the Series 2017 Bonds might be adversely affected if the book-entry only system of transfer is continued.

Upon occurrence of the event described in (a) or (b) above, the Board may attempt to locate another securities depository and, in connection with retaining the services of such replacement securities depository, may amend certain procedures described under this Section. If the Board decides not to continue book-entry only or fails to locate another securities depository to replace DTC, the Trustee shall authenticate and deliver replacement Series 2017 Bonds in certificate form. In the event the Board makes the determination noted in (b) or (c) above (the Board undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any such determination), and has mailed an appropriate notice to DTC, it shall authenticate and deliver replacement Series 2017 Bonds in certificate form to any participants making such a request. Interest on the replacement Series 2017 Bonds will be payable, and replacement Series 2017 Bonds will be transferable, as provided

herein. For purposes hereof, at any time after replacement Series 2017 Bonds have been issued, references to Bondholders mean the registered owners of such replacement Series Bonds and reference to Series 2017 Bonds mean such replacement Series 2017 Bonds. The Board shall give, or cause to be given, notice to all Bondholders if replacement Series 2017 Bonds are to be issued pursuant to this paragraph.

For every transfer and exchange of the Series 2017 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

If replacement Series 2017 Bonds are issued, the Board and the Trustee shall cause such amendments to be made to this Section 201(b) or such other provisions of the Third Supplemental Indenture relating thereto as are appropriate. The Trustee, as it may deem it to be advisable, shall notify the Bondowners of any such amendments.

4) Authorized Denominations. The Series 2017 Bonds shall be issued in Authorized Denominations. In the event of a redemption by the Board pursuant to Article IV hereof of any amount of Series 2017 Bonds not equal to an even multiple of an Authorized Denomination, one Series 2017 Bonds may be issued in a denomination of less than an Authorized Denomination as may be required in the circumstances.

5) Interest Payment Dates. Subject to the provisions of subparagraph (6) below, the interest due on any Series 2017 Bonds on any Interest Payment Date shall be paid to the Registered Owner of such Series 2017 Bonds as shown on the registration books maintained by the Trustee as of the close of business on the Record Date.

6) Special Record Dates. If the available funds under the General Indenture or the Third Supplemental Indenture are insufficient on any Interest Payment Date to pay the interest then due, such interest (herein called "**Defaulted Interest**") shall thereupon cease to be payable to the Registered Owners shown on the registration books as of the Record Date. If sufficient funds for the payment of such overdue interest thereafter becomes available, the Trustee shall establish a Special Record Date for the payment of the overdue interest and for determining the Registered Owners entitled to such payments and to mail notice of such dates as soon as practicable. Notice of each date so established shall be mailed to each Registered Owner at least ten (10) days prior to the Special Record Date, but not more than thirty (30) days prior to the Special Record Date. The overdue interest shall be paid on the Special Record Date to the Registered Owners as shown on the registration books kept by the Trustee as of the close of business on the Special Record Date.

7) Form of Payment. Interest shall be paid by check, draft or wire transfer, mailed or transmitted as applicable, on or before the Interest Payment Date by the Trustee to the Registered Owners of the Series 2017 Bonds on the Special Record Date or the Record Date, as applicable, pursuant to the foregoing. An Owner of $1,000,000 or more in an aggregate principal amount of Series 2017 Bonds may submit to the Trustee, not less than 5 days before an Interest Payment Date, a written notice giving information sufficient in the opinion of the Trustee to allow it to pay interest on such Series 2017 Bonds by wire transfer to such Owner (which notice may provide that it will remain in effect until changed or revoked).

8) Medium of Payment. The principal and redemption premium, if any, and interest on the Series 2017 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal or redemption premium, if any, of all Series 2017 Bonds shall be payable at the address set forth for notice in Section 1403 hereof by the Trustee, upon the presentation and surrender of such Series 2017 Bonds as the same shall become due and payable.

9) Transfer Rights. Subject to the foregoing provisions of this Section, each Series 2017 Bonds delivered under the Third Supplemental Indenture upon transfer of or in exchange for or in lieu of any other Series 2017 Bonds shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2017 Bonds, and each such Series 2017 Bonds shall bear interest for such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Registration, Exchange and Transfer of Series 2017 Bonds; Persons Deemed Owners

Upon surrender for registration of transfer of any Series 2017 Bonds at its principal corporate trust office, the Trustee will register and make available for pickup in the name of the transferee or transferees one or more fully registered Series 2017 Bonds of Authorized Denominations of the same maturity and like aggregate principal amount. At the option of the Bondowner, Series 2017 Bonds may be exchanged for other Series 2017 Bonds, respectively of Authorized Denominations of the same maturity and like aggregate principal amount upon surrender at such office. Whenever any Series 2017 Bonds are so surrendered for exchange, the Trustee will authenticate and make available for pickup in exchange therefor the Series 2017 Bonds which the Bondowner making the exchange is entitled to receive.

All Series 2017 Bonds presented for registration of transfer or exchange shall (if so required by the Board or the Trustee) be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Board and the Trustee, duly executed by the Registered Owner or by such Owner's duly authorized attorney. No service charge will be made by the Trustee for any exchange or registration of transfer of Series 2017 Bonds. The Trustee may require payment by the person requesting an exchange or registration of transfer of Series 2017 Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Board and the Trustee shall not be required (a) to issue, register the transfer of, or exchange any Series 2017 Bonds during a period following the close of business on the Record Date with respect to an Interest Payment Date or any date of selection of Series 2017 Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice is given or (b) to register the transfer of or exchange any Series 2017 Bonds so selected for redemption in whole or in part.

If any Series 2017 Bonds is presented for transfer following the giving of notice of redemption, then in such case the Trustee shall attach to any Series 2017 Bonds delivered upon effecting such transfer, a copy of the notice of redemption which delivery shall for all purposes hereof constitute timely delivery of such notice to the transferee of such Series 2017 Bonds.

The Board and the Trustee may deem and treat the person in whose name the Series 2017 Bonds is registered as the absolute Owner thereof, whether such Series 2017 Bonds is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest due thereon and for all purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2017 Bonds to the extent of the sum or sums so paid, and neither the Board nor the Trustee shall be affected by any notice to the contrary.

Funds and Accounts Created by the Third Supplemental Indenture

In addition to the funds and accounts established pursuant to Section 502 of the General Indenture, which are to be maintained and used pursuant to Section 3.01 of the Third Supplemental Indenture, there are hereby created by the Third Supplemental Indenture to be established by the Trustee the following funds and accounts:

No.	Name	Held By	Pledged to Series 2017
1	Series 2017 Bonds Sub-Account of the Cost of Issuance Account of the Proceeds Fund	Trustee	Yes
2	Series 2017A Bonds Sub-Account and the Series 2017B Bonds Sub-Account of the Project Account of the Proceeds Fund	Trustee	Yes
3	Series 2017 Bonds Capitalized Interest Account of the Debt Service Fund	Trustee	Yes
4	Transferred PFCs Account of the Debt Service Fund	Trustee	Yes
5	Series 2017 Bonds Redemption Account of the Redemption Fund	Trustee	Yes
6	Series 2017 Bonds Account of the Debt Service Reserve Fund	Trustee	Yes
7	Series 2017 Bonds Account of the Arbitrage Rebate Fund	Trustee	No
8	Series 2009 Bonds Defeasance Account	Series 2009 Bonds Trustee	No
9	Series 2007 PFC Bonds Defeasance Account	Series 2007 PFC Bonds Trustee	No

In order to facilitate the purposes of the Third Supplemental Indenture and the receipt, holding application and transfer of Net Revenues, the Trustee, at the direction of the Board, may create such additional funds, accounts and sub-accounts as may be required under the circumstances.

Transferred PFCs Account of the Debt Service Fund

The Trustee shall accept Net PFC Revenues transferred by the PFC Trustee for deposit to the Transferred PFCs Account of the Debt Service Fund and shall pay debt service on the Series 2017 Bonds on the Interest Payment Date immediately following receipt by the Trustee of such Net PFC Revenues.

Earnings on Accounts

Investment earnings on the sums credited to the following funds, and accounts created for the Series 2017 Bonds shall be applied as follows:

(a) investment earnings of the amounts credited to the Costs of Issuance Accounts shall remain therein until the Trustee is advised by the Board that all Costs of Issuance have been paid and any remaining balance shall be credited to the Series 2017 Account of the Redemption Fund;

(b) all investment earnings of the amounts credited to the Project Account, if any, shall remain therein until it is closed after completion of the Project and any remaining balance shall be credited to the Airport Operating Account; and

(c) all investment earnings of the amounts credited to the Debt Service Reserve Fund shall be transferred to the Airport Operating Account.

Optional Redemption

(a) The Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017D Bonds maturing on or after January 1, 2028, are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2027 in the order directed by the Board, in minimum aggregate principal amounts of $5,000 in integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date. The Board shall give the Trustee at least forty-five days' notice of any Optional Redemption to be made specifying the redemption date and the principal amounts to be redeemed.

(b) Notice of any such redemption or purchase shall be given to each Bondowner of a Bond as provided in the Third Supplemental Indenture.

Mandatory Sinking Fund Redemption

The Series 2017A Bonds maturing January 1, 2043 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2039	$1,770,000
2040	1,865,000
2041	1,955,000
2042	2,055,000
2043*	2,160,000

*Final Maturity

The Series 2017A Bonds maturing January 1, 2048 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2044	$2,265,000
2045	2,335,000
2046	18,935,000
2047	20,205,000
2048*	20,970,000

*Final Maturity

The Series 2017B Bonds maturing January 1, 2043 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2039	$3,845,000
2040	4,035,000
2041	4,235,000
2042	4,450,000
2043*	4,670,000

*Final Maturity

The Series 2017B Bonds maturing January 1, 2048 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2044	$4,905,000
2045	5,190,000
2046	41,995,000
2047	43,775,000
2048*	46,205,000

*Final Maturity

To the extent any of the Series 2017 Bonds have been called for optional redemption in part prior to any mandatory sinking fund redemption date, the Board may elect by written notice given to the Trustee at least thirty days prior to any such date to: (i) pay any scheduled mandatory sinking fund redemption payment in full, (ii) reduce any scheduled mandatory sinking fund redemption payment proportionately or (iii) use the full principal amount of each such optional redemption to reduce the mandatory sinking fund redemption payments scheduled subsequent to such optional redemption in chronological order of such mandatory sinking fund redemption payments.

In the event any of the Series 2017 Bonds are called for redemption, the Trustee shall, upon receipt from the Board of notice of its intention to redeem at least thirty (30) days prior to the date fixed therefore, give notice in the form provided by the Board to the Registered Owners and the Trustee in the name of the Board, of the redemption of such Series 2017 Bonds, which notice shall (i) specify the Series 2017 Bonds to be redeemed, the date, the price and the place or places where amounts due upon such event will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Series 2017 Bonds are to be redeemed, the numbers of the Series 2017 Bonds, and the portions of the Series 2017 Bonds, so to be redeemed, (ii) if any redemption is subject to the condition of receipt of sufficient monies and that if such condition is not satisfied, the Owners will be notified thereof as soon as

practicable and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2017 Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by Mail at least thirty (30) days prior to the date fixed for redemption to the Registered Owners of the Series 2017 Bonds to be redeemed; provided, however, that failure to give such notice by mail to any Registered Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Series 2017 Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2017 Bonds so called for redemption at the place or places of payment, such Series 2017 Bonds shall be redeemed.

With respect to any notice of redemption of Series 2017 Bonds in accordance with the provisions of the Third Supplemental Indenture, upon receipt by the Trustee of sufficient monies or Defeasance Obligations to effect such redemption on the applicable date, such Series 2017 Bonds shall be deemed to have been paid within the meaning of the Indenture. Such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, interest and premium, if any, on such Series 2017 Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, and the Board shall not be required to redeem such Series 2017 Bonds. In the event such moneys are not so received, the redemption shall not be made and the Trustee shall, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such moneys were not so received.

Any Series 2017 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

No Partial Redemption after Default

Anything in the Third Supplemental Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption or optional purchase by the Board of less than all of the Series 2017 Bonds at the time Outstanding.

Events of Default

The occurrence of an "Event of Default" pursuant to Section 701 of Article VII of the General Indenture shall constitute, and is referred to herein, as an "Event of Default" with respect to the Series 2017 Bonds.

Remedies

(a) The applicable trustee shall give notice as provided in the General Indenture and the Third Supplemental Indenture of any Event of Default to the Board, the City, the Trustee, and the Bondowners as promptly as practicable after the occurrence of any thereof, of which either trustee has actual knowledge known to it even though only an Event of Default with respect to Section 701 of the General Indenture constitutes an Event of Default with respect to the Series 2017 Bonds.

(b) If an Event of Default has occurred and is continuing with respect to the Series 2017 Bonds, the Trustee shall be governed by and follow the procedures of and pursue the remedies set forth in Article VII of the General Indenture.

Supplements and Amendments Not Requiring Bondowner Consent

The Board, the City and the Trustee may, but without the consent or approval of, or notice to, any of the Bondowners, enter into such supplements and amendments to the Third Supplemental Indenture as shall not, in the opinion of the Trustee, materially and adversely affect the interests of the Bondowners (which supplements and amendments shall thereafter form a part hereof), for any purpose including any of the following:

(a) to cure any ambiguity or formal defect or omission in the Third Supplemental Indenture or in any supplement or amendment to the Third Supplemental Indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them, or

(c) to subject to the lien and pledge of the Third Supplemental Indenture additional payments, revenues, properties or collateral, or

(d) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder, or

(e) any amendment, supplement or modification which shall not materially and adversely affect the interests of the Bondowners and which, in the judgment of the Trustee, will not prejudice the interests of the Trustee, or

(f) to evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee, or

(g) to modify, amend or supplement this First Supplemental Indenture or any supplement or amendment hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Series 2017 Bonds for sale under the securities laws of any of the states of the United States, or

(h) to provide for the issuance of Series 2017 Bonds which are not maintained under a book entry system or in bearer form, to the extent permitted by law (but with the opinion of bond counsel that such change will not impair exclusion from gross income for federal income tax purposes), or

(i) to secure a rating in one of the two highest rating categories of the Rating Agency.

Supplements and Amendments Requiring Consent of Owners of the Secured Obligations

With the consent of the Owners of Series 2017 Bonds of not less than a majority in aggregate amount of the Secured Obligations at the time Outstanding, the Board, the City and the Trustee may, from time to time and at any time, enter into supplements and amendments to the Third Supplemental Indenture, which the Board deems necessary and desirable for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Third Supplemental Indenture or of any supplement or amendment to the Third Supplemental Indenture or of modifying in any manner the rights of the Owners of the Series 2017 Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting without the consent of the Owners of not less than 100% in

aggregate principal amount of the Secured Obligations at the time Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium, if any, or the rate of interest thereon, or (c) granting a privilege or priority of any Bond or Series 2017 Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Series 2017 Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondowners of the execution of any supplement or amendment to the Third Supplemental Indenture.

Copies of any such supplement or amendment shall be given at least 10 days prior to the effective date thereof to the Rating Agency. It shall not be necessary for the consent of the Registered Owners of Series 2017 Bonds to approve the particular form of any proposed supplement or amendment, but it shall be sufficient if such consent shall approve the substance thereof.

If at any time the Board shall request the Trustee to enter into any supplement or amendment to the Third Supplemental Indenture for any of the purposes specified in the Third Supplemental Indenture, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such supplement or amendment to be mailed, postage prepaid, to the Trustee, to all Registered Owners. Such notice shall briefly set forth the nature of the proposed supplement or amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Secured Obligees. The Trustee shall not, however, be subject to any liability to any Secured Obligee by reason of its failure to mail the notice required by the Third Supplemental Indenture, and any such failure shall not affect the validity of such supplement or amendment when consented to as provided in the Third Supplemental Indenture.

Whenever, at any time within three years after the date of the first giving of such notice, the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate amount of the Secured Obligations then Outstanding, which instrument or instruments shall refer to the proposed supplement or amendment described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee and the City may execute such supplement or amendment in substantially such form, without liability or responsibility to any Owner of any Secured Obligations, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate amount of the Secured Obligations Outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to the execution of such supplement or amendment, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Board or the City from executing the same or from taking any action pursuant to the provisions thereof.

Supplements and Amendments Deemed Part of Supplemental Indenture

Any supplement or amendment to the Third Supplemental Indenture executed in accordance with the provisions of the Third Supplemental Indenture shall thereafter form a part of the Third Supplemental Indenture, and all of the terms and conditions contained in any such supplement or amendment as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of the Third Supplemental Indenture for any and all purposes. Upon the execution of any supplement or amendment to the Third Supplemental Indenture pursuant to the provisions of the Third Supplemental Indenture, the Third Supplemental Indenture shall be and be deemed to be modified and

amended in accordance therewith, and the respective rights, duties and obligations under the Third Supplemental Indenture of the Board, the City, the Trustee, and all Owners of Series 2017 Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Release of Supplemental Indenture

Series 2017 Bonds issued pursuant to the provisions hereof, shall be deemed paid and no longer considered Outstanding and the provisions of the Third Supplemental Indenture discharged upon satisfaction and in accordance with the provisions of the General Indenture. Notwithstanding the foregoing sentence, (i) any defeasance accomplished with cash will be accompanied by an opinion of counsel that the defeasance cash held to pay any of the Series 2017 Bonds will not be included within the estate of the Board in the event of a bankruptcy proceeding by or against it, (ii) concurrent with any such defeasance, the Board shall have received a verification report of a firm of certified public accountants or other nationally recognized verification firm opining as to the sufficiency of the Defeasance Obligations and cash to pay all defeased Series 2015 Bonds as scheduled and (iii) each Rating Agency having previously rated the Series 2017 Bonds shall be given notice of such defeasance.

No Additional Bonds or Subordinate Bonds

Anything herein to the contrary notwithstanding, there shall be no additional bonds or other Obligations issued pursuant to the Third Supplemental Indenture. Additional bonds and subordinated bonds, other than the Series 2017 Bonds, shall be issued in accordance with the provisions as applicable of the General Indenture.

Covenants of Board

(a) Payment of Debt Service on the Series 2017 Bonds: The Board covenants that it will promptly pay or cause to be paid the principal of and redemption premium, if any, and interest on every Series 2017 Bond at the places, on the dates and in the manner provided herein and such Series 2017 Bond according to the true intent and meaning thereof. Except as in the Third Supplemental Indenture otherwise provided, such principal, redemption premium, interest on every Series 2017 Bond is payable solely from the payments made by the Board from the Trust Estate and the Transferred PFCs Account of the Debt Service Fund.

(b) Covenant not to issue Additional PFC Bonds under the PFC Indenture: The Board covenants and agrees that no additional PFC Bonds will be issued under the PFC Indenture; provided, however, that this covenant shall not prohibit the Board from issuing PFC Bonds under the PFC Indenture solely for the purpose of refunding the currently Outstanding PFC Bonds.

(c) Performance of Covenants: The Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the General Indenture, the Third Supplemental Indenture, in any and every Obligation executed, authenticated and delivered hereunder and in all proceedings of the Board pertaining thereto, and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions of any Reimbursement Agreement on its part to be observed or performed.

(d) Successors are Bound: In the event of the dissolution of the Board, all of the covenants, stipulations, obligations and agreements contained in the Third Supplemental Indenture by or on behalf of or for the benefit of the Board shall bind or inure to the benefit of the successor or successors of the Board from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to

which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. The word "Board" as used in the Third Supplemental Indenture shall include such successor or successors.

(e) Maintenance of Tax-Exemption of Series 2017 Tax-exempt Bonds: The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017 Tax-exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(f) Investment Instructions to Trustee: In the event that at any time the Board is of the opinion that for the purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Trustee under the Third Supplemental Indenture, the Board shall so instruct the Trustee under the Third Supplemental Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2017 Tax-exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Reliance upon Opinions and Certifications

Any certificate or opinion made or given by an officer of the Board may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of, or representation by counsel, unless such officer knows that the certificate or representation, with respect to the matter upon which his or her certificate or opinion may be based, are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated), insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or officers of the Board, unless such counsel knows that the certificate, opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid, is erroneous.

All representations, warranties and covenants on the part of the Board contained in the Third Supplemental Indenture are based, insofar as they relate to legal matters, upon an opinion or opinions of or representations by counsel.

Louisiana Law Governs

The Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Louisiana.

Payments Due on Legal Holidays

In any case where the date of maturity of interest on or principal of the Series 2017 Bonds or the date fixed for redemption or purchase of any Series 2017 Bonds or the date fixed for the giving of notice or the taking of any action under the Third Supplemental Indenture shall not be a Business Day, then

payment of such interest, principal, Purchase Price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Further Authority

The officials of the Board, attorneys, engineers and other agents or employees of the Board are hereby authorized to do all acts and things required of them by the Third Supplemental Indenture for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2017 Bonds and the Third Supplemental Indenture.

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APPENDIX C

REPORT OF THE AVIATION CONSULTANT

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UNISON Consulting, Inc.
Solution-Based Airport Consulting

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April 28, 2017

Mr. Mark Reis
Interim Director of Aviation
New Orleans Aviation Board
Louis Armstrong New Orleans International Airport
P.O. Box 20007
New Orleans, LA 70141

Subject: ***Report of the Aviation Consultant – New Orleans Aviation Board Airport Revenue Bonds, Series 2017A and Series 2017B; and Series 2017D***

Dear Mr. Reis:

Unison Consulting, Inc. (Unison), in association with AVK Consulting, is pleased to submit the attached Report of the Aviation Consultant (Report) regarding the proposed issuance by the New Orleans Aviation Board (the Board) of its General Airport Revenue Bonds, Series 2017A (the Series 2017A Bonds) and its General Airport Revenue Refunding Bonds, Series 2017B (the Series 2017B Bonds) (collectively, the Series 2017A/B Bonds) in the approximately aggregate principal amount of $360.1 million. Proceeds of the Series 2017A/B Bonds will be used to fund a portion of the costs of certain capital projects included in the Board's North Terminal Project at the Louis Armstrong New Orleans International Airport (the Airport or MSY); to fund a debt service reserve fund; to pay capitalized interest through the construction of the North Terminal Project; and to pay costs of issuance of the Series 2017A/B Bonds. The proceeds of the Series 2017D Bonds, together with certain transferred proceeds of the currently outstanding New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2007 (Series 2007 PFC Bonds), will be used to defease and refund all or a portion of the Series 2007 PFC Bonds, to fund a Debt Service Reserve Fund for the Series 2017D Bonds and to pay the costs of issuance of the Series 2017D Bonds. The Board anticipates that the Series 2017D Bonds will be issued not prior to October 2017, and only if it is determined that the refunding of the currently outstanding Series 2007 PFC Bonds will result in economic and annual debt service cost savings to the Board. The attached report assumes that the Series 2007 PFC Bonds will be refunded through the issuance of the Series 2017D Bonds. To be conservative, the financial analysis assumes that the annual debt service on the Series 2017D Bonds will equal the annual debt service on the currently outstanding Series 2007 PFC Bonds.

The Board is also considering to issue the General Airport Revenue Refunding Bonds, Series 2017C (the Series 2017C Bonds) to refund the currently outstanding New Orleans Aviation Board General Revenue Bonds, Series 2009 (the Series 2009 Bonds). The Board anticipates that the Series 2017C Bonds, which would be issued as Refunding Bonds under the Indenture, will be issued only if it is determined that the refunding of the currently outstanding Series 2009 Bonds will result in economic and annual debt service cost savings to the Board. To be conservative for the financial projections, the attached report assumes that the Series 2009 Bonds will not be refunded.

The Series 2017A/B Bonds and Series 2017D Bonds are being issued as Additional Bonds pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009, by and among the Board, the City of New Orleans, Louisiana (the City), and The Bank of New York Mellon Trust Company, N.A. (the Trustee), as supplemented and amended by (i) the First Supplemental Trust Indenture dated as of February 1, 2009, (ii) the Second Supplemental Indenture dated as of March 1, 2015, and (iii) the Third Supplemental Indenture dated as of May 1, 2017 (collectively, the Indenture). The Series 2017A/B Bonds are being issued on parity with the Series 2009 Bonds and the Series 2015 Bonds.

The Series 2017A/B Bonds and Series 2017D Bonds are special obligations of the Board, secured by a pledge of the Net Revenues (as defined in the Indenture) and certain funds and accounts held by the Trustee. Neither the City nor the State of Louisiana (the State) is obligated to pay the Series 2017A/B Bonds, the Series 2017D Bonds, or any other amounts due pursuant to the Indenture. Neither the faith and credit nor the taxing power of the City, the State, or any other entity is pledged for the payment of the Series 2017A/B Bonds and the Series 2017D Bonds. Except as noted otherwise, all capitalized terms in this letter and the attached Report shall have the meanings set forth in the Indenture.

The Airport is the largest primary commercial service airport serving Southeast Louisiana. The Airport, which enplaned approximately 5.34 million passengers in 2015, is classified by the Federal Aviation Administration (the FAA) as a medium-hub airport.[1] Based in the most recent data compiled by ACI-NA (calendar year 2015), MSY was ranked 37th in the nation in terms of total passengers. The Airport is located 14 miles west of the New Orleans Central Business District, three miles south of Lake Pontchartrain, and one-half mile north of the Mississippi River.

Purpose of the Bond Financing

The Airport is building a new terminal complex on the north side of the Airport's airfield, referred to as the North Terminal Project. The North Terminal Project is designed to accommodate the long-term needs of the Airport and preserve or repurpose existing assets where possible. At the time the Series 2015 Bonds were issued, the new terminal building was planned

[1] A medium hub airport serves between 0.25 percent and 1 percent of all annual enplaned passengers in the United States.

to contain 30 aircraft gates. Based on recent increases in air traffic activity at MSY, and an updated enplanement forecast prepared by Unison in 2016, the Board approved an increase in the planned number of aircraft gates from 30 to 35. It was determined that the five additional gates (the "North Terminal Expansion") would be necessary to meet forecasted demand through year 2025. The North Terminal Expansion will also include additional baggage carousel capacity and modifications to accommodate two wide-body aircraft simultaneously for international flights. For purposes of this report, all references to the North Terminal Project include the North Terminal Expansion unless otherwise noted.

Construction of the North Terminal Project commenced in January 2015. The North Terminal is scheduled to open in February 2019, with an estimated program cost of approximately $993.8 million. The costs of the North Terminal Project are expected to be funded from the following sources: (a) General Airport Revenue Bonds (GARBs); (b) FAA Airport Improvement Program (AIP) grants; (c) Transportation Security Administration (TSA) funds; (d) State of Louisiana grants; (e) short-term borrowing; (f) Airport Capital Funds; and (g) rental car Customer Facility Charges (CFCs). It is anticipated that a portion of the debt service on the GARBs will be paid with Passenger Facility Charges (PFCs) and the balance will be paid via General Airport Revenues.

Rate Covenant and Additional Bonds Test

Under Section 604 of the Indenture, the Board covenants to impose, charge, and collect reasonable rates, fees, rentals, or other charges for services, facilities, and commodities of the Airport System that must be sufficient to provide for the following:

a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

This provision is known as the "Rate Covenant."

Section 205 of the Indenture requires that certain conditions be met in order for "Additional Bonds" to be issued by the Board. The Series 2017A/B Bonds and Series 2017D Bonds are being issued as Additional Bonds pursuant to the Indenture. In order to issue Additional Bonds, the Board must demonstrate that:

a. The sum of Net Revenues and the amounts deposited into the Rollover Coverage Account during 12 consecutive months of the preceding 18 calendar months preceding the date of issuance of the Additional Bonds will at least equal 125% of the Bond Debt

Service Requirement for all outstanding Bonds and the proposed Additional Bonds, for such 12-month period; and

b. The sum of projected Net Revenues and the amounts projected to be deposited in the Rollover Coverage Account during the three (3) consecutive calendar years commencing with the calendar year following the calendar year in which the Additional Bonds are planned to be issued, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such calendar years.

This provision is known as the "Additional Bonds Test."

The attached Report includes calculations of recent historical Net Revenues and projected Net Revenues to evaluate the ability of the Board to meet the requirements of the Rate Covenant and the Additional Bonds Test.

Airline-Airport Use and Lease Agreement

The Airline-Airport Use and Lease Agreement between the Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement) establishes rentals, fees, and charges payable by all Signatory Airlines during the term of the Airline Agreement. The Airline Agreement calculates airline rates, fees, and charges that, together with other revenues, generate sufficient Net Revenues to maintain the Rate Covenant established under the Indenture under a residual rate-setting methodology. The term of the Airline Agreement originally expired on December 31, 2013. The Board and the Signatory Airlines agreed to a one-year extension of the Airline Agreement through December 31, 2014. On October 27, 2014, the Signatory Airlines unanimously agreed to the Airline-Airport Use and Lease Agreement Term Sheet dated November 5, 2014 (Term Sheet) provided for an agreement in principal to complete a new passenger terminal and associated facilities on the north side of the airfield and to cease all carrier operations from the existing passenger terminal. The Term Sheet served as the negotiating basis for a new use and lease agreement.

Under an amendment that became effective January 1, 2015 (the 2015 Amendment), the Airline Agreement was extended for a period of one (1) year through December 31, 2015 or until the earlier of the execution of new a new use and lease agreement. The 2015 Amendment included the November 5, 2014 Term Sheet, and provided that the use of PFCs will be maximized to off-set PFC eligible debt service for the North Terminal Project and further provided that the Airline supported cost centers will be the airfield, apron, and the terminal.

The Airline Agreement was amended again effective on January 1, 2016 (the 2016 Amendment), to extend the term and to modify certain provisions of the Term Sheet (the 2016 Amended Term Sheet). The term of the Airline Agreement was extended to a date that is the earlier of (i) the date that a new airline agreement is executed by the Board and at least two (2) Signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the

Airport in the immediately preceding twelve month period, (ii) the date that is five (5) years after the North Terminal Building is able to be occupied by the airlines and (iii) December 31, 2023.

The Airline Agreement, as amended, stipulates the following:

- The form of the rate-making methodology will be residual.
- On December 31, 2020, each Signatory Airline will be granted a one-time opportunity to return no more than 25% of total leased space. At any time during the term of the Airline Agreement, a Signatory Airline may add additional leased space up to the extent such space is available and operationally required.
- The North Terminal Project and the 2015-2019 CIP projects will be considered approved by the Signatory Airlines and will be included in the airline rate base.
- All gates and terminal space leased to the Signatory Airlines will be leased on a preferential basis, with a utilization requirement provision of a minimum of four scheduled turns per day for each gate. All unleased gates will be Airport controlled for common use.
- The Signatory Airlines will have Majority-In-Interest (MII) voting rights for capital projects in the Terminal, Airfield, and Apron cost centers costing over $1.5 million in any one year; provided, however, that such Capital Expenditures do not exceed a total of $5.0 million in Capital Expenditures for Airport projects over any five-year period.
- The Board will target an airline cost per enplaned passenger of no more than $10.00 during the initial term of the Airline Agreement, based on the assumption of 2.1 percent compounded annual passenger growth during the term of the Agreement.
- The Board will maximize the use of PFCs to offset PFC-eligible debt service for the North Terminal Project.
- The Board will use amounts available from the General Purposes Account to fund incremental coverage on the bonds issued to fund costs of the North Terminal.
- The Signatory Airlines agree to fund, through rates and charges, a $6.0 million deposit to the General Purposes Account for each of Fiscal Year (FY) 2016 and FY 2017, and $3.0 million per year for each fiscal year thereafter.

Report Organization

Unison has prepared the attached Report to evaluate the ability of the Board to meet the financial requirements established by the Indenture, including the Rate Covenant and the Additional Bonds Test. The following summary of the components of the attached Report provides an overview of the comprehensive analysis performed:

- **Section I** describes the Airport, the Board, and the North Terminal project costs and funding sources.

- **Section II** describes the Airport's air service area and discusses the local economic base.

- **Section III** analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.

- **Section IV** reviews the financial framework for the Airport, reviews the recent historical financial performance of the Airport, and examines the ability of the Airport to generate sufficient Net Revenues to meet the Rate Covenant and the Additional Bonds Test, pursuant to the Indenture, during the forecast period.

Assumptions

The analysis and forecasts contained in the attached Report are based upon certain data, estimates, and assumptions that were provided by the Airport, and certain data and projections from other independent sources as referenced herein. The attached Report should be read in its entirety for an understanding of the forecasts and the underlying assumptions. In our opinion, the data, estimates, and assumptions used in the report are reliable, and provide a reasonable basis for our forecast given the information available and circumstances as of the date of this Report. However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the forecasts, and the variations could be material.

The major assumptions utilized in the attached Report are listed below:

1. The Board will complete the North Terminal Project within the revised budgeted cost amount and according to the estimated schedule.
2. The forecasts of aviation activity presented in the Report were developed using a hybrid modeling framework that incorporates both supply and demand considerations. This approach features capacity-driven, short-term forecasts and demand-driven long-term forecasts. For the long-term forecasts, we use regression analysis to link growth in future airport activity to trends in key demand drivers. The model is consistent with sound economic theory, is well-supported by empirical trends, and passes statistical evaluation.
3. The Airport's PFC collection level will remain at the current rate of $4.50 per qualifying enplaned passenger through 2025 and then decrease to $3.00 effective January 1, 2025.
4. The Board will apply PFCs to offset a portion of annual debt service associated with the Series 2015 Bonds and the Series 2017A/B Bonds that fund PFC-eligible portions of the North Terminal Project. The Board will apply PFCs to pay the annual debt service associated with the Series 2017D Bonds.

Findings and Conclusions

Based upon the assumptions and analysis presented in the attached Report, we forecast that the Board will be able to comply with the Rate Covenant and Additional Bonds Test provisions of the Indenture, and other governing legal documents, while maintaining a reasonable airline cost per enplaned passenger. Specifically, we conclude the following:

- Under the base case air traffic forecast, enplanements will increase to 6.83 million in 2026, representing an average annual growth rate of 2.0 percent. A low forecast was also developed and used for the sensitivity financial analysis, under which enplanements are forecast to increase to 6.32 million in 2026, representing a 1.3 percent average growth rate.

- Under the base case air traffic forecast, debt service coverage is projected to remain above the 1.25 requirement. It is projected to remain at or above 1.30 throughout the forecast period.

- Under the base case air traffic forecast, the Airport's airline cost per enplaned passenger is projected to reach a high of $8.86 in 2021 and then decrease each year thereafter, to $8.40 in 2026.

- Under the low air traffic forecast scenario, debt service coverage is projected to be the same as under the base case scenario, at or above 1.30 throughout the forecast period. The airline cost per enplanement is projected to reach a high of $9.37 in 2022 and then decrease to $8.98 in 2026.

Based on the above, we conclude that it is financially feasible for the Board to proceed with the issuance of the Series 2017A/B Bonds.

Sincerely,

UNISON CONSULTING, INC.

Unison Consulting, Inc.

REPORT OF THE AVIATION CONSULTANT

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Prepared by:

In Association With

AVK Consulting

April 28, 2017

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
Report of the Aviation Consultant

April 28, 2017

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SECTION I
INTRODUCTION

This report examines the financial feasibility of the issuance of the New Orleans Aviation Board General Airport Revenue Bonds, Series 2017A and Series 2017B Bonds (collectively, the Series 2017A/B Bonds). The Series 2017A/B Bonds are being issued to fund a portion of the cost of the North Terminal Project, which includes the development of a new terminal complex and a new parking structure on the north side of the airfield at the Louis Armstrong New Orleans International Airport (MSY or the Airport). A more detailed description of the North Terminal Project, and the funding sources, is presented later in this section.

This Report is organized into the following sections:

- **Section I** describes the Airport, the New Orleans Aviation Board, and the North Terminal Project costs and associated funding plan.

- **Section II** defines the Airport's air service area and discusses the local economic base.

- **Section III** analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.

- **Section IV** reviews the financial framework of the Airport, reviews the recent historical financial performance of the Airport, and examines the ability of the Airport to generate sufficient Revenues in each year of the forecast period to meet the Airport's financial obligations. Key financial indicators, including debt service coverage and airline costs per enplaned passenger are also presented.

A. THE NEW ORLEANS AVIATION BOARD

The New Orleans Aviation Board (the Board) was created in 1943 to oversee the administration, operation, and maintenance of the Airport. The Board, which is an unattached board under the executive branch of the New Orleans City Government, represents the City in all aviation matters. The Board also oversees the New Orleans Heliport.[1]

The Board consists of nine members that are appointed by the Mayor of New Orleans and approved by the New Orleans City Council. The Airport is located in the City of Kenner, which is in Jefferson Parish, and in an unincorporated area of St. Charles Parish. The City of Kenner and the Parish of St. Charles have input regarding the selection of one member each to the Board. The members are not compensated and serve staggered five-year terms. The Chair and Vice-Chair are elected by the other Board members and

[1] Lakefront Airport, a general aviation facility located on the southern shore of Lake Pontchartrain and within Orleans Parish, is owned by the Orleans Levee District.

serve in the Chair or Vice-Chair position until a new Chair or Vice Chair is selected by the Board members.

The operations and improvements at the Airport are funded by airport user charges, special taxing district revenues, revenues derived from leases and concession agreements, Passenger Facility Charges (PFCs), Louisiana Department of Transportation Trust Fund Grants, and funds received from the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA). No general tax fund revenues from any state or local government are used to operate or maintain the Airport.

B. LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

In the mid 1930's, the City coordinated with the Civil Aviation Division (the predecessor to the FAA) to establish an airport at Moisant Field as an alternative to the Lakefront Airport located in the eastern portion of the City. Before the City could begin construction on the future airport, the land was taken over by the U.S. government and used as an air base during World War II. The land was used by the Army until the end of the war and was returned to the City, plus an additional 295 adjacent acres, in 1946. Commercial air service began at Moisant Field in May 1946 and by 1947 the Airport contained four runways on 1,360 acres. The site has since been expanded to the present size of 1,700 acres, which include all Airport facilities and parcels for noise mitigation that the Board acquired before 2006. The Airport's three letter identifier, MSY, stands for Moisant Stock Yards.

A new passenger terminal and two new concourses were dedicated in 1959 and in 1960 the name of the Airport was changed to New Orleans International Airport. In 1974, two more concourses were added at the east end of the passenger terminal, thereby increasing the number of gates to 42. An extensive renovation was done on the West Concourse in 1979 and again in the 1990s. In August 2001, the Airport's name was changed to Louis Armstrong New Orleans International Airport in honor of what would have been the 100th birthday of the famous musician, who was born in New Orleans.

The Airport is adjacent to Interstate Highway 10, approximately 14 miles west of the New Orleans Central Business District, three miles south of Lake Pontchartrain, and one-half mile north of the Mississippi River **(Figure I-1)**. Most of the Airport is located in Jefferson Parish, Louisiana, with a small portion located in an unincorporated area in St. Charles Parish.

FIGURE I-1
AIRPORT LOCATION

Source: Reynolds, Smith, and Hills, Inc. (renamed RS&H, Inc. in February 2014), *Final Environmental Assessment for the Long Term Airport Development at the Louis Armstrong New Orleans International Airport*, December 2013, page 1-3.

The FAA classifies the Airport as a primary medium hub airport in the National Plan of Integrated Airports System (NPIAS). A medium hub airport serves between 0.25 percent and 1 percent of all annual enplaned passengers in the United States. The Airports Council International – North America (ACI-NA) compiles data on a calendar year basis and publishes an annual ranking of airports based on passengers and other metrics. Based in the most recent data compiled by ACI-NA (calendar year 2015), MSY was ranked 37th in the nation in terms of total passengers and 67th in the nation in terms of total air cargo. MSY's 2015 enplanements of approximately 5.34 million accounted for 0.61 percent of total U.S. enplanements. The Airport's 2015 enplanements were 9.2 percent higher than the 4.89 million enplanements in 2014. The Airport had a total of 105,277 aircraft operations in 2015, which was 4.5 percent higher than the 100,726 operations in 2014. Southwest Airlines was the largest carrier in 2016, accounting for approximately 37 percent of total enplanements.

The existing facilities at the Airport include the following:

- **Passenger terminal complex.** The passenger terminal complex (depicted in **Figure I-2**) contains four concourses (A, B, C, and D). As of March 2017, 22 gates on Concourses B, C, and D are leased on a preferential basis to the Signatory Airlines. There are 12 gates that are available and used on a common-use basis. Concourse A is closed and not in use. Encompassing approximately 1.2 million square feet, the passenger terminal complex contains airline space, including ticketing, operations, and baggage claim facilities; areas for car rental and ground transportation operations; concessions; offices for various entities including the Board, the U.S. Weather Bureau, the U.S. Immigration and Naturalization Services, the U.S. Customs Service, and the U.S. Department of Agriculture.

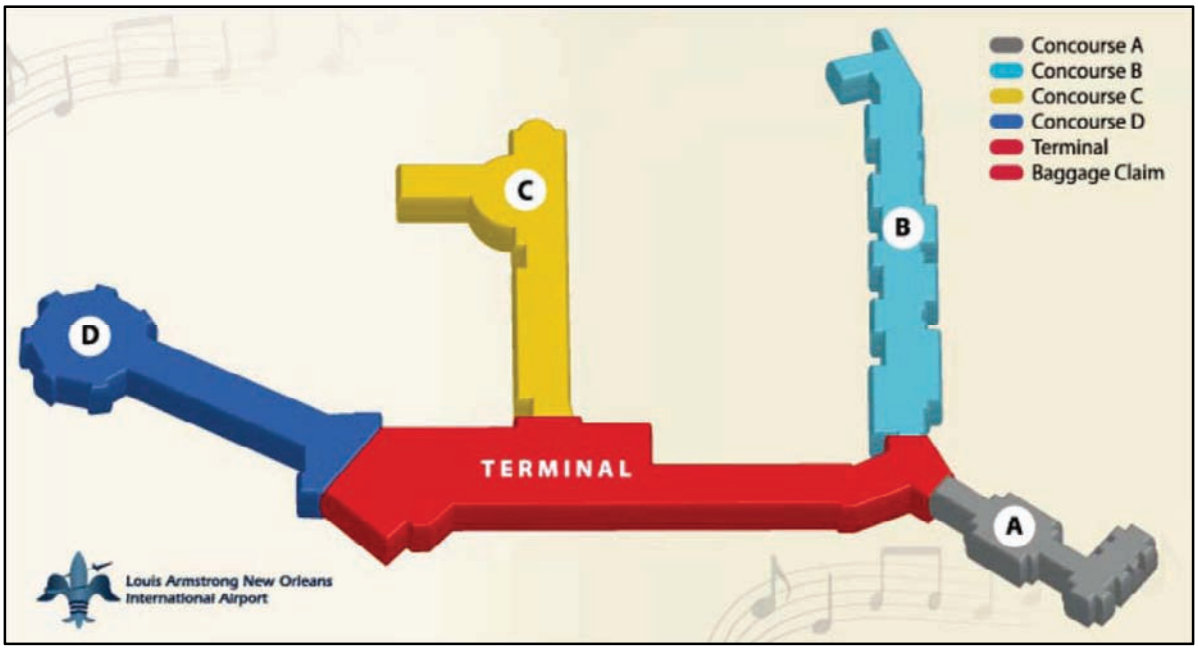
- **Airfield facilities.** The Airport's primary air carrier runway, Runway 11/29, is 10,104 feet long by 150 feet wide. A second air carrier runway, Runway 2/20, is 7,001 feet long by 150 feet wide. Both runways are concrete. The Airport is fully-equipped for all-weather flying. It has a Category II and III instrument landing system capability on the approach to Runway 11.

- **Public parking facilities.** The Airport has approximately 5,755 active public parking spaces in two parking garages and one surface lot. Both parking garages are located across the terminal roadway from the terminal, with the short-term garage located closest to the terminal and immediately adjacent to the terminal roadway. The surface lot contains 813 parking spaces and is located adjacent to the Consolidated Rental Car Facility. The first floor of the short-term garage is used for employee parking, tenant managerial parking, and revenue producing ground transportation operations. The 2,492 spaces on floors two through five are for public parking as are all 2,450 spaces in the long-term garage.

- **Other Facilities.** Other facilities at the Airport include air cargo facilities; general aviation facilities; aviation support facilities; a Consolidated Rental Car Facility; and access roads. Vehicular access to the Airport is via a terminal circulation road system that connects the existing passenger terminal to Airline Highway (a state

highway running east and west, located south of the terminal), and the Jerome S. Glazer Airport Access Road, which parallels the terminal complex and turns north to connect to a dedicated access road leading to Interstate 10, the main highway between the Airport and the New Orleans Central Business District.

FIGURE I-2
AIRPORT MAIN TERMINAL AND CONCOURSES

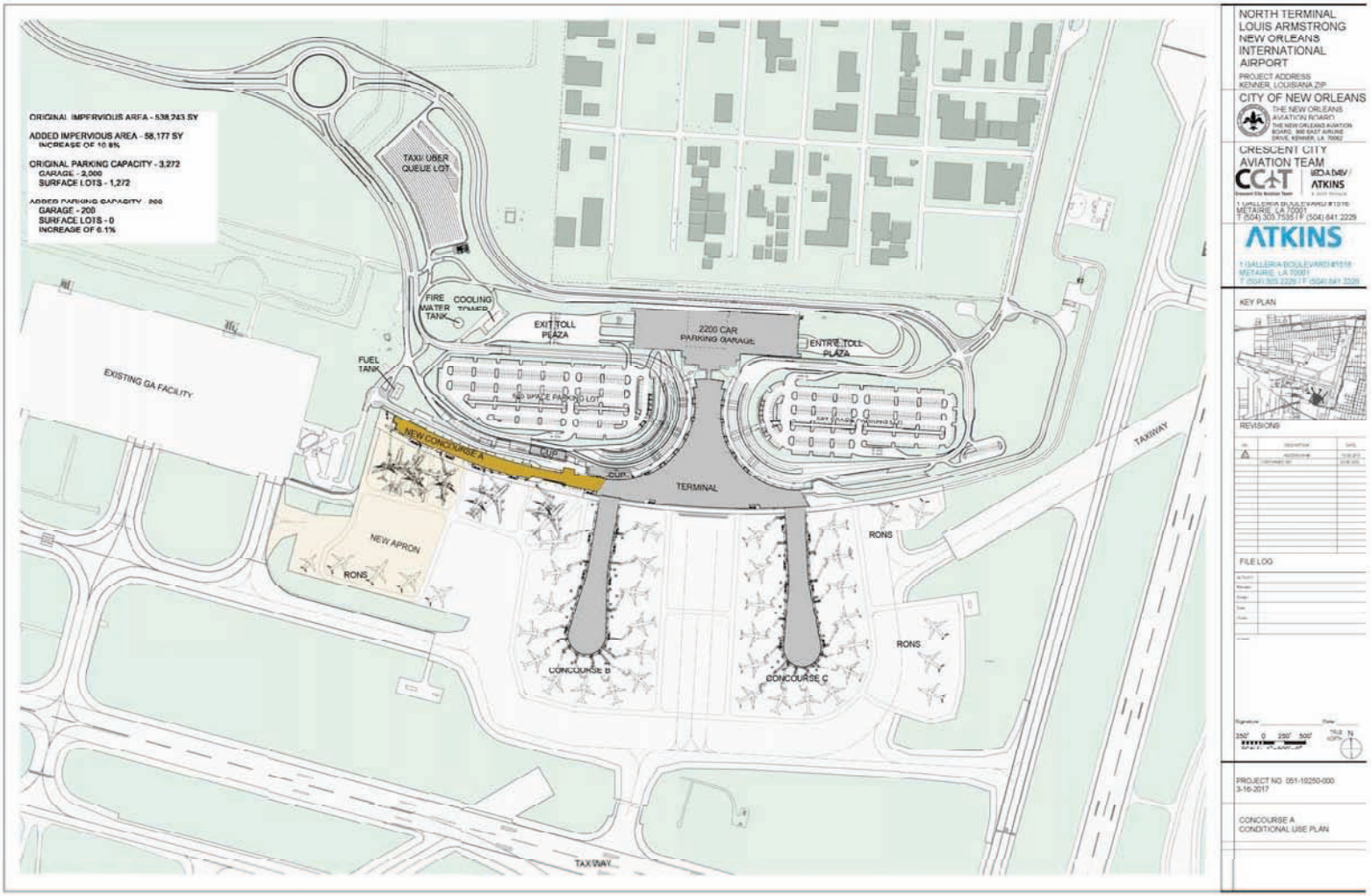


Source: Louis Armstrong New Orleans International Airport, "Facilities Map," <http://www.flymsy.com/terminals>, accessed on October 15, 2014.

C. NORTH TERMINAL PROJECT

The North Terminal Project consists of a new passenger terminal and necessary related improvements, such as an aircraft apron, a central utility plant, a parking garage, surface parking lots, an on-site roadway system and associated ground transportation facilities, and associated enabling projects such as navigational equipment and airfield lighting vault relocations. The new passenger terminal will contain 35 airline gates and will consist of over 900,000 square feet of space. A more detailed description of the components of the North Terminal Project is presented on the following pages. **Figure I-3** shows the design of the North Terminal Project. The North Terminal Project is designed to accommodate the long-term needs of the Airport and preserve or repurpose existing assets where possible.

FIGURE I-3
PLANNED DESIGN OF NORTH TERMINAL PROJECT



1. North Terminal Project Purpose, Need and Benefit[2]

In August 2011, New Orleans Mayor Mitchell J. Landrieu requested that the Board begin a detailed analysis of the options for a new airport terminal facility. The analysis focused on design, financial feasibility, environmental impact, and land use. After an extensive analysis, the Board determined that the North Terminal Project was the most feasible option for a new terminal facility. On April 17, 2013, the Board announced its decision to proceed with the North Terminal Project.

The Board has identified the following objectives for the North Terminal Project:

- "Right-size" the terminal building and gates to better accommodate projected operations and enplanements, and decrease operating costs.
- Replace aging infrastructure of the existing terminal building and its systems (mechanical, structural, passenger conveyance and security), many of which are old, beyond their useful life.
- Enhance the terminal efficiency to reflect the significant industry changes since the original terminal was built in 1959 by eliminating unnecessary and duplicative space in the terminal layout.
- Increase revenues through enhanced terminal concessions and modern passenger amenities.

2. North Terminal Project Description

The North Terminal Project consists of a three-story terminal building with three concourses (A, B, and C), on the north side of the Airport. Departures and ticketing will be located on the upper level, a concourse level will provide general circulation between gates and through the terminal concession areas, and baggage claim and arrivals will be on the lower level, with access to the arrivals roadway. The three concourses will contain aircraft gates with passenger boarding bridges equipped with 400-hertz electrical service and pre-conditioned air. Additionally, a concrete apron will be constructed to serve the new terminal building.

At the time the Series 2015 Bonds were issued, the new terminal building was planned to contain 30 aircraft gates, based on the planning that had started in 2012. However, the Airport has been growing faster than the growth trends that were projected in 2012. For calendar year 2016, the Airport achieved a new all-time record, serving over 11.1 million passengers, representing 4.4% growth over 2015 when the Airport served 10.6

[2] Information documented by the RS&H Team, "Executive Summary and Chapter 2: Purpose and Need," *Final Environmental Assessment for the Long Term Airport Development at the Louis Armstrong New Orleans International Airport*, December 2013.

million passengers. The number of daily aircraft operations has increased over 25% since 2012 (approximately 300 average daily aircraft operations in 2016 as compared to the average of 238 operations in 2012). Fifteen commercial passenger airlines are scheduled to provide service at MSY in May 2017. As of April 2017, these airlines provided non-stop service to 57 destinations, including six international destinations. In March 2017, British Airways began service to London, England using the Boeing 787 Dreamliner wide-body aircraft, and in May 2017, Condor will begin non-stop service to Frankfurt, Germany, using the Boeing 767-300 wide-body aircraft.

Based on the recent increases in air traffic activity at MSY, and an updated enplanement forecast prepared by Unison in 2016, the Airport submitted a report to the Signatory Airlines on September 21, 2016 entitled "New Orleans International Airport North Terminal Project – Design Modification MII Review Packet" (North Terminal Modification Report). The North Terminal Modification Report determined that the initial design of the facilities at the North Terminal Project would not be adequate on opening day through a 2025 planning window. The North Terminal Modification Report described needs for five additional gates (the Gate Expansion) by 2025, a seventh baggage carousel and carousels under Concourses B and C, modifications to accommodate two wide-body aircraft simultaneously for international flights, and an increase the Airline build allowance. In April 2017 the Airport received approval from the FAA for the Supplemental Environmental Assessment for the North Terminal Project.

Pursuant to the Airline-Airport Use and Lease Agreement, on October 25, 2016, the Airline Airport Affairs Committee met and voted to approve modifications to the North Terminal Program in the North Terminal Modification Report. Following the October 25, 2016 approval of the North Terminal Modification Report, the Airport and the Airlines further refined the North Terminal Program to better accommodate increased space needs in the original design, improved operational performance of the facility, and increases in the size of the Gate Expansion. Based on these refinements, on March 3, 2017, the Airport submitted an additional report to the Signatory Airlines entitled "MSY 2017 Revised North Terminal Program-MII Review Packet." On April 3, 2017, pursuant to the terms of the Use and Lease Agreement, the Signatory Airlines voted to approve the MSY 2017 Revised North Terminal Program.

On March 16, 2017, after the efforts to refine the North Terminal Program costs reflected in the MSY 2017 Revised North Terminal Program report, the Board approved a revised funding plan of $993,754,151 for the North Terminal Project, as detailed later in this section.

Terminal Building

The terminal building, which will contain approximately 972,000 square feet, will include the following types of areas:

- Airline Support Functions: baggage service office, departure hall, hold rooms, ticketing positions and offices, inbound tug drive, airline operations rooms.

- Concessions: food and beverage, news and gifts, retail, storage rooms, communications and equipment rooms, public area seating.

- Federal Immigration Service: international arrivals, customs, sterile corridor.

- Secure Public Areas: concourse circulation, restrooms, vertical circulation, security screening checkpoint, concourse exit lanes.

- Non-Secure Public Areas: baggage claim, arrivals hall, vestibules, ticketing lobby circulation, ground transportation information booth, public seating, vertical circulation, restrooms.

- Non-Public Areas: central baggage inspection system, offices, electrical and plumbing equipment rooms, communication rooms, operations rooms, outbound baggage makeup.

Airside Projects
The North Terminal Project will utilize the existing airfield but changes must be made in order to accommodate the relocated terminal. The components of the Airside Projects are as follows:

- NAVAIDs Relocation: The airport surveillance radar (ASR) facility, the Remote Transmit Receiver (RTR), the Low Level Windshear Alert System (LLWAS) will be upgraded to a Surface Weather System and relocated.

- Electrical Vault Relocation: An existing airfield electrical vault will be relocated.

- Electrical Distribution Relocation: The electrical distribution system will be relocated and the new lighting systems will be integrated with the existing control systems.

- Apron Pavement: The new terminal will be located directly adjacent to both Runway 2/20 and Runway 11/29. The North Terminal Project will also involve the demolition of portions of Taxiways D and G. Taxiway G will be reconfigured and extended to Taxiway S. In addition, connector taxiways from Taxiway G will be constructed to the new commercial aircraft apron. The partial demolition of Taxiways D and G will result in the removal of approximately 66,176 square yards of pavement. The commercial service apron and the relocation and extension of Taxiway G will result in the construction of approximately 320,000 square yards of pavement, which will include remain overnight (RON) parking spaces for up to 10 aircraft.

- Utilities: Utilities will be relocated to clear the site for the new terminal and other facilities. Some of these affected utilities include the apron drainage collection systems, environmental systems, glycol collection systems, and a storm water pumping station. The central utility plant, which will house the chilled water system

and hot water heating equipment, will be relocated to the north side of the Airport, and is accounted for as part of the Terminal Building costs.

- Site Development: The soils beneath the site are generally marsh and inland swamp deposits composed of extremely soft clays and organic clays with wood, roots, and organic matter. Beneath the swamp deposits are delta and bay marine deposits composed of soft sandy clays. The site development costs include work necessary to prepare the site for apron pavement work. In addition, the North terminal will be located directly adjacent to both Runway 2/20 and Runway 11/29 and will require the demolition of the current Taxiway D (formerly designated Runway 6/24).

Landside and Other Projects

The North Terminal Project will require new landside infrastructure to allow vehicular traffic to access the Terminal Complex and parking facilities. The Landside Projects consist of the following individual projects:

- On-Airport Roadways: The Airport will construct a new landside roadway network, consisting of a new primary airport access roadway, internal circulation roadways, and a secondary/service access road. Primary access will be provided along the Loyola Drive/Aberdeen Street corridor, which is directly connected to Interstate 10. Secondary/service access will be provided from Bainbridge Street via Veterans Memorial Boulevard. The departure terminal curbside area will consist of four inner lanes for private vehicle and taxi use and three outer lanes for commercial and bus use. The departures curb area level will be elevated. The arrival terminal curbside areas will consist of four inner lanes for private vehicle use and three outer lanes for taxi, commercial and bus use.

- Parking Structure: The North Terminal Project will include a new five-level, 2,190-space short-term parking garage adjacent to the new terminal. The existing parking garage on the south side of the existing terminal will function as long-term parking and passengers will be transported via bus to the new passenger terminal. The Airport anticipates that the employee parking lot will be relocated. This relocation may be to one of the south terminal parking garages or potentially to a site on the north side of the airfield. The analysis of relocation options is ongoing to determine the best option for the Airport.

- Surface Parking: Two surface parking lots are included in the North Terminal Project. A taxi staging area will also be developed.

- Utilities: Existing landside utilities, including the water main line, sanitary sewers, electrical distribution line, natural gas main line, and the communications line will need to be demolished and new utilities will be constructed to accommodate the new terminal and associated development.

- Site Development and other projects: Projects necessary to prepare the site, including grading, site drainage, preparation for utilities, and other ground preparation to accommodate the development of the on-Airport roadways and the parking structure.

- Workforce development training: The City has established a job readiness and job training program to help ensure qualified labor supply and reduce on-the-job injuries.

3. Estimated North Terminal Project Costs and Funding Plan

Construction commenced on the North Terminal Project in January 2015 and is anticipated to be completed in early 2019, with an estimated cost of $993.8 million. The costs of the North Terminal Project are expected to be funded from the following sources: (a) General Airport Revenue Bonds (GARBs); (b) FAA Airport Improvement Program (AIP) grants; (c) Transportation Security Administration (TSA) funds; (d) State of Louisiana grants; (e) short-term borrowing; (f) Airport Capital Funds; and (g) rental car Customer Facility Charges (CFCs). It is anticipated that a portion of the debt service on the GARBs will be paid with PFCs and the balance will be paid via General Airport Revenues. The estimated capital costs of the North Terminal Project by component, and the estimated funding sources, are presented on **Table I-1**. The estimated sources and uses of funds, and projected debt service for the Series 2017 Bonds are presented in **Section IV**. The funding sources are described in the following paragraphs.

a. General Airport Revenue Bonds (GARBs)

The funding plan calls for GARBs to be issued to finance a portion of the capital costs, to fund capitalized interest, to fund necessary reserve accounts, and to pay issuance costs of the bonds. The plan anticipates that approximately $763.3 million in GARB proceeds will be available to fund the North Terminal Project, consisting of $486.0 million from the Airport Revenue Bonds, Series 2015 (the Series 2015 Bonds) and $277.2 million from the Series 2017A/B Bonds. It is anticipated that a portion of the debt service on the Series 2015 Bonds will be paid with PFCs and the balance will be paid via General Airport Revenues.

The Board currently has a total PFC collection authority of approximately $965.6 million. On January 9, 2015, the FAA issued a Final Agency Decision (FAD) for the Board's most recent PFC application (Application Number 14-11-C-00-MSY), which was submitted by the Board to request the collection and use of PFCs for eligible costs of the North Terminal Project. Prior to the January 9, 2015 FAD, the Board was authorized to collect PFCs at a collection level of $4.50 per passenger until February 1, 2026, for various capital projects at MSY. The January 9, 2015 FAD approved the collection and use of $389,281,874 in PFCs for the North Terminal Project, including bond financing and interest costs. The collection level authorized for the North Terminal Project is $3.00 per passenger, with a charge effective date of February 1, 2026, and an estimated charge expiration date of September 1, 2043.

b. AIP Grants

AIP entitlement funds are apportioned each year pursuant to the FAA's formula based on individual airports' annual enplanements. AIP discretionary funds are awarded by the FAA based on eligible projects' priority as determined by the FAA through the application of its National Priority System (NPS). The NPS uses a combination of quantitative and qualitative factors to evaluate projects with highest priority given to projects that enhance airport safety and security. The FAA also provides funds for noise mitigation projects, including the acquisition of land. The funding plan for the North Terminal Project includes $91.7 million in AIP grants, consisting of $83.4 million in AIP discretionary grants and $8.3 million in AIP entitlement funds. The Board has received a commitment from the FAA for the discretionary funding.

c. Transportation Security Administration (TSA) Grant

The TSA provides funding to airports for the costs of reconfiguring checked baggage handling systems to accommodate in-line Explosive Detection System (EDS) baggage screening equipment. The cost estimates for the North Terminal Project include the purchase, installation, and other costs for baggage handling and check baggage inspection system improvements. Based on discussions with the TSA, the Airport anticipates receiving TSA funds totaling approximately $8.0 million to cover a portion of the identified costs.

d. State Grants

The Louisiana State Constitution was amended in 1989 to establish a Transportation Trust Fund to apply the excess revenues collected from fuel taxes toward the costs for and associated with construction and maintenance of Louisiana's transportation system. The Aviation Priority Program, administered by the Louisiana Department of Transportation and Development and funded by a constitutionally-dedicated tax on aviation fuel sales segregated in the Transportation Trust Fund, is linked to the federal AIP program and has no separate eligibility criteria. The program provides a portion of the required local matching funds for airports awarded AIP grants (according to a statutory formula) plus up to $3 million per year for each of Louisiana's seven commercial service airports. The North Terminal Project funding plan assumes that the statutory State match for committed and anticipated AIP discretionary and entitlement grants are allocated to the project, plus $3.0 million per year in State grants (for a period of five years) for eligible components of the North Terminal Project. The North Terminal Project budget includes an aggregate $25.2 million of state grants to be spent on eligible projects costs for the Terminal Building, Airside Projects, and Landside Projects.

e. Short-term Borrowing

The Airport anticipates issuing a short-term borrowing to cover up to $61.0 million in program costs intended to be reimbursed from funding sources that will not be available until after the costs are incurred. The Airport plans to use the proceeds of the short-term borrowing to pay these project costs, and to apply future Airport revenues to pay the interest cost associated with the borrowing, until such time that the anticipated future funding sources are available to pay off the short-term borrowing. The estimated future funding sources include the following two components:

- Approximately $36.6 million in PFCs previously approved for projects in the existing terminal cannot be applied to eligible costs in the North Terminal until a new PFC application is submitted by the Airport to the FAA, and approved by the FAA. The Airport anticipates that components of the North Terminal Project that are similar in nature to the project costs in the existing terminal that were previously approved for PFC funding will be approved by the FAA in a new PFC application. It is assumed that a new PFC application will be approved by the FAA, and that the corresponding PFC revenues will be applied to the appropriate project costs.

- Approximately $25 million in state highway grant funds will be requested by the City for Airport roadway costs. The Airport anticipates that the highway grant funds may be made available to the Airport over multiple years, beyond the time period of the associated project expenditures. To the extent the City does not receive all $25 million to be requested, the Airport has other funding options, including, but not limited to, financing the amount until the City and/or the State provide the funds.

f. General Purposes Account

Under the provisions of the amended Airline Agreement, the Signatory Airlines have agreed to fund, through rates and charges, a $6.0 million deposit to the General Purposes Account for each of Fiscal Year (FY) 2016 and FY 2017, and $3.0 million per year for each fiscal year thereafter. These amounts flowing to the General Purposes Account are to be used to pay the cost of capital projects or to reimburse amounts previously spent by the Board for capital expenditures. The funding plan estimates that approximately $33.2 million from the General Purposes Account will be spent on the North Terminal Project.

g. Rental Car Customer Facility Charges (CFC) Revenue

The Airport plans to apply approximately $10.8 million in CFC revenue to the cost of and an auxiliary generator system and/or other uses in the North Terminal Project. The CFC is a per-day charge collected from rental car customers by the rental car

companies operating at the Airport, and remitted to a trustee, for use on approved costs. CFC revenues are pledged to the payment of debt service on the Series 2009 Gulf Opportunity Zone (GO Zone) Bonds that were issued to fund the cost of a Consolidated Rental Car Facility (CONRAC) at the Airport, and the cost of other projects (called "initial projects") at the Airport that were identified in the indenture governing the use of CFCs (the CFC Indenture). The "initial projects" provided for the replacement of buildings and systems that had to be demolished to make room for the CONRAC and the related rental car service centers. Due to the planned development of the North Terminal, the installation of an auxiliary generator system (initially intended for installation in a new utility building adjacent to the CONRAC) is now being planned as part of the North Terminal Project. This is an approved use of CFC revenues pursuant to the CFC Indenture.

TABLE I-1
NORTH TERMINAL PROJECT COSTS AND FUNDING PLAN

Program Components	Estimated Costs [1]	Funding Sources						
		Series 2015 & 2017A Bonds [2]	AIP Grants	TSA Funds	State Funds	Short-Term Borrowing	General Purposes Account	CFCs
Terminal	$607,380,170	$540,133,562	$0	$8,017,535	$5,061,693	$36,564,681	$6,817,699	$10,785,000
Airside								
NAVAIDS Relocation	$27,907,422	$4,944,937	$20,930,567	$0	$2,031,918	$0	$0	$0
Electrical Vault Relocation	11,207,598	307,831	0	0	10,899,767	0	0	0
Apron Pavement	124,286,660	71,404,185	45,243,944	0	4,470,832	0	3,167,699	0
Stormwater Pump Station	34,029,783	5,782,770	25,522,337	0	2,724,675	0	0	0
Total Airfield	$197,431,463	$82,439,724	$91,696,848	$0	$20,127,192	$0	$3,167,699	$0
Landside and Other								
On-Airport Roadways	$126,543,646	$101,543,646	$0	$0	$0	$25,000,000	$0	$0
Parking Structure	40,840,197	21,671,235	0	0	0	0	19,168,962	0
Surface Parking	12,702,984	12,702,984	0	0	0	0	0	0
Utilities	2,308,159	369,849	0	0	0	0	1,938,310	0
Parking Vehicle Circulation Bridge	704,424	704,424	0	0	0	0	0	0
Aberdeen Street	3,768,079	3,768,079	0	0	0	0	0	0
Total Landside	$186,867,489	$140,760,217	$0	$0	$0	$25,000,000	$21,107,272	$0
Workforce Development	$2,075,029	$0	$0	$0	$0	$0	$2,075,029	$0
Total Program	**$993,754,151**	**$763,333,503**	**$91,696,848**	**$8,017,535**	**$25,188,885**	**$61,564,681**	**$33,167,699**	**$10,785,000**

[1] Estimated costs received from the North Terminal Project design team as of March 31, 2017.

[2] The Airport plans to apply PFCs to the portion of the debt service on the Series 2015 Bonds associated with $306.2 million in PFC-eligible costs.

SECTION II
ECONOMIC BASE

Demographic and economic trends influence the demand for air travel at MSY. Trends in the Airport's air service area, the state of Louisiana, and the nation influence the demand for air travel at the Airport, particularly the origin and destination (O&D) segment that constitutes more than 90 percent of the Airport's passenger traffic. Regional trends influence (1) the ability of local residents to travel, and (2) the attractiveness of the New Orleans area as a travel destination for visitors. National trends influence both regional and national demand for air travel. This section discusses relevant local demographic and economic trends in the Airport's air service area, in comparison with trends in Louisiana and the United States.

A. AIR SERVICE AREA

The Airport is located approximately 14 miles west of the New Orleans Central Business District in Jefferson Parish, with a small portion located in an unincorporated area in St. Charles Parish. The Airport's primary air service area is the New Orleans-Metairie-Kenner, LA, metropolitan statistical area (the New Orleans MSA), which consists of eight parishes (equivalent to "counties" in other states) in Louisiana: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany. The New Orleans MSA is depicted in **Figure II-1**. The principal population centers in the New Orleans MSA are the City of New Orleans and the population center in Jefferson Parish known as Metairie.

Because MSY is the state's largest commercial service airport, the Airport's market reach extends beyond the New Orleans MSA to other parts of Louisiana as well as parts of neighboring Mississippi. Although there are six other commercial service airports in Louisiana, none of them offer the level and type of commercial air service that would create significant competition for MSY.

Baton Rouge Metropolitan Airport (BTR), located 78 miles northwest of MSY in East Baton Rouge Parish, is the largest of the six other commercial service airports in Louisiana. BTR is a small hub airport with 373,069 enplanements in 2016 (6.7 percent of MSY's enplanements) and 316,346 enplanements in 2015 (5.9 percent of MSY's enplanements).[1] BTR experienced a one-time 40 percent increase in enplanements from 368,000 in 2004 to 516,000 in 2005, when many New Orleans residents relocated temporarily outside the City immediately following Hurricane Katrina and MSY's enplanements decreased 20 percent. In 2005, BTR's enplanements were 13.2% of MSY's enplanements.

Outside Louisiana, there are two primary commercial service airports within a 200- mile drive from MSY: (1) Gulfport-Biloxi International Airport (GPT) in Gulfport, Mississippi (75

[1] By FAA classification, a small hub airport handles 0.05 percent to less than 0.25 percent of annual U.S. enplanements. The enplanement figure is from the Airport Statistics data on the Baton Rouge Metropolitan Airport website, <http://www.flybtr.com>, accessed on January 6, 2017.

miles from MSY), and (2) Jackson-Evers International Airport (JAN) in Jackson, Mississippi (180 miles from MSY). Both airports are also significantly smaller than MSY. Classified as small hub airports, GPT had 323,774 enplanements and JAN had 495,261 enplanements in 2015.[2,3]

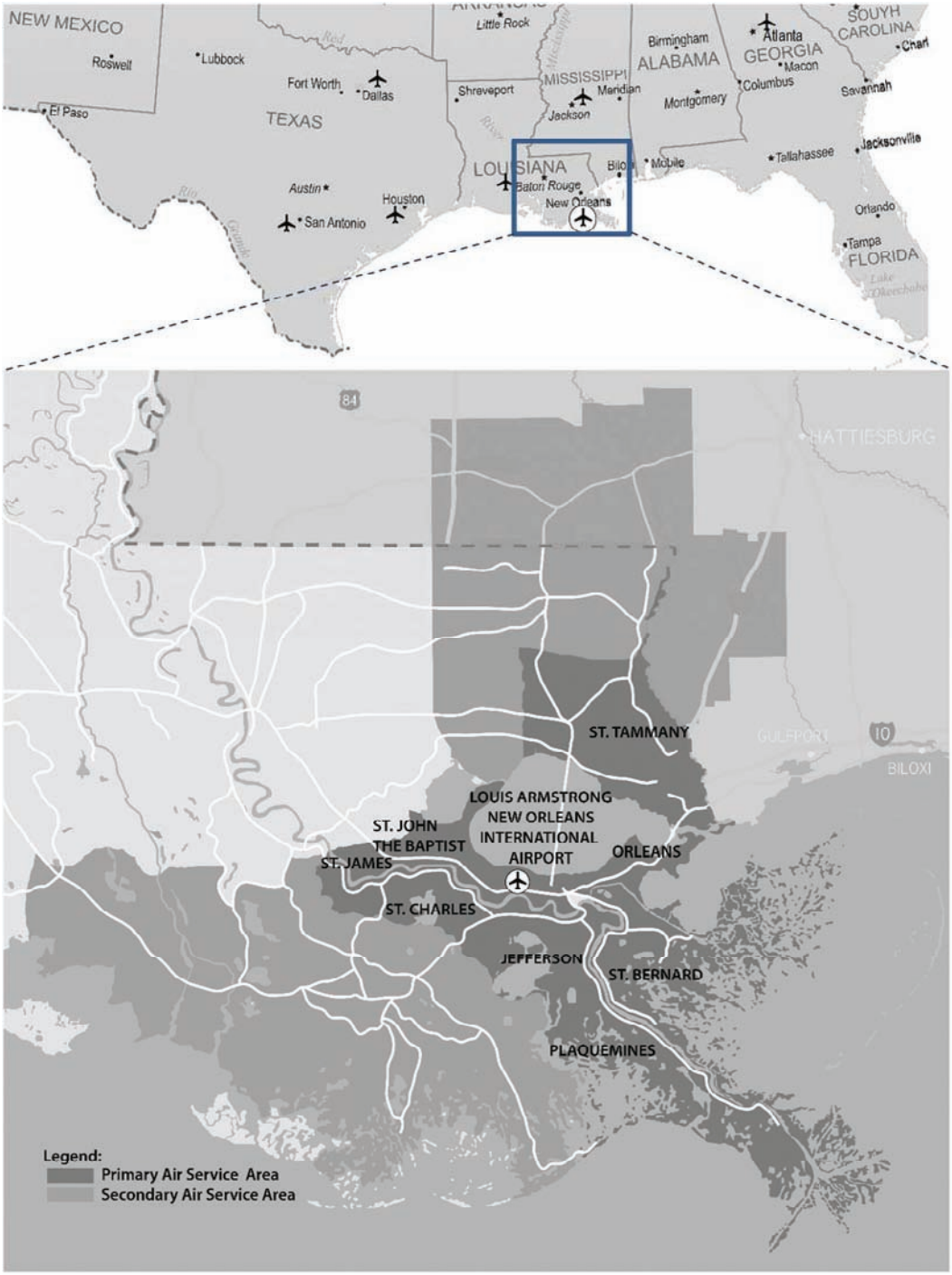
Since no other commercial airport in Louisiana and its neighboring state, Mississippi, provides as comprehensive service as MSY, the Airport's market reach easily extends beyond its primary Air Service Area, the New Orleans MSA, to the rest of Louisiana and areas halfway between MSY and the following nearest major commercial service airports:

- Houston's George Bush Intercontinental Airport (348 road miles from MSY) and William P. Hobby Airport (340 road miles from MSY) in Texas;
- Memphis International Airport in Tennessee (378 road miles from MSY); and
- Hartsfield-Jackson Atlanta International Airport (472 road miles from MSY) in Georgia.

[2] Gulfport-Biloxi International Airport, <http://www.flygpt.com>, and Jackson Municipal Airport Authority, <http://jmaa.com>, accessed on January 6, 2017.

[3] Mobile Regional Airport (MOB), which is not a primary commercial service airport, is within a 200-mile drive but is beyond GPT when driving from MSY.

FIGURE II-1
PRIMARY AIR SERVICE AREA
NEW ORLEANS-METAIRIE, LA, METROPOLITAN STATISTICAL AREA



Source: Unison Consulting, Inc.

B. THE LEVEE SYSTEM FAILURE FOLLOWING HURRICANE KATRINA

On August 29, 2005, Category 4 Hurricane Katrina made landfall and caused the levee system in New Orleans to fail, flooding many New Orleans neighborhoods such as Lakeview, Gentilly, Mid-City, the Lower Ninth Ward, and New Orleans East. Just as portions of the City were pumped dry, Category 3 Hurricane Rita made landfall on September 24, 2005, and caused substantial re-flooding.

The levee failure related to Hurricane Katrina caused severe destruction across Louisiana, with the New Orleans MSA suffering the greatest destruction. According to the National Oceanographic and Atmospheric Administration, in the aftermath of levee failure there was over $150 billion in damage, more than two times the damage from the next largest natural disaster in the United States, as adjusted for inflation. Forty (40) percent of the houses in Louisiana and 60 percent in the New Orleans MSA were damaged. Residents left severely damaged areas, mostly in the New Orleans MSA.

More than eleven years after the levee failure, the New Orleans MSA has significantly recovered despite the U.S. recession in 2008-2009 (the Great Recession). The hurricane recovery and rebuilding efforts in New Orleans cushioned the effects of the Great Recession. The New Orleans MSA rebounded from the Great Recession more quickly than the rest of the nation—recouping population and labor force losses from the Great Recession by 2012. Notwithstanding this quick recovery from the Great Recession, the employment levels in the New Orleans MSA have not yet returned to levels reached prior to Hurricane Katrina.

Subsequent to the hurricanes, the U.S. Army Corps of Engineers (the Corps) began a project to plan, design, and construct a flood protection system for the New Orleans MSA. The Hurricane and Storm Damage Risk Reduction System (HSDRRS) consists of a $14.5 billion system of levees, floodwalls, and pumps designed to eliminate nearly all flooding from 100-year storm events and significantly reduce flood risks from 500-year storm events. The HSDRRS involves a variety of innovative improvements to levees, floodwalls, outfall canals, interim closure structures, and pump stations in and around the New Orleans MSA. According to data generated by the Corps, a storm more severe than Hurricane Katrina would only cause modest flooding as compared to the floods caused by Hurricane Katrina. The Corps continues to explore further improvements to the HSDRRS to improve drainage infrastructure as part of the Southeast Louisiana Urban Drainage program, which is critical in protecting the New Orleans MSA from flooding caused by rain-only storm events.

C. SUMMARY OF ECONOMIC AND DEMOGRAPHIC TRENDS

The key economic and demographic trends in the New Orleans MSA are summarized below, and are described in the sub-sections that follow.

- The New Orleans MSA lost 25 percent of its population after the levee system failures resulting from Hurricane Katrina, followed by Hurricane Rita. The recovery

efforts have brought back many of the dispersed residents and have also attracted in-migration. In 2016 (the most recent year for which MSA population statistics are available), the population of the New Orleans MSA was about 8 percent lower than before the hurricanes.

- The 2016 estimated size of the New Orleans MSA labor force and the number of employed members of the labor force were about 4 percent smaller than 2004, the year before the levee system failures. However, in the New Orleans MSA, nonfarm employment levels are recovering from the Great Recession at a faster pace than the state and the nation.

- The New Orleans MSA's economy has reduced its dependence on durable goods manufacturing. This development reduces the New Orleans MSA's vulnerability to industry-specific downturns and moderates the effect of nationwide economic recessions.

- In 2016, the five largest industry supersectors (a term used by the U.S. Bureau of Labor Statistics to show aggregate statistics for related industries) each accounted for no more than 21 percent of non-farm jobs: (1) *Trade, Transportation and Utilities*; (2) *Education and Health Services*; (3) *Leisure and Hospitality*; (4) *Professional and Business Services;* and (5) *Government*. From 2004 to 2016, the following industries and industry supersectors added jobs: (1) *Educational Services*; (2) *Professional, Scientific and Technical Services*; (3) *Construction;* and (4) *Leisure and Hospitality*.

- The New Orleans MSA continues to thrive as a popular tourist destination and convention venue—winning numerous awards. Visitors to New Orleans numbered 9.8 million in 2015 and are projected to increase to 11.3 million in 2019.

- Significant out-migration and job losses after the hurricanes caused the New Orleans MSA GDP to decline two years ahead of the recession. GDP recovery also began earlier in the New Orleans MSA because of massive fund infusions for reconstruction. Approximately $22.5 billion for industrial projects and approximately $1.8 billion from the U.S. Army Corps of Engineers, in addition to the $14.5 billion already spent by the Corps, for continuing reconstruction, is expected to stimulate the New Orleans MSA's economy in 2017 and 2018.

- The sharp decrease in population in 2006, combined with increased economic activity during reconstruction, raised the New Orleans MSA's per capita personal income above the national average until 2012. The New Orleans MSA's per capita personal income is now below, but very near, that of the United States.

- The New Orleans MSA's economy is improving with the national economy. The New Orleans MSA's employment has exceeded the pre-recession peak, but has yet to restore its pre-Katrina peak. Although there is a considerable amount of economic uncertainty, experts on the local economy expect small job increases to continue based on several new developments.

D. POPULATION

Despite losing 25 percent of its population in 2006, the New Orleans MSA remains Louisiana's largest metropolitan area. The recovery efforts have brought back many of the dispersed residents and have also attracted in-migration. In 2016 (the most recent year for which MSA population statistics are available), the population of the New Orleans MSA was still nearly eight percent smaller than its size before the hurricanes in 2004. Before the hurricanes, the New Orleans MSA accounted for more than 30 percent of Louisiana's population. As of 2016, the New Orleans MSA accounted for 27 percent of the state's population (**Table II-1**).

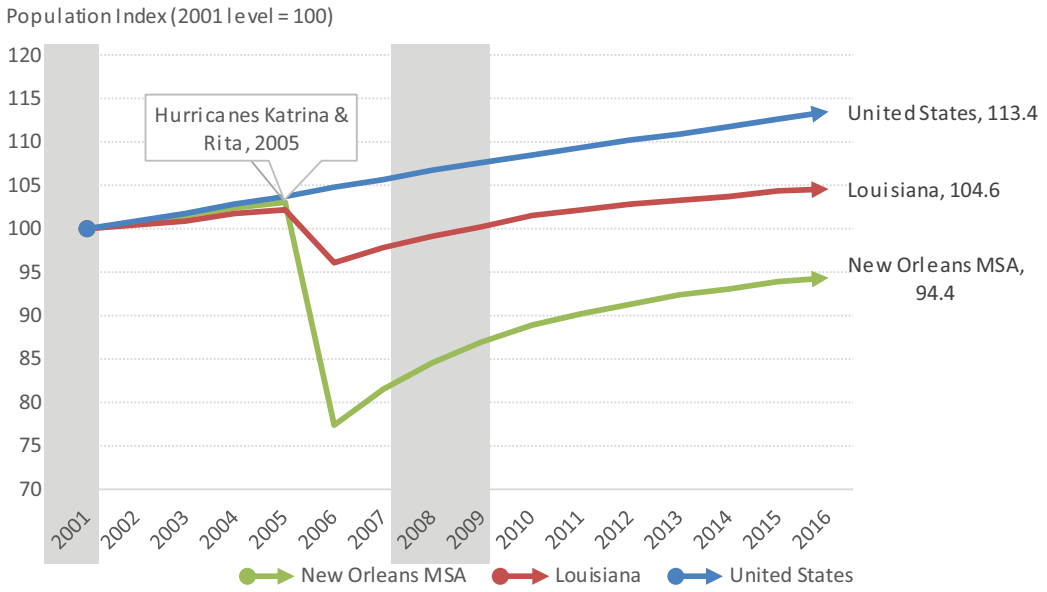
TABLE II-1
LOUISIANA STATE AND NEW ORLEANS MSA POPULATIONS
2016

MSA	Population	Share of State Population	Rank
Louisiana State Total	4,681,666	**100%**	-
New Orleans-Metairie	**1,268,883**	**27%**	**1**
Baton Rouge	830,480	**18%**	2
Lafayette	491,528	**10%**	3
Shreveport-Bossier City	441,767	**9%**	4
Houma-Thibodaux	211,525	**5%**	5
Lake Charles	207,483	**4%**	6
Monroe	179,470	**4%**	7
Alexandria	154,789	**3%**	8

Source: U.S. Census Bureau mid-year population estimates.

Louisiana's population returned to its pre-Katrina peak level in 2011, but the population of the New Orleans MSA remains below its pre-Katrina peak level (**Figure II-2**). Population growth in the New Orleans MSA and Louisiana is returning to normal. The average annual population growth rate of 1 percent between 2010 and 2016 in the New Orleans MSA was higher than the national rate of 0.7 percent for the comparable period (**Figure II-2**). Louisiana's annual population growth rate in same period was 0.5 percent.

FIGURE II-2
POPULATION TRENDS
FOR NEW ORLEANS MSA, STATE, AND U.S.
2001-2016



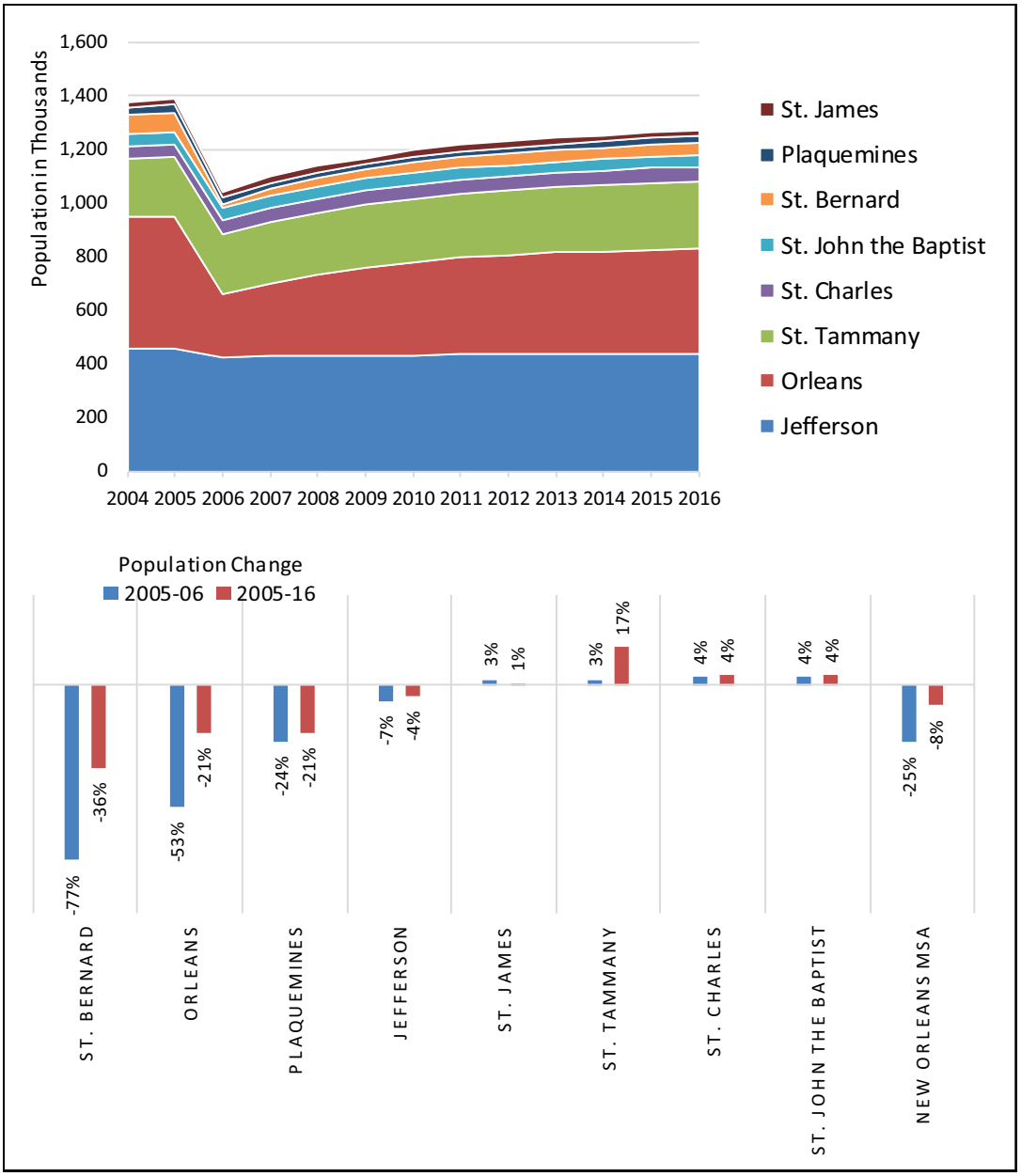
	Compound Annual Growth Rate		
	New Orleans MSA	Louisiana	United States
2001-2010	-1.3%	0.2%	0.9%
2010-2016	1.0%	0.5%	0.7%
2001-2016	-0.4%	0.3%	0.8%

Source: U.S. Census Bureau mid-year population estimates.

Before the hurricanes, Orleans Parish was the largest parish in the New Orleans MSA, with a 36 percent share of the MSA population. After the hurricanes, Orleans Parish lost 53.4 percent of its population (**Figure II-3**). In 2016, the population of Orleans Parish was still down 21 percent from its mid-2005 level. The 2016 population of Orleans Parish represented approximately 31 percent of the entire New Orleans MSA population.

Jefferson Parish, where the Airport is located, is now the largest parish in the New Orleans MSA. In 2016, Jefferson Parish had 34 percent of the New Orleans MSA population, compared to 33 percent in mid-2005. Jefferson Parish lost less than 7 percent of its population after the hurricanes—far less than Orleans Parish—and has recovered approximately a third of that so far. The New Orleans MSA's population has been growing slowly, and as of the end of 2016, the population was only eight percent lower than the population prior to the flooding caused by the levee system failure in 2005.

FIGURE II-3
NEW ORLEANS MSA POPULATION TRENDS BY PARISH
2004-2016



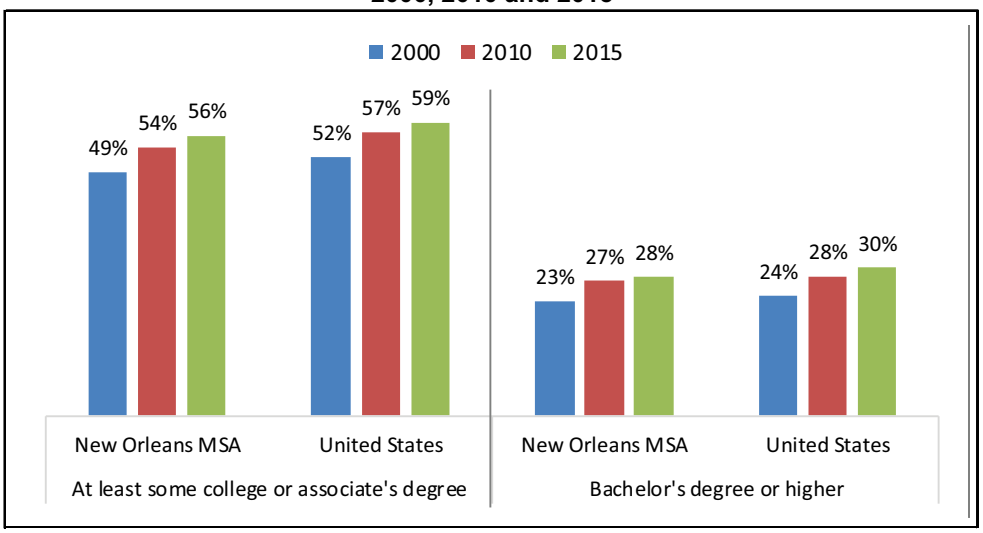
Source: U.S. Census Bureau mid-year population estimates.

An educated population is important for long-term economic growth for many reasons. Places with a more educated workforce add jobs and population faster, because they are more attractive to businesses seeking highly skilled workers. They are also more resilient to economic recessions and transformations, because their educated workforce can adapt better to changes in skills required by businesses. Workers with higher education levels typically earn higher wages and receive larger wage increases than less educated

workers. The New Orleans MSA economy continues to diversify toward knowledge-based industries that require more education.

The Louisiana Workforce Commission projects that middle-skilled and high-skilled jobs will account for most job openings by 2024. Comparing the New Orleans MSA's historical 2014 employment and projected 2024 employment by education requirement, suggests jobs requiring education beyond high school are expected to increase proportionately more than jobs requiring only high school education or less. Jobs requiring a bachelor's degree or higher will increase by 9 percent; some college/associate's degree or higher, nearly 10 percent; and high school or less, slightly less than 6 percent.[4] Within the New Orleans MSA population 25 years or older, the percentage who have at least some college or an associate's degree, and the percentage who have a bachelor's degree or higher are increasing over the years. However, they remain below national figures (**Figure II-4**).

FIGURE II-4
EDUCATIONAL ATTAINMENT FOR THE POPULATION 25 YEARS AND OLDER
2000, 2010 and 2015



Source: U.S. Census Bureau, Decennial Census and 2015 American Community Survey.

E. LABOR MARKET

Trends in the labor market reflect business conditions and overall economic well-being—factors that influence the demand for air travel. Job growth reflects the pace of economic growth in an area, which is important for raising living standards, boosting consumer confidence, and increasing consumer spending.

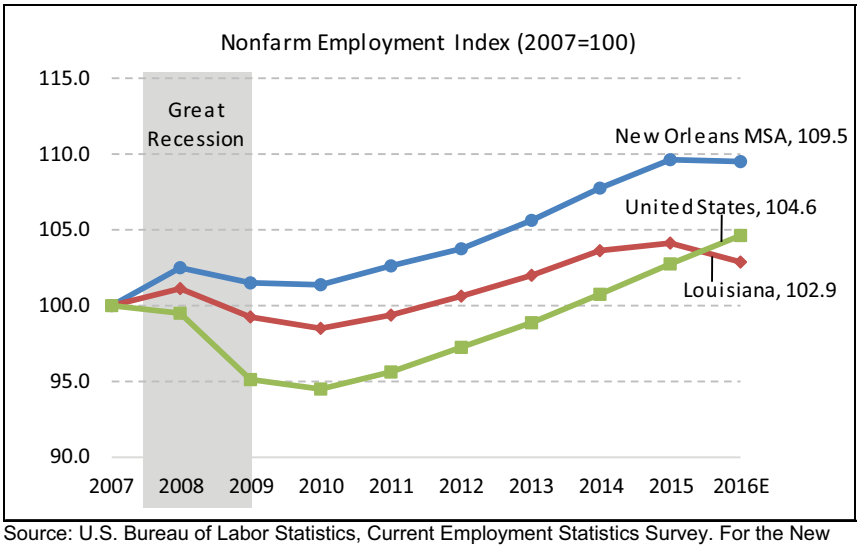
[4] The Louisiana Workforce Commission, *Long-Term Occupational Projections for All Occupations to 2024*, 2016.

As the largest Louisiana MSA by population, the New Orleans MSA is the largest employment center in the state. In 2016, the New Orleans MSA provided 575,900 full-time and part-time nonfarm jobs,[5] which accounted for 29 percent of the state total. By comparison, the Baton Rouge MSA, Louisiana's second largest MSA, provided 412,600 nonfarm jobs, which accounted for 21 percent of the state total. In 2004, prior to Hurricanes Katrina and Rita, non-farm jobs in the New Orleans MSA had peaked at 624,700, 32 percent of the state total. In the same year, the Baton Rouge MSA had 342,900 nonfarm jobs, 18 percent of the state total.

From the 1980s until 2005, the New Orleans MSA underperformed the nation in job creation. This trend of low job creation was exacerbated when Hurricanes Katrina and Rita struck in 2005, resulting in the loss of nearly a quarter of all jobs in the New Orleans MSA. Reconstruction efforts in the aftermath of the hurricanes, beginning in 2006, rapidly restored jobs in the New Orleans MSA until 2009, when the Great Recession weighed down the local economy. Helped by the reconstruction stimulus, the New Orleans MSA weathered the Great Recession better than the rest of the nation (**Figure II-5**). The New Orleans MSA continued to add jobs during the first year of the Great Recession in 2008. Before turning around, the New Orleans MSA lost only 1 percent of its jobs, while the nation lost 6 percent. By 2012, employment in the New Orleans MSA had recovered fully and surpassed its 2008 pre-recession level by 1 percent, while U.S. employment was still 3 percent lower than its pre-recession level.[6] The New Orleans MSA's reduced dependence on durable goods manufacturing also helped temper the regional effects of the Great Recession, as discussed in the next sub-section.[7]

[5] The Bureau of Labor Statistics measures nonfarm jobs as the number of full-time and part-time positions on company payrolls, including civilian government agencies. This definition excludes self-employed, unpaid, and household workers.
[6] Allison Plyer, Elaine Ortiz, Ben Horwitz, and George Hobor, *The New Orleans Index at Eight: Measuring Greater New Orleans' Progress Toward Prosperity*, The Data Center (formerly Greater New Orleans Community Data Center), August 2013, pages 6 and 13.
[7] Loren Scott, James Richardson, and Judy Collins, *The Louisiana Economic Outlook: 2014 and 2015*, Louisiana State University E.J. Ourso College of Business, October 2013.

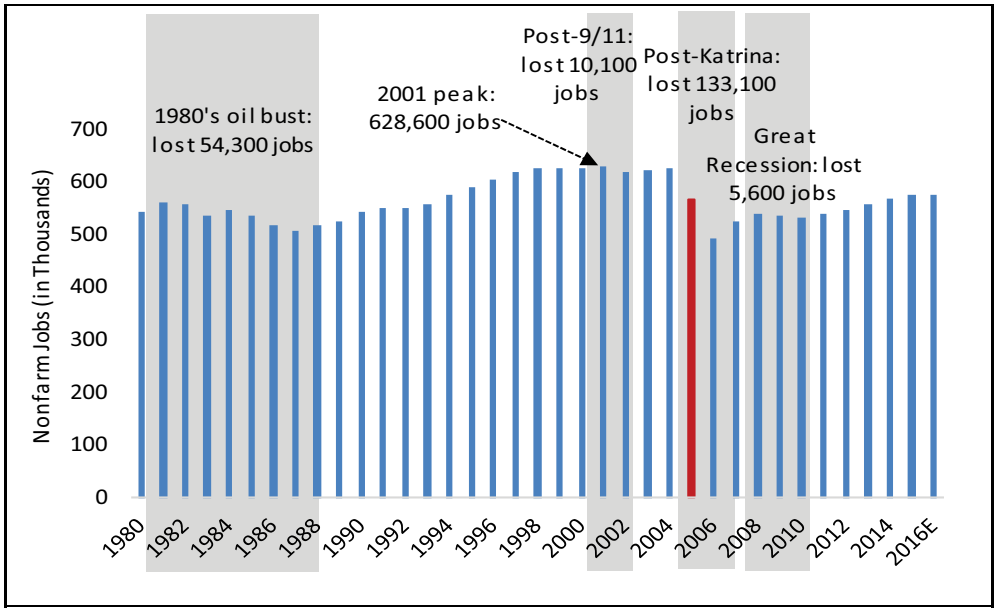
FIGURE II-5
EMPLOYMENT RECOVERY FROM THE GREAT RECESSION
NEW ORLEANS MSA, STATE, AND U.S.
2007-2016



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics Survey. For the New Orleans MSA and Louisiana, the 2016 estimates are based on preliminary December data.

Figure II-6 gives a longer-term perspective of trends in nonfarm jobs in the New Orleans MSA. It shows how great the hurricane losses (133,100 jobs) were, and how small the recession losses (5,600 jobs) were, compared to previous job losses since the 1980's. While the New Orleans MSA has recovered fully from the Great Recession, it is still far from restoring the 628,600-peak number of nonfarm jobs in 2001.

FIGURE II-6
NEW ORLEANS MSA NON-FARM EMPLOYMENT
1980-2016



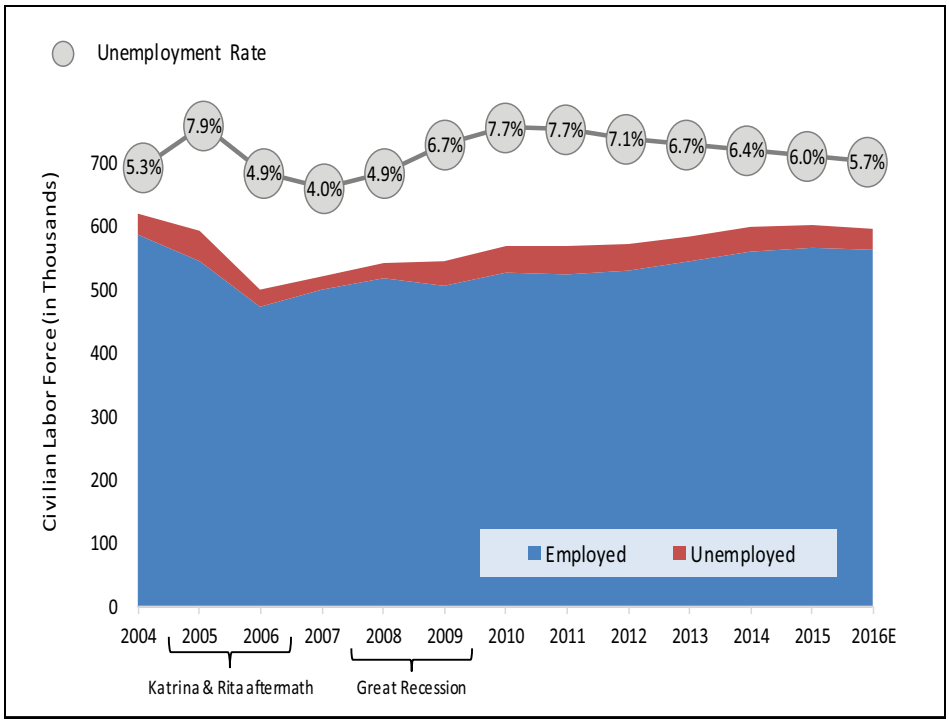
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics Survey. For the New Orleans MSA and Louisiana, the 2016 estimates are based on preliminary December data.

Figure II-7 presents trends in the New Orleans MSA civilian labor force for the past 10 years. The underlying data track individuals 16 years and older, who are either employed or actively seeking employment. Employment is not limited to nonfarm employment because it also includes agricultural employment and self-employment. The civilian labor force trends reflect the sharp decline in population in 2006, immediately after the hurricanes, and the recovery that is still ongoing. The 2016 estimated size of the New Orleans MSA labor force and the number of employed members of the labor force are still approximately 4 percent smaller than pre-Katrina figures in 2004. Comparing growth trends in the New Orleans MSA with trends in the entire country and Louisiana, **Figure II-8** shows how deeply the hurricanes set back the labor market in the New Orleans MSA.

Between 2004 and 2016, the New Orleans MSA posted the highest unemployment rate in 2005 (7.9 percent) and the lowest in 2007 (4 percent). The New Orleans MSA unemployment rate rose during the 2008-2009 recession (the Great Recession) and continued rising through 2010, but it did not rise as much as the national unemployment rate did (**Figure II-9**). The U.S. unemployment rate reached nearly 10 percent in 2010.

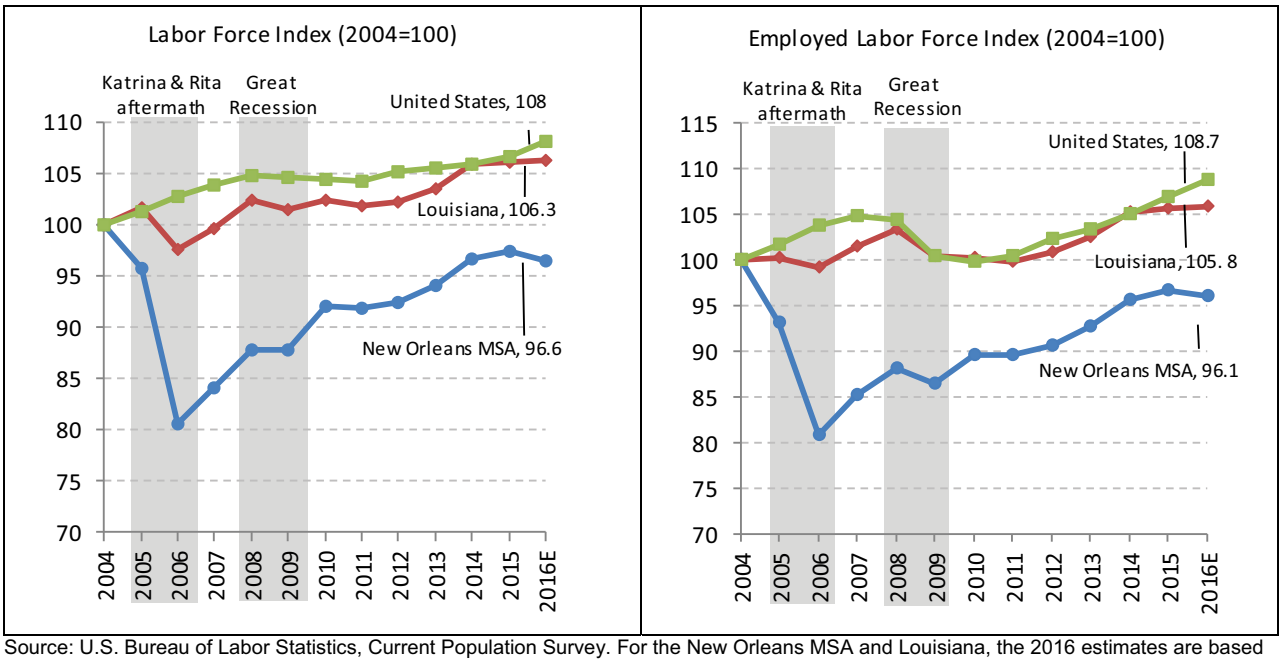
The broad economic recovery shows in the decline in unemployment rates across the board beginning in 2011 (**Figure II-9**). In 2016, the New Orleans MSA unemployment rate was down to an average of 5.7 percent, lower than the 6.4 percent of the state, but also above the national unemployment rate (4.9 percent).

FIGURE II-7
NEW ORLEANS MSA CIVILIAN LABOR FORCE
2004-2016



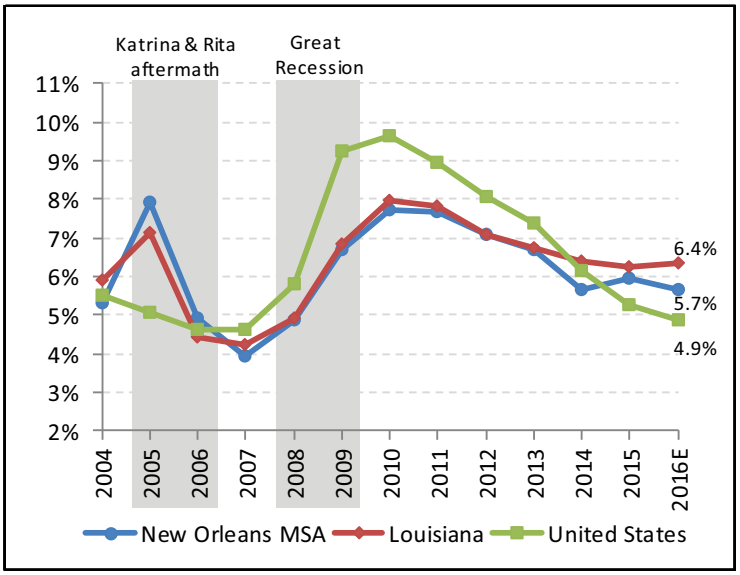
Source: U.S. Bureau of Labor Statistics, Current Population Survey. 2016 estimates are based on preliminary December data.

FIGURE II-8
CIVILIAN LABOR FORCE GROWTH
NEW ORLEANS MSA, STATE, AND U.S.
2004-2016



Source: U.S. Bureau of Labor Statistics, Current Population Survey. For the New Orleans MSA and Louisiana, the 2016 estimates are based on preliminary December data.

FIGURE II-9
NEW ORLEANS MSA UNEMPLOYMENT RATE
2004-2016

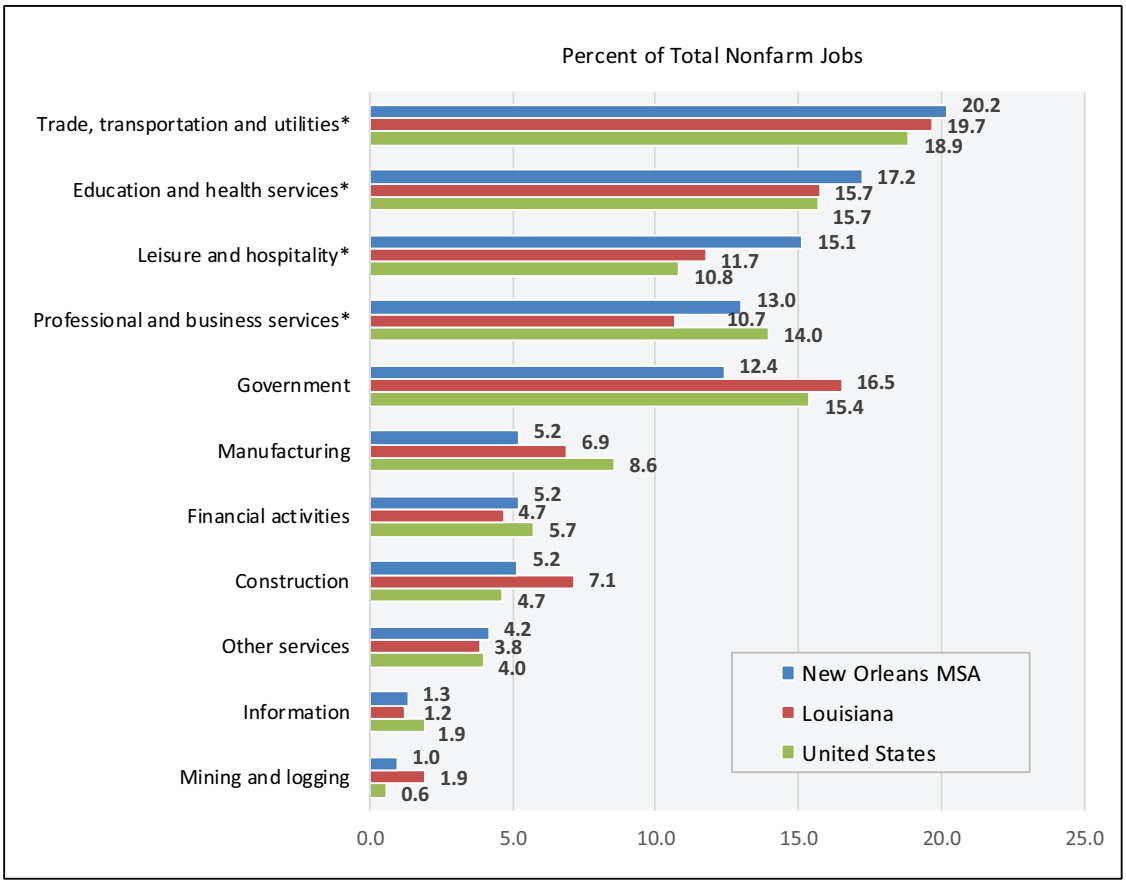


Source: U.S. Bureau of Labor Statistics, Current Population Survey. For the New Orleans MSA and Louisiana, the 2016 estimates are based on preliminary December data.

F. EMPLOYMENT BY INDUSTRY

The share of 2016 nonfarm jobs by industry supersector (a term used by the U.S. Bureau of Labor Statistics to indicate an aggregation of related industries) is depicted on **Figure II-10**. The spread of nonfarm jobs over different industry supersectors has reduced, and continues to reduce, the New Orleans MSA's vulnerability to industry-specific downturns. The New Orleans MSA economy's reduced dependence on durable goods manufacturing also helps to moderate declines during recessions. Jobs in knowledge-based industries have been gaining ground in the New Orleans MSA, and heavy construction and engineering have expanded with post-hurricane reconstruction efforts.

FIGURE II-10
2016 NONFARM JOBS: SHARE BY INDUSTRY SUPERSECTOR
FOR NEW ORLEANS MSA, STATE, AND U.S.



Source: U.S Bureau of Labor Statistics, Current Employment Statistics Survey. The chart shows shares by industry supersector aggregation.

No single industry supersector accounted for substantially more than 20 percent of New Orleans MSA's 575,900 nonfarm jobs in 2016.[8] The distribution of nonfarm jobs in the New Orleans MSA compares more closely to the national distribution than to Louisiana's. One reason is the increasingly smaller presence of chemical manufacturing and energy exploration in the New Orleans MSA, relative to other MSAs in the state.[9] The New Orleans MSA's five largest industries and their shares of 2016 nonfarm jobs are:

- *Trade, Transportation and Utilities* (20 percent)
- *Education and Health Services* (17 percent)
- *Leisure and Hospitality* (15 percent)
- *Professional and Business Services* (13 percent)
- *Government* (12 percent).

The New Orleans MSA is home to MSY, the nation's 37th largest airport in 2015 measured by total passengers.[10] The New Orleans MSA is also home to the Port of New Orleans, one of the nation's 20 largest ports by volume and value of foreign trade moved.[11] It has a huge medical complex, and several universities, the largest of which are the University of New Orleans and Tulane University.[12] Tourism continues to be a major economic driver of the New Orleans MSA. *Leisure and Hospitality* provides a significantly larger share of nonfarm jobs in the New Orleans MSA than in the state and the nation. The New Orleans MSA is continuing to attract companies in the tech sector,[13] making *Professional, Scientific and Technical Services* one of the fastest growing industries in the area.

Figure II-11 shows the change in non-farm jobs by selected industries in the New Orleans MSA from 2004 to 2016. Although the New Orleans MSA suffered a net job loss of 8 percent from 2004 to 2016, several industries added jobs over that period:

- *Educational Services* (an industry within the Education and Health Services supersector) added 23 percent;
- *Health Care and Social Assistance* (another industry within Education and Health Services supersector) added 11 percent;

[8] The analysis is based on the U.S. Bureau of Labor Statistics' supersector industry aggregations.
[9] Loren Scott, James Richardson and Judy Collins, *The Louisiana Economic Outlook: 2014 and 2015*, Louisiana State University E.J. Ourso College of Business, October 2013, page 34.
[10] Airports Council International-North America (ACI-NA) airport ranking by total passengers in 2015.
[11] American Association of Port Authorities and U.S. Census Bureau, FT920: U.S. Merchandise Trade: Selected Highlights, December 2015.
[12] Loren Scott, James Richardson and Judy Collins, The Louisiana Economic Outlook: 2015 and 2016, Louisiana State University E.J. Ourso College of Business, October 2014, page 28.
[13] *Ibid*, page 28.

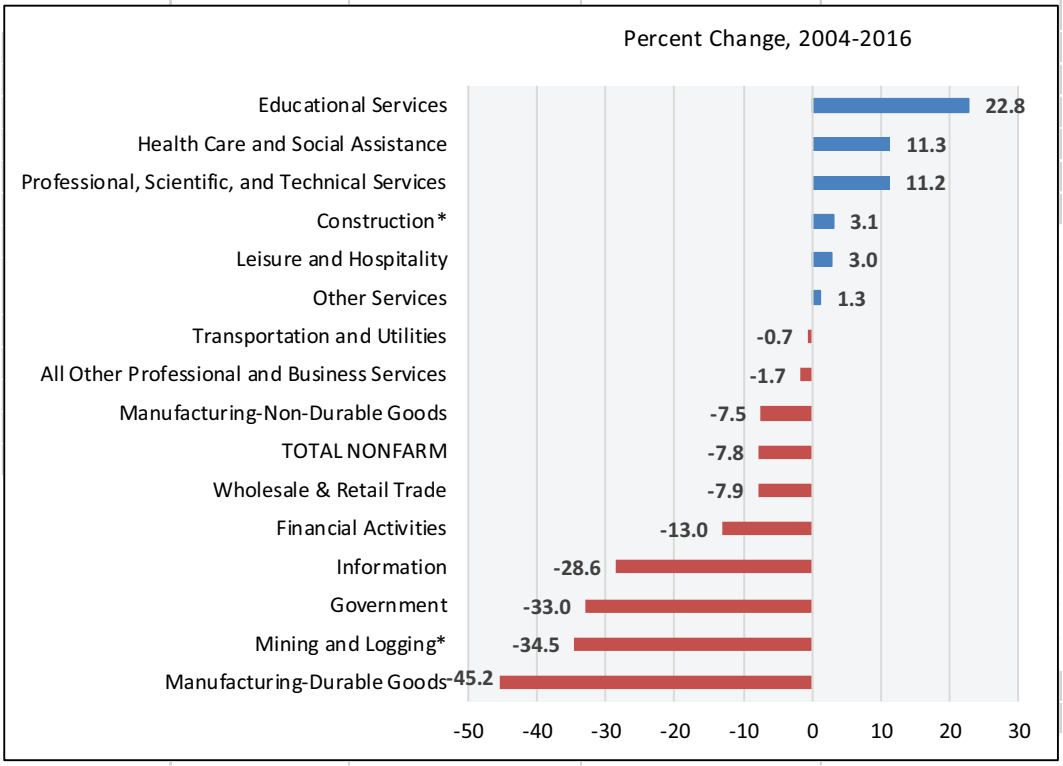
- *Professional, Scientific and Technical Services* (an industry within the Professional and Business Services supersector) also added 11 percent;
- *Construction* (an industry supersector) added 3 percent;
- *Leisure and Hospitality* (an industry supersector) also added 3 percent.

All the other industries lost jobs, led by the following:

- *Durable Goods* (an industry within the Manufacturing supersector), which lost 45 percent;
- Mining and Logging, which lost 35 percent;
- *Government*, which lost 33 percent;
- *Information* (a supersector), which lost 29 percent; and
- *Financial Activities* (a supersector), which lost 13 percent.

The declines in employment in *Government, Information* and *Financial Activities* followed the flooding caused by the failure of the levee systems and the subsequent decline in the MSA population. Jobs in these three sectors have not returned as they did in the other sectors. Much of the employment decline in *Durable Goods Manufacturing* occurred during the Great Recession, as the demand for durable goods is often the first to decline during economic downturns.

FIGURE II-11
NEW ORLEANS MSA NONFARM JOBS: PERCENT CHANGE FOR SELECTED INDUSTRIES[1]
2004-2016

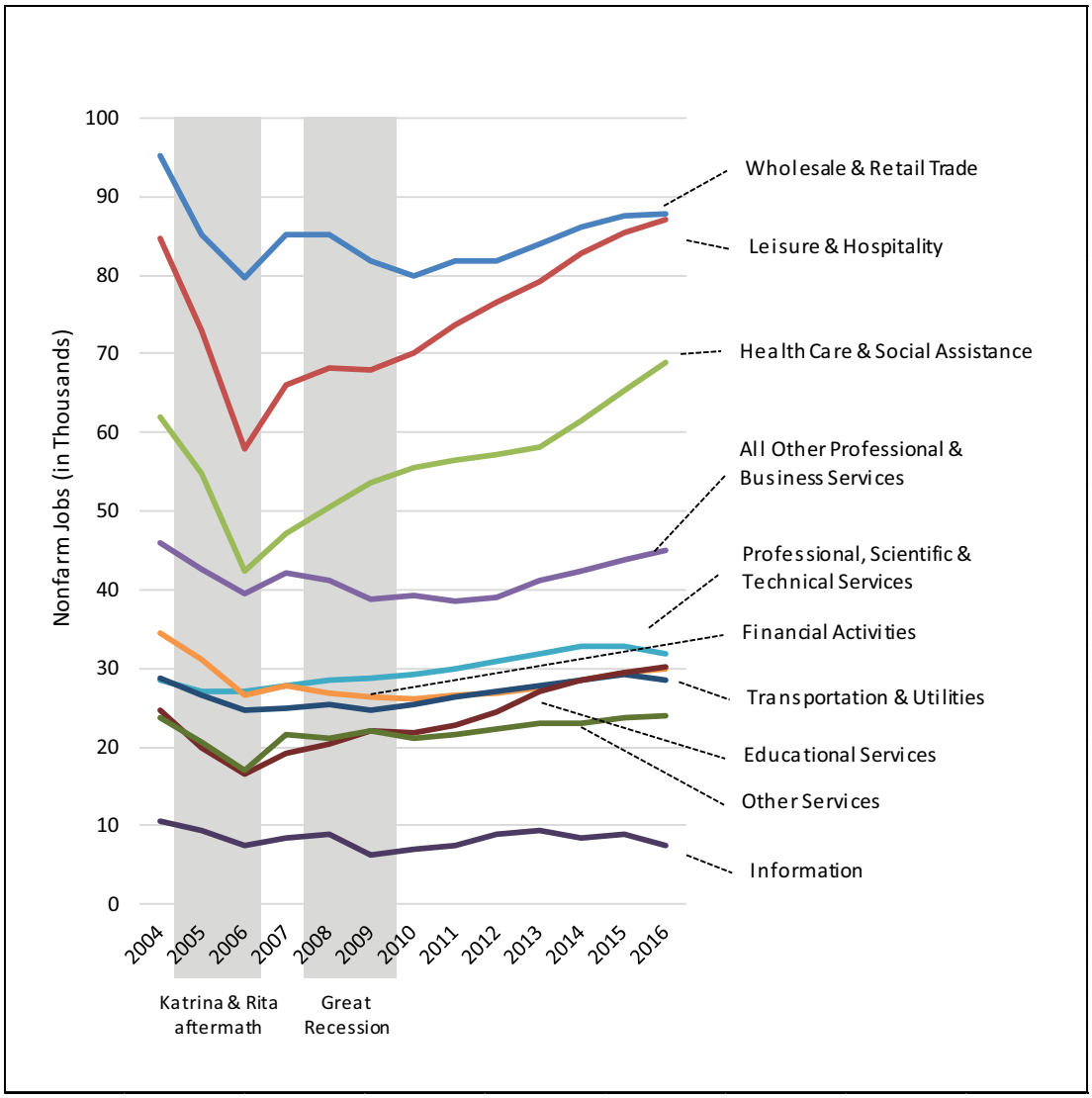


[1] The chart shows particular industries within supersectors when trends in those industries are of interest, as in the case of *Professional, Scientific, and Technical Services* in *Professional and Business Services*; *Educational Services* and *Health Care and Social Assistance* in *Education and Health Services*; *Transportation and Utilities* and *Wholesale and Retail Trade* in *Transportation, Trade and Utilities*; and *Durable Goods Manufacturing* and *Non-Durable Goods Manufacturing* in *Manufacturing*.
* The changes in jobs in *Construction* and *Mining and Logging* are calculated from 2005.
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics Survey.

Figure II-12 shows the job growth trends in private service-providing industries in the New Orleans MSA. The three largest industries in this group are *Wholesale and Retail Trade*, *Leisure and Hospitality*, and *Health Care and Social Assistance*. Although these three industries experienced considerable declines in employment after the levee system failure resulting from Hurricane Katrina, there have been significant improvements since then. The *Wholesale and Retail Trade* sector is down 8 percent from pre-Katrina levels; however, there has been great improvement, as half of the jobs lost after the Hurricane have been recovered. Moreover, employment levels for *Leisure and Hospitality* and *Health Care and Social Assistance* now exceed pre-Katrina levels.

Figure II-12 also demonstrates the growth of knowledge-based industries, such as *Professional, Scientific and Technical Services*, and *Educational Services*. The New Orleans MSA had long restored and surpassed pre-Katrina employment levels in these industries, and jobs continue to increase. Employment levels have increased by 23 percent for *Educational Services* (part of Education and Health Services, the second largest sector in the MSA) and by 11 percent for *Professional, Scientific and Technical Services* (part of *Professional and Business Services,* the fifth largest sector in the MSA).

FIGURE II-12
NEW ORLEANS MSA NONFARM JOBS: PRIVATE SERVICE-PROVIDING INDUSTRIES
2004-2016



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics Survey

G. TOURISM

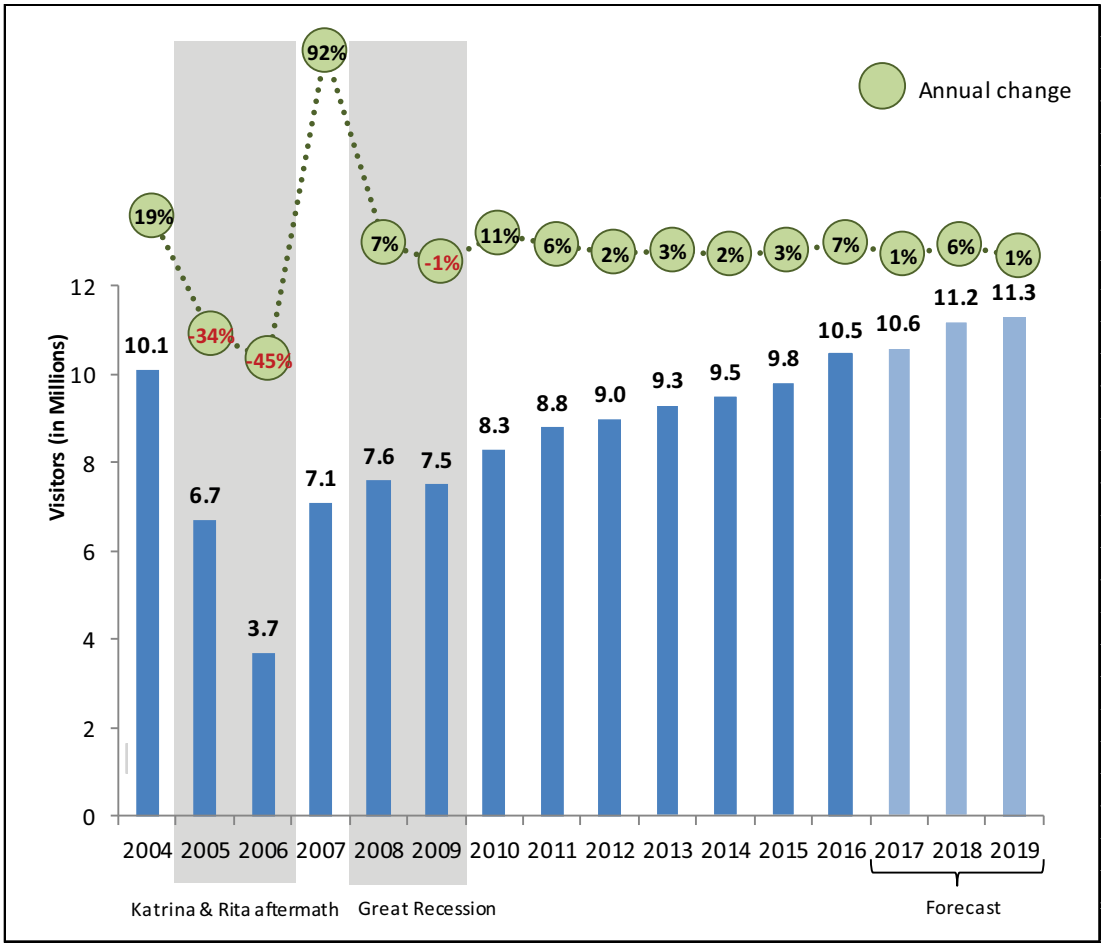
The New Orleans MSA continues to thrive as a tourist destination. Even after the hurricanes, the City of New Orleans has continued to win awards as a top destination. In 2016 alone, the City of New Orleans has been named:

- Travel + Leisure World's Best Cities (rank 7)
- TripAdvisor® Travelers' Choice Top 25 Destinations – United States (rank 10)
- U.S. News & World Report 18 Best Places to Visit in the USA (rank 12)
- Travel + Leisure 20 Best Cities for Food in the U.S. (rank 1)
- U.S. News & World Report 16 Best Affordable Destinations in the USA (rank 4)

Since 2007 annual visitors to the City of New Orleans have been increasing steadily, apart from a slight dip in 2009 due to the recession (**Figure II-13**). The decline in New Orleans visitation started during the second half of 2008 because of Hurricanes Gustav and Ike, a decrease in convention bookings, and the recession. Tourism rebounded strongly in 2010 and has since maintained the momentum. In 2015, the most recent year for which convention statistics are available, the New Orleans MSA hosted 1,067 conventions and over 1.2 million attendees – the highest convention activity since 2004, the year before the levee failures.[14] In 2016, the City of New Orleans received 10.5 million visitors, the largest number since Hurricane Katrina. These 10.5 million visitors spent $7.4 billion, the highest spending in the City's history. A University of New Orleans study projects annual visitors to New Orleans to reach 11.3 million and visitor spending to reach $8.4 billion in 2019.[15]

[14] Ernest N. Morial New Orleans Exhibition Hall Authority, *Continuing Disclosure Report for the Year Ended December 31, 2015*.
[15] The University of New Orleans Hospitality Research Center, *Louisiana Tourism Forecast*, Louisiana Department of Culture, Recreation and Tourism, March 2017.

FIGURE II-13
NEW ORLEANS MSA ANNUAL VISITORS (HISTORICAL AND FORECAST)
2004-2019



Source: The University of New Orleans Hospitality Research Center, *Louisiana Tourism Forecast*, Louisiana Department of Culture, Recreation and Tourism, March 2017.

New Orleans is popular for its vibrant nightlife, festivals, cuisine, music, art and culture, architectural landmarks, tours, cruises and other attractions:[16]

- **Nightlife** – TripAdvisor® 2010 Traveler's Choice Destination Awards ranked New Orleans top destination in the world for night life. Bars and clubs remain open all night. While Bourbon Street in the French Quarter is the most well-known, New Orleans has many other distinct neighborhoods that offer nightlife options.

[16] The discussion of New Orleans' tourist attractions is based on information in the following websites:
- New Orleans Convention and Visitors Bureau (http://www.neworleanscvb.com/things-to-do/)
- New Orleans Tourism Marketing Corporation (http://www.neworleansonline.com/neworleans/)
- ExploreNewOrleans.Info (http://www.exploreneworleans.info/html/thingsToDo.php)

- **Festivals** – Each year, a season of festivals kicks off with the biggest of them all, Mardi Gras. Dozens of music festivals and food and drink festivals follow throughout the year. In 2015, New Orleans was named the top destination in "America's Best Cities for Festivals" by Travel + Leisure.

- **Cuisine** – New Orleans offers exceptional dining and diverse cuisine. According to the New Orleans Convention and Visitors Bureau, no place loves its food quite as sincerely—or as indulgently—as New Orleans. The city has repeatedly received recognition and recommendations from Travel + Leisure, TripAdvisor®, Bon Appétit and SAVEUR for the quality of its cuisine.

- **Music** – New Orleans is the birthplace of jazz and a mecca for gospel, R&B, rock and pop music. There are live musical performances everywhere—on the streets, in the clubs of New Orleans, in small venues, and in big concert venues like the New Orleans Arena.

- **Art and culture** – New Orleans' Old World roots created a strong foundation and long-standing appreciation for the arts, according to the New Orleans Convention and Visitors Bureau. This can be seen in countless galleries, performance spaces and museums.

- **Architecture** – With 20 historic districts on the National Register, New Orleans has more national historic architectural landmarks than any other city in the United States.[17]

- **Tours** – A variety of tours showcase New Orleans' culture, food and history. Visitors can tour sprawling antebellum plantations, taste-test every classic cocktail, and learn about voodoo practices. They can explore iconic battlegrounds, the city's European origins, and historic jazz landmarks.

- **Cruises** – The city's prime location near the Gulf of Mexico provides easy access to cruising destinations including Mexico, Jamaica, Grand Cayman and more. The Port of New Orleans offers year-round cruises from Carnival Cruise Lines, and seasonal cruises from Norwegian Cruise Lines and Royal Caribbean International. The Creole Queen and Steamboat Natchez offer jazz cruises along the Mississippi River. High-end French American Line and Viking River Cruises are new options—with French American Line beginning cruises in late 2016 and Viking River Cruises' Mississippi River voyages forthcoming.

- **Casinos and horse racing**- New Orleans is also attracting tourists to its casinos: Harrah's land-based casino, which is in the central business district at the foot of Canal Street; and two riverboat casinos in the outskirts, the Boomtown Casino on the intra-coastal canal and the Treasure Chest Casino on Lake Pontchartrain. New

[17] New Orleans Tourism Marketing Corporation (http://www.neworleansonline.com/neworleans/architecture/historicbuildings.html).

Orleans also offers horse racing at the New Orleans Fair Grounds Race Course and Slots.[18]

- **Sports and outdoor recreation** – New Orleans' climate permits year-round outdoor adventures and activities, including golf, swamp tours conducted in local bayous, professional basketball, and professional football. Throughout the year, professional basketball games featuring the New Orleans Pelicans are held at the New Orleans Arena, named Smoothie King Center in February 2014.[19] Professional football games featuring the New Orleans Saints are held at the Mercedes Benz Superdome.

Table II-2 lists some of New Orleans' most popular tourist attractions according to TripAdvisor.

TABLE II-2
TOURIST ATTRACTIONS IN NEW ORLEANS

National WWII Museum	The Sydney and Walda Besthoff Sculpture Garden at NOMA
New Orleans City Park	St. Louis Cathedral
Mardi Gras / Carnival	St. Louis Cemetery
Save Our Cemeteries	Ogden Museum of Southern Art
Royal Street	Backstreet Cultural Museum
Frenchmen Street	Lafayette Cemetery
Audubon Park	Louisiana State Museum (The 1850 House)
Preservation Hall	Louisiana Superdome
Jackson Square	Mardi Gras World
Metairie Cemetery	Tipitina's
Garden District	Audubon Insectarium
French Quarter	St. Augustine Church
Audubon Zoo	Saenger Theatre
Faubourg Marigny	New Orleans Pharmacy Museum
New Orleans Streetcars	New Orleans Museum of Art
	Aquarium of the Americas

Source: TripAdvisor at https://www.tripadvisor.com/Attractions-g60864-Activities-New_Orleans_Louisiana.html, as of March 30, 2017.

In preparing to host Super Bowl XLVII in February 2013, the City of New Orleans completed several major infrastructure projects, with notable developments including the completion of a $53-million extension of the Canal Street streetcar line, which provides transit access from the Canal Street corridor to the city's growing Sports and

[18] ExploreNewOrleans.info (http://exploreneworleans.info/html/casinos NewOrleans.php).
[19] Jed Lipinski, "The year in business: New Orleans Arena becomes Smoothie King Center," *The Times – Picayune*, December 25, 2014 (http://www.nola.com/business/index.ssf/2014/12/the_year_in_business_new_orlea_2.html)

Entertainment District. A $50-million renovation of the Ernest N. Morial Convention Center reconfigured the Convention Center's previous Hall A into the new "Great Hall," which includes a 60,000-square-foot ballroom, a 4,660-square-foot junior ballroom with rooftop terrace, and a 4,700-square-foot executive lounge. The renovation also created a signature main entrance for the convention center at the east end of the Great Hall.[20]

In June 2014, Louisiana's governor signed a bill passed by the Louisiana State Legislature to allow the Ernest N. Morial Convention Center to fund up to $142 million for the center's Phase V expansion.[21] Expansion plans include a five-acre riverfront park, retail space, condominiums, a people mover, a hotel with executive-style meeting space, and the redevelopment of Convention Center Boulevard to include a linear park.[22] The plans are expected to be in place for the city's tricentennial celebration in 2018.[23]

The compact geographic footprint of New Orleans' downtown provides hotels in close proximity to the convention center, the theaters, the French Quarter, and other attractions. National and independent hotel brands provide over 22,000 sleeping rooms, all located within a two-mile radius downtown. In the entire MSA, hotel rooms exceeded 38,000 in 2015, with more than 5,000 new hotel rooms planned for New Orleans through 2020.[24]

Millions of dollars have also been invested in historic theaters and venues. The Joy Theater reopened in 2011 after $5 million in upgrades,[25] and the Saenger Theatre reopened in September 2013 after a $52-million restoration and expansion.[26] In August of 2015, the Orpheum Theater reopened after an intensive $13-million renovation.[27]

The National World War II Museum is in the process of a multi-phase expansion to its Campaigns of Courage Pavilion. In December 2014, the museum opened the 32,000-square-foot Road to Berlin: European Theater Galleries exhibit. Approximately one year later the museum opened The Road to Tokyo exhibit. The third phase of the project, the developing Road to Victory exhibit, is expected to quadruple the museum's original size.[28] The museum has already collected more than 2/3 of the $370 million in required capital funding for the third phase of the expansion.[29]

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[20] Adam R. Lair, Market Intelligence Report 2013 New Orleans, HVS, August 1, 2013.
[21] "Bill Signing Signals Approval to Revitalize New Orleans' Convention Center Corridor," *New Orleans Ernest N. Morial Convention Center RSS*, June 11, 2014.
[22] Julia O'Donaghue, "House Committee Signs off on New Orleans Convention Center Expansion," *The Times-Picayune*, April 8, 2014.
[23] New Orleans Convention and Visitors Bureau (http://www.neworleanscvb.com).
[24] Adam R. Lair, In Focus: 2015 HVS Greater New Orleans Lodging Report, HVS, December 2015.
[25] John Pope, "Joy Theater on Canal Street Comes Back to Life, 6 Years After Katrina," *The Times-Picayune*, December 18, 2011.
[26] Doug MacCash, "The Saenger Theatre in New Orleans Reopens Sept. 28 with Jerry Seinfeld," *The Times-Picayune*, June 13, 2013.
[27] Chris Waddington, "Orpheum Theater makeover gilds New Orleans renaissance?" *The Times-Picayune*, August 26, 2015.
[28] Adam R. Lair, In Focus: 2015 HVS Greater New Orleans Lodging Report, HVS, December 2015.
[29] The National WWII Museum New Orleans website (http://www.nationalww2museum.org/).

In February 2017, New Orleans hosted the 2017 All-Star Weekend at the Smoothie King Center, which provided a positive local economic impact. The 2014 All-Star Weekend, which was also hosted by New Orleans, was estimated to have generated over $100 million for the State of Louisiana and the greater New Orleans area.[30]

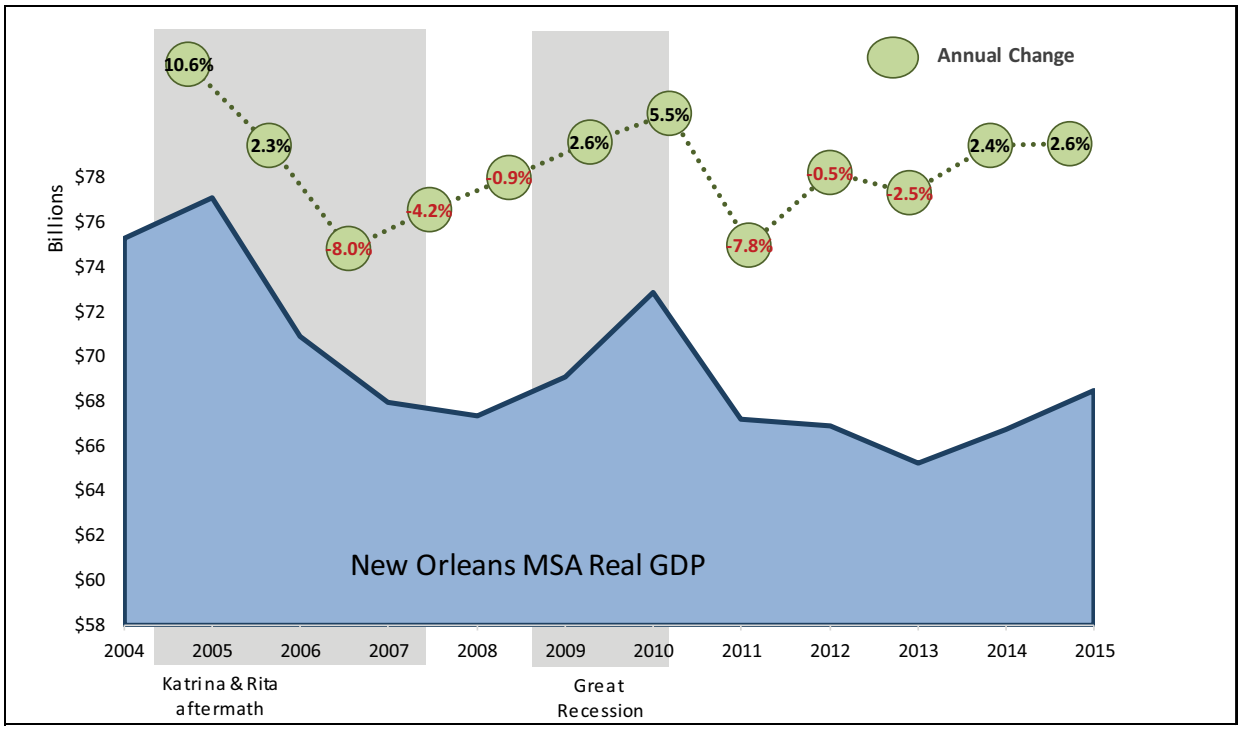
H. ECONOMIC OUTPUT

Gross domestic product (GDP) measures the value of all goods and services produced in an area. GDP grows during economic expansion and falls during recession. Growth in airport passenger traffic is highly correlated with GDP growth, as demonstrated by the analysis of historical passenger traffic trends in Part A of Section III and confirmed by statistical analyses performed to develop the forecast of passenger traffic in Part B of Section III.

Figure II-14 shows the trends in New Orleans MSA's inflation-adjusted GDP (real GDP) over the past 10 years. After the hurricanes, New Orleans MSA's GDP fell for three consecutive years, reaching its lowest level of the decade in 2008, the first year of the Great Recession. In 2009, while U.S. GDP was still falling, the New Orleans MSA's GDP began to rise with massive fund infusions for reconstruction. The New Orleans MSA's recovery stalled in 2011 due to a 27-percent decline in manufacturing and resumed in 2012 at a slower pace than the rest of the nation.

[30] National Basketball Association (http://www.nba.com/2016/news/08/19/new-orleans-to-host-the-nba-all-star-2017/)

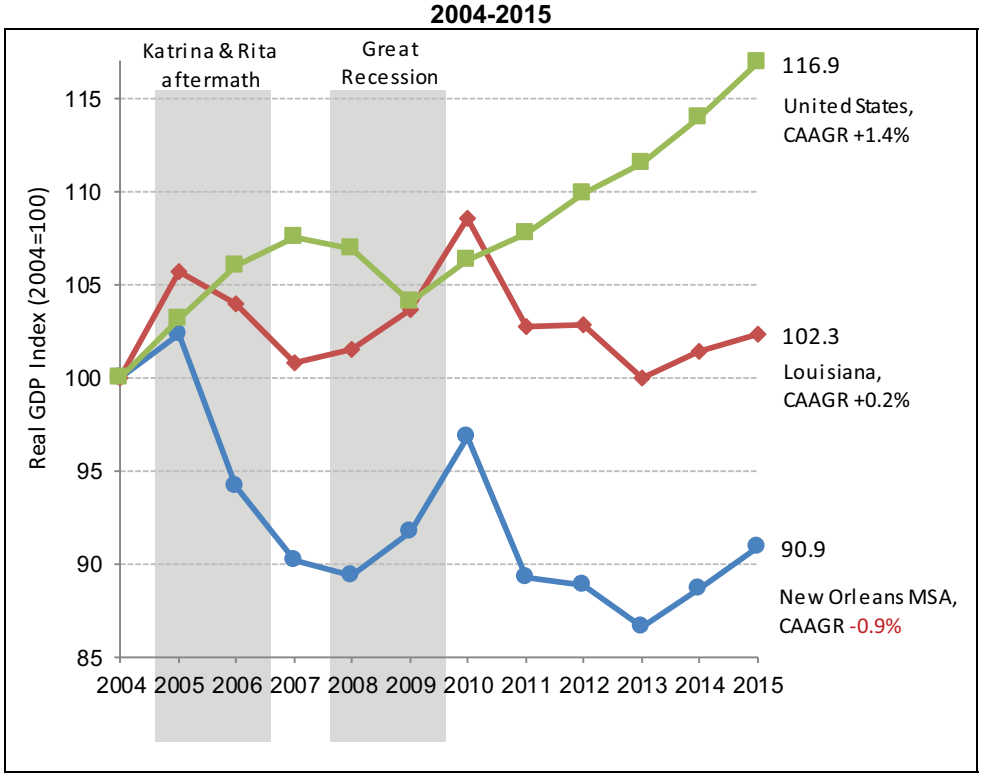
FIGURE II-14
NEW ORLEANS MSA REAL GROSS DOMESTIC PRODUCT
2004-2015



Source: U.S. Bureau of Economic Analysis.

Comparing GDP growth trends from 2004 in the New Orleans MSA and the entire country in **Figure II-15** reveals how severely the hurricanes set back the New Orleans MSA's economy. The New Orleans MSA's 2015 real GDP was still 9 percent lower than its 2004 level, while U.S. real GDP was nearly 17 percent higher than its 2004 level. From 2004 to 2015, annual GDP growth averaged -0.9 percent in the New Orleans MSA, compared with +1.4 percent nationwide.

FIGURE II-15
REAL GROSS DOMESTIC PRODUCT
NEW ORLEANS MSA, STATE, AND U.S.
2004-2015



Notes: CAAGR - compound average annual growth rate.
Source: U.S. Bureau of Economic Analysis.

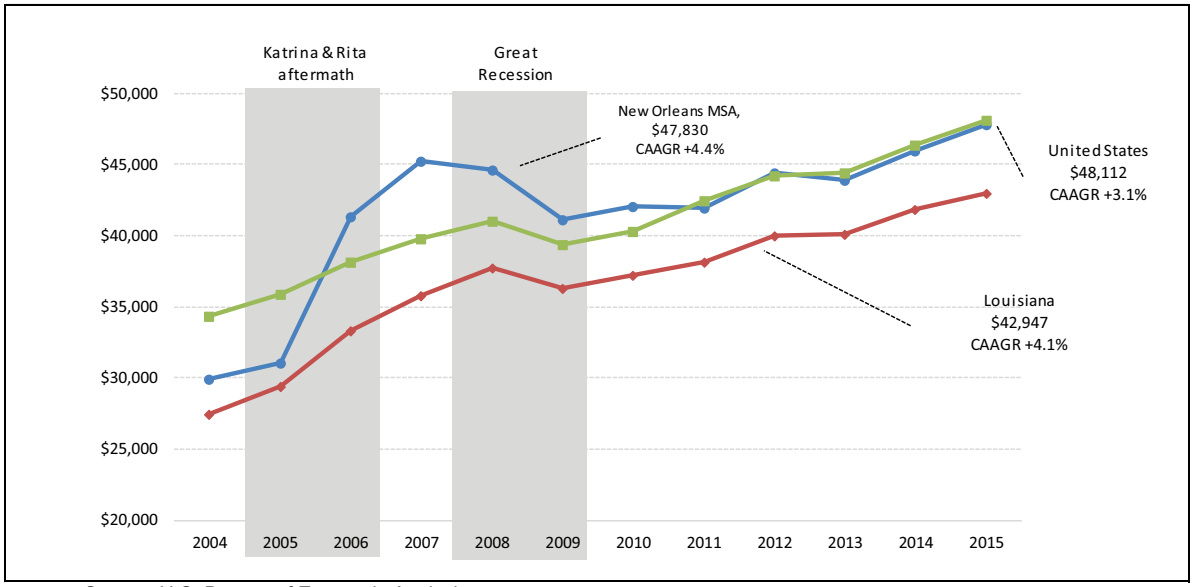
I. PERSONAL INCOME

Personal income measures the income people receive from all sources—from employment, proprietorship, government transfers, rental properties, and other assets. Consumers' ability to spend and build wealth depends on their personal income. Growth in personal income boosts demand for air travel. A component of GDP, personal income follows the same cyclical pattern: increasing during economic expansion and decreasing during economic recession.

The New Orleans MSA historically had lower per capita personal income—total personal income divided by the population—than the United States. This changed for a number of years after the hurricanes, mainly because the New Orleans MSA lost many residents and reconstruction activity increased wages, salaries and proprietors' income especially during the first two years following the hurricanes (**Figure II-16**). The New Orleans MSA's per capita personal income increased 32 percent from 2005 to 2006, and another 10 percent in 2007. It exceeded U.S. per capita personal income from 2006 to 2011.

Since 2009, much of the job growth in the New Orleans MSA has been attributable to the lower-paying Leisure and Hospitality industry, which may be part of the reason the New Orleans MSA has lagged behind the nation since 2011 in the rate of increase in per capita personal income. Since, 2012, per capita personal income in the New Orleans MSA has been slightly lower than that of the United States, but considerably higher than that of the state.

FIGURE II-16
PER CAPITA PERSONAL INCOME
NEW ORLEANS MSA, STATE, AND U.S.
2004-2015



Source: U.S. Bureau of Economic Analysis.

J. OUTLOOK

The New Orleans MSA's economy is improving with the national economy. The New Orleans MSA's employment has exceeded the pre-recession peak, but has yet to return to its pre-Katrina peak. Experts on the local economy expect job increases to continue based on many new developments expected in the next two years in different sectors of the local economy. Louisiana State University's Louisiana Economic Outlook (LEO) for

2017-2018 projects a net gain of 8,600 jobs, or 0.7 percent annually, over the two-year forecast period for the New Orleans MSA.[31]

Louisiana State University's LEO identified the following developments among the basis of the New Orleans MSA employment growth forecast:

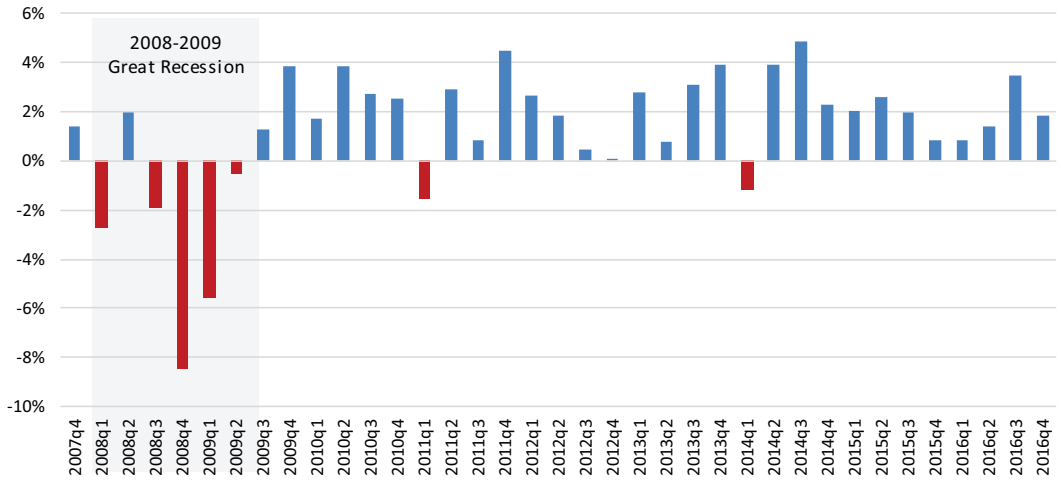
- Approximately $22.5 billion in industrial projects, $1.8 billion of which are already in construction or have recently completed construction;
- Approximately $1.8 billion from the U.S. Army Corps of Engineers for continuing hurricane reconstruction between 2016 and 2018, in addition to the $14.5 billion already spent by the Corps on improvements to the levee system and related items since 2005;
- Improvements to the Louis Armstrong New Orleans International Airport;
- The opening of the Louisiana State University Health Sciences Center and the Veterans Affairs Hospital; and
- The addition of two new high-tech firms in the New Orleans MSA; and
- New additions at the Port of New Orleans and at Boeing's Michoud Assembly Facility.

The national economy is a major driver to the New Orleans MSA's economy. Continued growth in the U.S. economy would bring continued growth in the New Orleans MSA's economy. In the same way, risks facing the national economy would also hamper growth in the New Orleans MSA's economy.

The 2008-2009 Great Recession, was the longest and deepest recession the U.S. economy experienced after World War II (**Figure II-17**). The recession lasted six quarters. At the trough in the second quarter of 2009, U.S. real GDP decreased more than 4 percent from its previous peak level in the fourth quarter of 2007. In two years from the start of the recession, the economy lost a total of 8.7 million jobs—the same in number as the jobs that were created over five years prior to the recession. The recovery from the Great Recession was also the slowest recovery in post-World War II history. The U.S. real GDP took nearly four years to return to its pre-recession peak, compared with the two years it took to recover from the previous 10 recessions. The U.S. nonfarm employment level took nearly 6 ½ years to return to its previous peak, compared with only 2 to 2 ½ years during recoveries from previous recessions.

[31] Loren Scott, James Richardson, and the Division of Economic Development, Louisiana Economic Outlook: 2017-2018, Louisiana State University E.J. Ourso College of Business, September 2016.

FIGURE II-17
U.S. REAL GDP PERCENT CHANGE*
First Quarter 2004-Fourth Quarter 2016



*Annualized percent change from preceding period.
Source: U.S. Bureau of Economic Analysis.

Economists are generally of the view that the current economic expansion—now in its seventh year—will continue with slow growth into 2017 and 2018 (**Table II-3)**. Uncertainties abroad may also impact the U.S. economy: the potential effects of the United Kingdom's withdrawal from the European Union, China's continuing economic slowdown, continuing political conflicts in the Middle East, and acts of terrorism.

According to the U.S. Energy Information Administration (EIA), oil prices are not anticipated to rise in 2017. However, prices may increase in 2018 as inventories are reduced to more closely align with anticipated demand. Geopolitical events and production cuts—particularly OPEC countries' adherence or nonadherence to recent production cut agreements—can substantially impact oil prices. However, in contrast to OPEC countries' efforts to reduce oil production, in 2016, U.S. oil production remains high and is forecast by the EIA to increase in 2017.[32]

[32] U.S. Energy Information Administration, "Short-Term Energy Outlook," March 7, 2017

TABLE II-3
FORECAST PERCENT CHANGE IN REAL U.S. GROSS DOMESTIC PRODUCT
2016-2021

	Estimate		Forecast				
Source	**2015**	**2016F**	**2017F**	**2018F**	**2019F**	**2020F**	**2021F**
Moody's Analytics, December 8, 2016	2.6	1.6	2.8	3.0	2.2	1.4	1.6
Congressional Budget Office, August 2016	2.4	1.9	2.4	2.2	1.7	1.6	1.9
Office of Management and Budget, February 2016	2.4	2.6	2.6	2.4	2.3	2.3	2.3
Economist Intelligence Unit, June 2016	2.4	2.0	2.3	2.3	1.0	2.1	
International Monetary Fund, September 2016	2.6	1.6	2.2	2.1	1.9	1.7	1.6
World Bank, June 2016	2.4	1.9	2.2	2.1			
IHS Global Insight, published in FAA AEROSPACE FORECAST: FYs 2016-2036 (FFY basis)	2.6	2.5	3.1	2.7	2.6	2.6	2.2
Philadelphia Federal Reserve Bank Survey of 44 Economists, released November 14, 2016		1.5	2.2	2.1	2.1		
Federal Reserve Board,[1] December 2016	2.6	1.9	2.1	2.0	1.9		
Bank of Canada, October 2016	1.1	1.1	2.0	2.1			
Conference Board, December 4, 2016	2.6	1.6	2.3				
Wall Street Journal Survey of Economists, December 2016	2.4	1.9	2.4	2.4	2.2		
OECD, November 2016		1.5	2.3	3.0			
Wells Fargo, December 8, 2016	2.6	1.5	2.2	2.2			
Average	**2.4**	**1.8**	**2.4**	**2.4**	**2.0**	**2.0**	**1.9**

Sources: U.S. Bureau of Economic Analysis for historical data and listed sources for forecasts.

As the nation's ninth largest producer of crude oil, Louisiana faces negative effects from falling oil prices, if sustained. The weight of the oil industry has had a negative impact on Louisiana's budget, which, in early 2016, had a shortfall of $940 million and an anticipated $2 billion shortfall for the fiscal year beginning in July 2016.[33] The adverse effect on the state budget would have been worse in the 1980s when a greater portion of the state budget linked to oil and gas revenue was 45 percent—today this portion is only about 8 percent.[34]

[33] Office of the Governor of Louisiana (http://gov.louisiana.gov/news/the-louisiana-budget-crisis-faqs).
[34] Jeff Daniels, "Falling Oil Prices Put the Squeeze on State Budgets", *CNBC*, January 22, 2016.

K. OTHER ECONOMIC FACTORS

1. Target Growth Sectors

Greater New Orleans Inc. (GNO Inc.), an organization focused on supporting regional economic development, identified six target industry sectors for business development in the 10-parish Greater New Orleans Region, which includes New Orleans MSA's eight parishes and the adjacent parishes of Tangipahoa and Washington. According to GNO Inc., more than $20 billion in private sector and public sector monies are being invested in projects in the six target sectors, consisting of three foundational sectors (Advanced Manufacturing, International Trade, and Energy, as listed below) to build on existing strengths and three diversifying sectors (Digital Media, Biosciences, and Emerging Environmental, as listed below) to create new opportunities.

2. Top Companies

Many large companies have operations in the Greater New Orleans Region. **Table II-4** shows the five top publicly traded companies based in the region by parish, and **Table II-5** lists the top private companies based in the Greater New Orleans Region, based on 2015 reported revenues.

TABLE II-4
TOP PUBLICLY TRADED COMPANIES IN THE NEW ORLEANS REGION

Company	Type of Business	Parish	2015 Assets	2015 Revenue
Entergy Corporation	Public utility	Orleans	$44.65 billion	$1.15 billion
Tidewater Inc.	Oil and gas industry service provider	Orleans	$4.99 billion	$979.06 million
Whitney Bank	Banking	Orleans	$22.84 million	$875.71 million
Hornbeck Offshore Services Inc.	Marine transportation	St. Tammany	$2.98 billion	$476.06 million
Globalstar Inc.	Satelite communication	St. Tammany	$1.8 billion	$90.49 million

Source: New Orleans CityBusiness, June 24, 2016.

TABLE II-5
TOP PRIVATELY-HELD ENTITIES IN THE GREATER NEW ORLEANS REGION

Company	Type of Business	Local Employees	2015 Revenue
Ochsner Health System	Health care	16,771	$2,600 million
Georges Enterprises LLC	Food, marine, investments, construction, real estate, entertainment & raw materials management	1,195	$1,300 million
LCMC Health	Health care	6,675	$1,147 million
Premier Automotive	Automotive dealersips	1,450	$1,088.84 million
Tulane University	Higher education	3,301	$902 million
Pan-American Life Insurance Group	Insurance	1,650	$801 million
Ray Brandt Automotive and Collision Centers	Automotive sales, service & collision repair	600	$511 million
Laitram	Manufacturing	1,337	$435.21 million
Canal Barge Co. Inc.	Inland marine transportation	795	$405.98 million
Intermarine LLC	Ocean transportation	240	$366 million
Boh Bros. Construction Co.	Construction	1,000	$288 million
Randa Acessories	Men's Acessories	259	$274.65 million
Smoothie King Franchises	Nutritious smoothies, supplements & health snacks	125	$274 million
Acme Truck Line Inc.	Transportation	2,100	$272.2 million
Blessey Marine Services Inc.	Towing Company	832	$253.9 million
HRI Properties	Real estate development and management	2,000	$220.5 million
Woodward Design+Build	Construction	190	$159.29 million
Al Copeland Investments LLC	Restaurants, Hotels & food manufacturing	1,352	$157.38 million
Loyola University New Orleans	Higher education	738	$120.1 million
Gulf Coast Bank and Trust Co.	Commercial Banking	361	$114.98 million
Favrot & Shane Cos. 1st Lake Properties	Real estate development and management	115	$114 million
Core Construction Services	Construction	195	$110 milllion
Xavier University of Louisiana	Higher education	663	$110 milllion

Source: New Orleans CityBusiness Journal, March 18, 2016.

3. New Developments[35]

Louisiana State University's College of Business, which has been following and developing annual forecasts for the economy of Louisiana and its MSAs for 35 years, projects that the New Orleans MSA will add 2,900 jobs in 2017, representing an annual increase of 0.5 percent, and 5,700 jobs in 2018, representing an annual increase of .9 percent.[36] These projections are based on several new developments expected in the next two years in different sectors of the local economy. These new developments are expected to create jobs and demand for local goods and services during construction and well after beneficial occupancy. LSU's College of Business collects the information from the Louisiana Economic Development Department and approximately 200 businesses, chambers of commerce, and economic development groups around the state.

Health Care Services

After several years of construction, the new 424-bed University Medical Center (UMC) opened in August 2015 in downtown New Orleans, adding 1,100 net new health care jobs. UMC replaced the Charity Hospital destroyed by levee failures following Hurricanes Katrina and Rita.

The new $995 million, 240-bed Veterans Administration Hospital— "Project Legacy"—is scheduled to open in phases during 2017 and is expected to employ approximately 2,200, of which 1,100 represent net new hires. Ochsner Medical Center is embarking on a $250 million expansion, which is anticipated to generate 1,087 jobs for Jefferson Parish in 2017 and 845 in 2018. Moreover, TriWest Healthcare Alliance is opening an operations center in Jefferson Parish, which is expected to generate 285 jobs paying an average of $35,700 per year.

Industrial Construction

Approximately $22.5 billion in industrial projects have been announced this past year. While many are still in various stages of fund sourcing, permitting, and front-end engineering and design, about $1.8 billion have already been completed or are near completion:

- Dyno Noble International – The company opened a $850 million ammonia production facility in late 2016 and created 65 jobs, with an average annual salary of $55,700.

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[35] Most of the discussion on new developments is based on information in: Loren Scott, James Richardson and Judy Collins, *The Louisiana Economic Outlook: 2017 and 2018*, Louisiana State University E.J. Ourso College of Business, September 2016, pages 37-46.

[36] Loren Scott, James Richardson and Judy Collins, The Louisiana Economic Outlook: 2017 and 2018, Louisiana State University E.J. Ourso College of Business, September 2016, page 40.

- Entergy Louisiana, LLC – The company invested $37.1 million for refueling outage and maintenance work. The project required 1,100 contract workers and was completed in late 2016.

- Pin Oaks Terminal – Construction of a $600 million petroleum liquids storage terminal in St. John the Baptist Parish began in June 2016 and is anticipated to end in May 2017.

- Zen Noh Corporation – The company is investing $150 million in a new dock extension and barge unloading system in St. James Parish. The extension should be completed in June 2017.

- Bunge – The company is constructing $200 million dock facilities and a grain elevator along the Mississippi River in New Orleans, which should be completed in early 2017.

Public Construction

In addition to the industrial construction projects described above, there are sizeable public construction projects either underway, scheduled in the next two years, or recently completed. One large project is the North Terminal Project at the Airport, and the others include the following:

- Army Corps of Engineers – Hurricane reconstruction in the New Orleans MSA continues, with the Army Corps of Engineers planning to spend $628 million in 2017 and $350 million in 2018, in addition to the $14.5 billion spent in since the levee system failure in 2005, on its Hurricane and Storm Damage Risk Reduction System.

- Recovery School District and the Orleans Parish School Board – $164.2 million in spending over the next two years.

- New Orleans Regional Transit Authority - $90.7 million in projects are currently underway or recently completed, including $41.1 million for the recently-completed Rampart/St. Claude expansion.

- State road projects – $478.6 million in spending by 2017.

- Iberville public housing redevelopment – $748 million project started in the fourth quarter of 2013 and scheduled to end in the fourth quarter of 2017 within the City of New Orleans, in Orleans Parish.

High-Technology

Growth in the New Orleans MSA's high-tech sector continues with the following developments:

- InXile – The company has opened a video game development office which has added 50 jobs at an average annual salary of $75,000.

- Smashing Boxes – The company, which offers products and services for a variety of devices, is opening an office in the MSA that will hire 85 people at an average annual salary of $75,000.

Advanced Manufacturing

There are also potential job gains over the next 18 months from existing manufacturing firms in the MSA:

- At the Michoud Assembly Center, Blade Dynamics and the USDA Finance Center are both planning to add 500 new jobs over the next two years.

- Textron Marine recently acquired an $84 million contract with the Navy, as well as an additional $175 million contract in 2016. The New Orleans East site is expected to increase its workforce from 232 to 600 employees to handle the new work.

- Next Generation Marine is planning to add 60 new employees over the next year, after christening two new vessels.

Hotels and Cruise Lines

The New Orleans MSA is expected to benefit economically from the following recent and planned investments in the tourism industry:

- The Four Seasons won a bid for the $364 million renovation of the World Trade Center. Developers plan to open the 350-room hotel and 76 condos in the riverfront building in the fall of 2019 after a two-year renovation.

- The $130 million renovation of the Jung Hotel, with 145 hotel suites, 175 apartments and 50,00 square feet in retail space, is scheduled to be completed in 2017.

- Building and Land Technology Company is planning to renovate the historic New Orleans Public Service, Inc. (NOPSI) Building into a 217-room luxury hotel, scheduled to open in 2017.

- Viking River Cruise Lines investing in new ships and infrastructure to make New Orleans its first North American homeport. Viking plans to have six ships operating on the Mississippi River starting in late 2017, which will add 416 jobs.

- French American Line has made New Orleans its headquarters and its vessels became operational in late 2016, adding 94 jobs to the area.

- Tulane University is planning to construct a $35 million addition to its Freeman School of Business. The project should be completed in January 2018.

L. SUMMARY

The Airport serves the New Orleans MSA, Louisiana's largest metropolitan area. Demographic and economic trends determine New Orleans' attractiveness as a business and leisure destination, and the ability of its residents to travel. In the past 10 years, the New Orleans MSA suffered setbacks from the levee system failures resulting from Hurricane Katrina and the subsequent damage from Hurricane Rita, and from the Great Recession. Eleven years after the hurricanes, the New Orleans MSA has made significant recovery and is growing with a more diversified and competitive economy.

The national economy is a major driver to the New Orleans MSA's economy. Continued growth in the U.S. economy would bring continued growth in the New Orleans MSA's economy. In the same way, risks facing the national economy would also hamper growth in the New Orleans MSA's economy. Experts on the U.S. economy agree that the current economic expansion—now on its seventh year—will continue, with slow growth into 2017 and 2018. There is uncertainty surrounding domestic economic policies, and there are also uncertainties from abroad that may impact the U.S. economy: the potential effects of the United Kingdom's withdrawal from the European Union, China's economic slowdown, continuing political conflicts in the Middle East, and terrorism.

SECTION III
AVIATION ACTIVITY ANALYSIS AND FORECASTS

In this section, we review the historical trends in commercial aviation activity at the Airport and present forecasts of enplanements, aircraft departures, and landed weight. We also discuss the underlying market factors and relevant industry developments.

Section III is organized into three parts:

- In Part A, we examine both long-term and recent historical trends in MSY's commercial passenger and cargo traffic. We evaluate how Airport traffic has performed over time, what factors and developments explain observed trends, and how the trends at the Airport compare with national trends and trends at other airports. We examine the traffic trends of other Louisiana airports and of medium-hub airports in the U.S. with significant Southwest Airlines service.

- In Part B, we discuss the development of forecasts of commercial aviation activity at the Airport, including the methodology, assumptions, and results. We present a range of forecast scenarios for enplanements at the Airport for the period 2016-2026. For the recommended base, low, and high growth scenarios, we also present the corresponding forecasts of aircraft landings and landed weight.

- In Part C, we discuss broader factors affecting the aviation industry and the Airport that can bring risk and uncertainty into the forecasts.

A. HISTORICAL PASSENGER TRAFFIC TRENDS

The FAA classifies MSY as a medium hub airport. Medium hub airports are those that have annual passenger enplanements of at least 0.25 percent but less than 1 percent of total U.S. enplanements. In 2015, MSY ranked 37th in total passenger volume, 67th in total cargo volume among U.S. airports, and 62nd in total aircraft operations among U.S. airports, according to the ACI-NA traffic summary.

According to Airport records, eleven U.S. passenger carriers, four foreign flag passenger carriers, and three all-cargo carriers are scheduled to provide air service at MSY in May 2017 (**Table III-1)**. As of May 2017, the carriers serving the Airport will provide scheduled nonstop passenger service to 57 destinations, including six international destinations.

TABLE III-1
COMMERCIAL AIR CARRIERS SCHEDULED TO PROVIDE SERVICE AT MSY IN MAY 2017

Scheduled Passenger Carriers		
U.S. Carriers	**Foreign Flag Carriers**	**All-Cargo Carriers**
Alaska Airlines	Air Canada	FedEx Express
Allegiant Airlines	British Airways	UPS Airlines
American Airlines	Condor Airlines	DHL
Copa Airlines	Vacation Express	
Delta Air Lines		
Frontier Airlines		
FlyGLO [1]		
JetBlue		
Southwest Airlines		
Spirit Airlines		
United Airlines		

Source: Airport records.
[1] On April 23, 2017, FlyGLO, LLC filed a petition for bankruptcy relief under United States Code Title 11, Chapter 11, in the Bankruptcy Court for the Eastern District of Louisiana. FlyGLO, LLC is a Non-Signatory Airline and represented 0.3% of the Airport's enplanements in 2016.

1. Long-Term Enplanement Trends

Since 2000, U.S. airports and airlines have faced major challenges:

- The long-running U.S. economic expansion from the early 1990s ended with the brief recession, which lasted from March to November 2001. While the U.S. economy was in recession, terrorists attacked U.S. aviation on September 11, 2001, causing already weak air travel demand to plummet.

- The significant decline in air travel and the stringent airport security measures following the terrorist attacks prompted lasting structural changes in travel behavior and airline business practices.

- Meanwhile, fuel prices more than quadrupled from 2002 to 2008, and remained near record high levels until June 2014, when prices began declining to record lows.

- Amid record fuel prices, the U.S. economy entered the Great Recession from December 2007 to June 2009. The Great Recession has been the longest and deepest recession since the Great Depression. The recovery from this recession has also been the slowest of all recoveries from previous recessions since the Great Depression. The Great Recession spread globally and weakened demand for domestic and international passenger and cargo air services.

- Airlines responded to weak air travel demand and high fuel prices with cuts in domestic seat capacity, increases in load factors, retirement of old aircraft, fleet reconfiguration, route transfers between mainline and regional service, route network changes, pricing changes, and various other cost-cutting measures.

Mounting financial difficulties led to bankruptcies, mergers, and business restructuring, including consolidations.

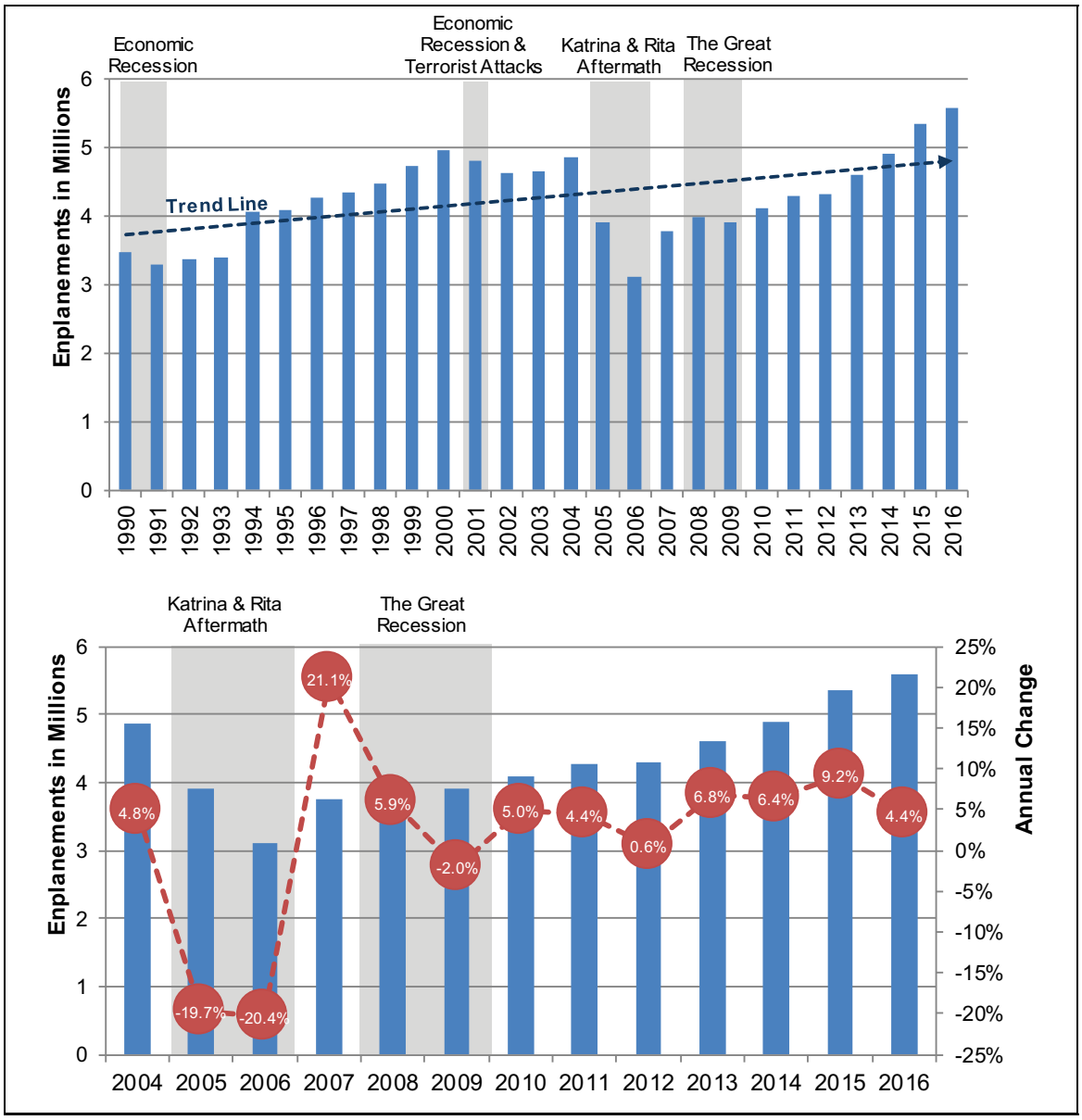
- In addition, the aviation industry has been affected by bad weather, natural disasters, disease outbreaks, wars, and civil unrest in different parts of the world.

These developments have affected MSY. Significant declines in passenger traffic coincided with the economic recessions and the terrorist attacks (**Figure III-1)**.

Additionally, as described in Section II, levee system failures brought on by Hurricane Katrina and the resultant flooding from that storm and Hurricane Rita, severely disrupted Airport activity and the local economy. Enplanement levels declined by approximately 20 percent each year in 2005 and 2006 to a low level not seen since the early 1980s. As the region recovered from the devastating hurricanes, passenger traffic had a strong resurgence in 2007, growing by more than 20 percent. Reconstruction from the hurricanes mitigated the effect of the Great Recession. Enplanements increased by 5.8 percent in 2008 and regressed only slightly, less than 2 percent, in 2009. MSY enplanements have continued to grow in the years following the Great Recession, increasing at an average annual rate of approximately 5 percent between 2010 and 2016.

Despite several setbacks, the Airport has exceeded the traffic level that it experienced in 2004, prior to the hurricanes, as well as its all-time peak traffic of 4.94 million enplanements in 2000. In 2016, MSY had 5.58 million enplanements—more than a 4 percent increase over the previous year and 15 percent higher than the number of enplanements in 2004.

FIGURE III-1
MSY ANNUAL ENPLANEMENT TRENDS
1990-2016



Source: Airport records and analysis by Unison Consulting, Inc. The trend line on the top chart results from linear trend line fitting—a simple, linear time-series regression without correction for serial correlation—on annual enplanement levels from 1990 to 2016.

While MSY has experienced short-term fluctuations in passenger traffic coinciding with economic recessions and adverse events, the long-term trend shows growing traffic. Enplanements at MSY grew at an average annual rate of 1.9 percent between 1990 and 2016. Despite the substantial loss of traffic following the hurricanes, the last 10 years (since 2006) show an average annual growth rate of 6 percent.

2. Airport and U.S. System Enplanements

Table III-2 and **Figure III-2** compare enplanement growth trends at MSY and in the entire U.S. system since 2004:

- Total enplanements at the Airport increased from approximately 4.86 million in 2004 to 5.58 million in 2016, for an average annual growth rate of 1.15 percent. In 2016, the Airport's enplanements were 15 percent higher than the pre-Katrina level in 2004, while U.S. system enplanements grew by 16 percent, with an average annual growth rate of 1.24 percent during the same period.

- U.S. enplanements in 2016 were 3 percent higher than the previous year, while enplanements for MSY increased by 4.4 percent over the same period.

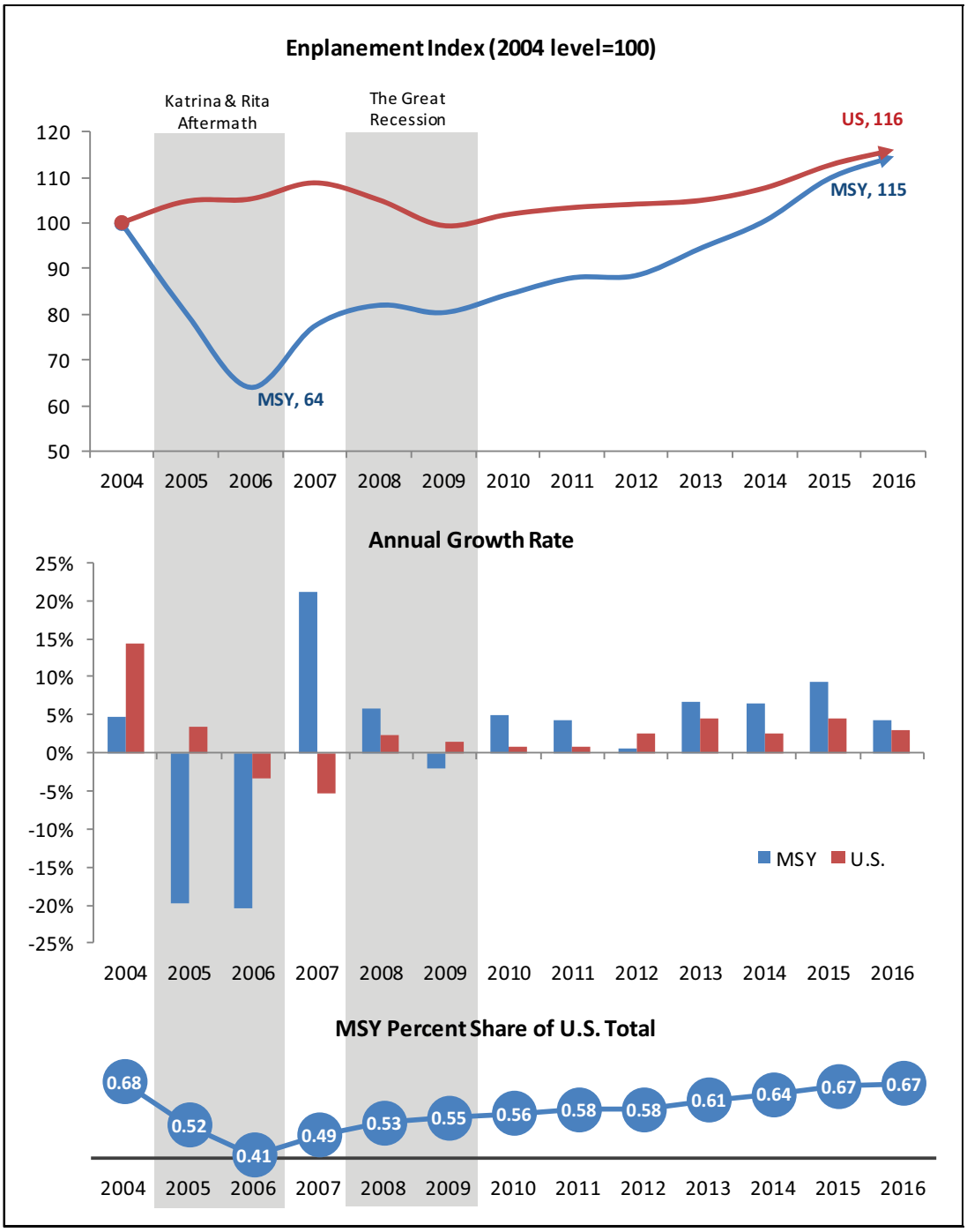
- From the mid-1990s to 2003, the Airport maintained an annual share of U.S. total system revenue enplanements of at least 0.71 percent. The share decreased each year between 2004 and 2006, reaching its lowest, 0.41 percent, in 2006, the year following the hurricanes. Since then, it has increased steadily, reaching 0.67 percent in 2015. Data through December 2016 show that the Airport's share of U.S. system enplanements increased modestly in 2016.

TABLE III-2
MSY AND U.S. SYSTEM ENPLANEMENTS (IN THOUSANDS)
2004-2016

Year	MSY Enplanements[1]	U.S. Enplanements[2]	MSY's Market Share
2004	4,863	714,015	0.68%
2005	3,904	747,174	0.52%
2006	3,109	750,790	0.41%
2007	3,765	775,989	0.49%
2008	3,988	749,238	0.53%
2009	3,908	709,287	0.55%
2010	4,102	726,546	0.56%
2011	4,281	737,392	0.58%
2012	4,307	742,818	0.58%
2013	4,598	748,537	0.61%
2014	4,892	768,120	0.64%
2015	5,345	803,579	0.665%
2016	5,580	827,550	0.674%
	Compound Annual Growth Rate		
2004-2016	1.15%	1.24%	-

[1] Airport records.
[2] U.S. Bureau of Transportation Statistics.

FIGURE III-2
MSY AND U.S. SYSTEM ENPLANEMENT GROWTH TRENDS
2004-2016



Sources: Airport records and U.S. Bureau of Transportation Statistics.

3. Domestic and International Traffic

Passenger traffic at MSY is nearly all domestic. During the past 10 years, domestic traffic accounted for an average share of 99.6 percent of MSY annual enplanements, and international traffic accounted for the remaining 0.4 percent (**Table III-3**).

In 2004, prior to the hurricanes, international traffic represented 1.1 percent of annual enplanements. This share significantly decreased when Air Canada left the market between 2006 and 2009. Since Air Canada resumed service in 2010, and Copa Airlines arrived at MSY in 2015, the international traffic share has increased to 0.8 percent.

TABLE III-3
MSY DOMESTIC AND INTERNATIONAL ENPLANEMENTS (IN THOUSANDS)
2004-2016

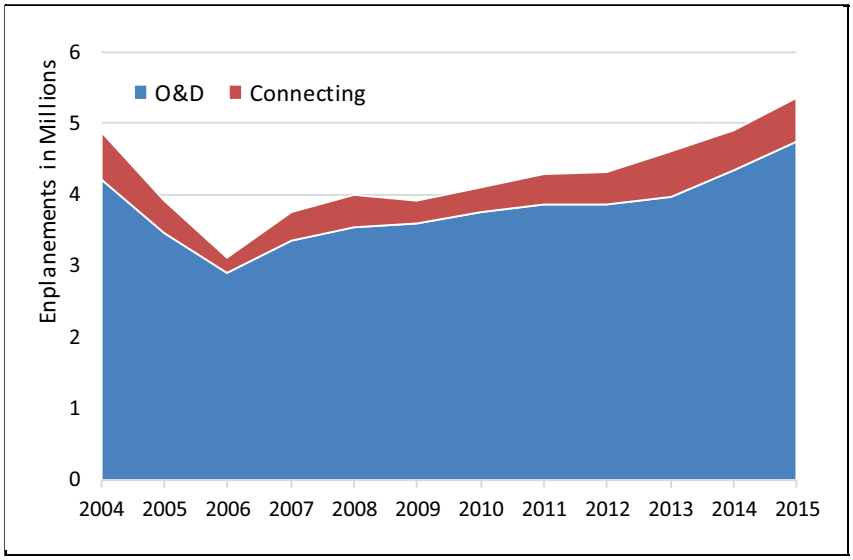
Fiscal Year	Domestic		International		Total
	Number	% of Total	Number	% of Total	Enplanements
2004	4,811	98.9%	52	1.1%	4,863
2005	3,874	99.2%	31	0.8%	3,904
2006	3,101	99.7%	8	0.3%	3,109
2007	3,759	99.8%	6	0.2%	3,765
2008	3,982	99.9%	5	0.1%	3,988
2009	3,903	99.9%	5	0.1%	3,908
2010	4,093	99.8%	10	0.2%	4,102
2011	4,256	99.4%	25	0.6%	4,281
2012	4,287	99.5%	20	0.5%	4,307
2013	4,576	99.5%	22	0.5%	4,598
2014	4,868	99.5%	24	0.5%	4,892
2015	5,304	99.2%	41	0.8%	5,345
2016	5,533	99.2%	47	0.8%	5,580
	Compound Annual Growth Rate				
2004-2016	1.2%		-0.8%		1.2%
2015-2016	4.3%		13.8%		4.4%

[1]International enplanements include enplanements by foreign flag carriers and international enplanements reported by charter airlines.
Source: Airport records.

4. Origin and Destination (O&D) and Connecting Traffic

MSY serves predominately O&D passengers—those who begin and end their travel at MSY. The Airport also serves connecting passengers who stop at the Airport to connect to another flight. Based on airline ticket survey data from the U.S. Department of Transportation and Airport data on enplanements, we estimate the O&D traffic share to range from 87 percent to 93 percent of total enplanements since 2004 (**Figure III-3**).

FIGURE III-3
MSY O&D AND CONNECTING TRAFFIC
2004-2015



Sources: Unison estimated O&D traffic at MSY based on data from the U.S. Department of Transportation 10%-sample airline ticket survey and Airport records of international enplanements (assuming all O&D).

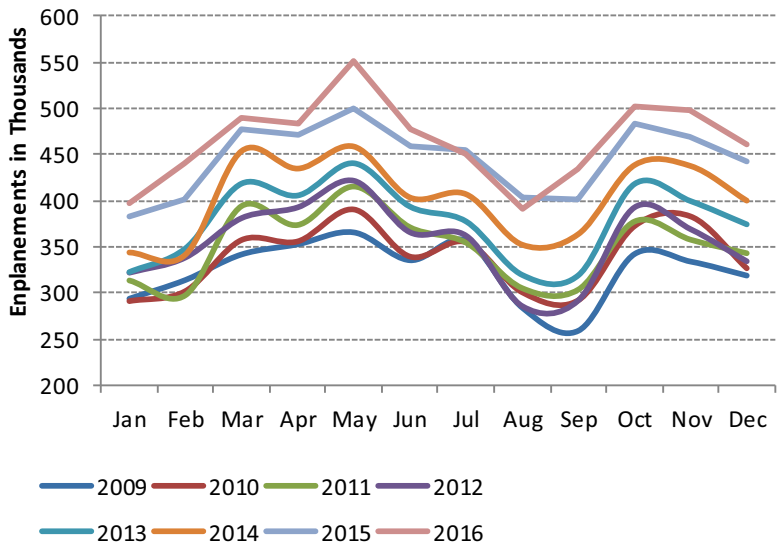
In a survey of departing O&D passengers that Unison, along with Maroon Society, conducted at the Airport on December 3-5, 2013, approximately 54 percent of 801 respondents began their trips in New Orleans to travel elsewhere, and the remaining 46 percent were visitors who were either catching their return flights home or continuing their travel to another destination. Of the 432 respondents who began their trips in New Orleans, 45 percent were traveling for business, 50 percent were traveling for leisure, and the remaining 5 percent were traveling for other reasons. Of the 369 respondents who visited New Orleans, 52 percent went to New Orleans for business, 47 percent went there for leisure, and the remaining 3 percent went there for other reasons.

5. Seasonality in Enplanements

As shown in **Figure III-4**, monthly enplanement levels at MSY tend to rise during the spring, particularly in May, when the weather is cool and many music festivals are held in New Orleans. Enplanements typically drop to their lowest level in August or September, when temperature and humidity levels rise to their peak and the hurricane season begins.

FIGURE III-4
MSY MONTHLY ENPLANEMENTS
January 2009-December 2016

Distribution of Annual Enplanements by Month	
Jan	7.3%
Feb	7.6%
Mar	9.0%
Apr	8.9%
May	9.6%
Jun	8.6%
Jul	8.5%
Aug	7.2%
Sep	7.3%
Oct	9.1%
Nov	8.8%
Dec	8.2%
Average based on 2009-16 data	



Source: Airport records.

6. Airline Market Shares

MSY has a broad base of air service providers with no airline having a monopoly on traffic. **Figure III-5** and **Figure III-6** present the trends in enplanements by airline. The two figures each contain three charts:

- an area chart that shows the trend in annual enplanements from 2004 to 2016, and the breakdown by airline in **Figure III-5** and by carrier type in **Figure III-6**;
- trend lines showing annual enplanement levels relative to the pre-Katrina level in 2004, by airline in **Figure III-5** and by carrier type in **Figure III-6**; and
- a column chart showing shares of total enplanements, by the published airline in **Figure III-5** and by carrier type in **Figure III-6**, during the following years:
  - 2004, the year prior to the levee system failure;
  - 2006, the year when enplanements fell to their lowest level since the hurricanes; and
  - 2016, the last full year with available data.

Table III-4 shows the underlying airline enplanement data.[1]

The key trends are as follows:

- Southwest Airlines' exclusively mainline service[2], accounts for the largest share of MSY enplanements, which increased from 34 percent in 2004 to more than 37 percent in 2016. Southwest's share reached one of its lowest points, 28 percent, in 2006 when Southwest's enplanements decreased to about one-half of their pre-Katrina level in 2004. Southwest has clearly recovered, with 2016 enplanements at MSY exceeding their 2004 level by 27 percent.
- Delta Air Lines, including service by regional affiliates, has maintained a relatively stable share of approximately one-fifth of the Airport market. Its 2016 share was 19 percent, just 2 percent less than its share in 2004; however, its 2016 enplanements were 4 percent higher than their pre-Katrina 2004 level.
- American Airlines' share of enplanements at MSY decreased from 21 percent in 2004 to 16 percent in 2016. The combined enplanements for American and its regional affiliates in 2016 were still only at 89 percent of their level in 2004.

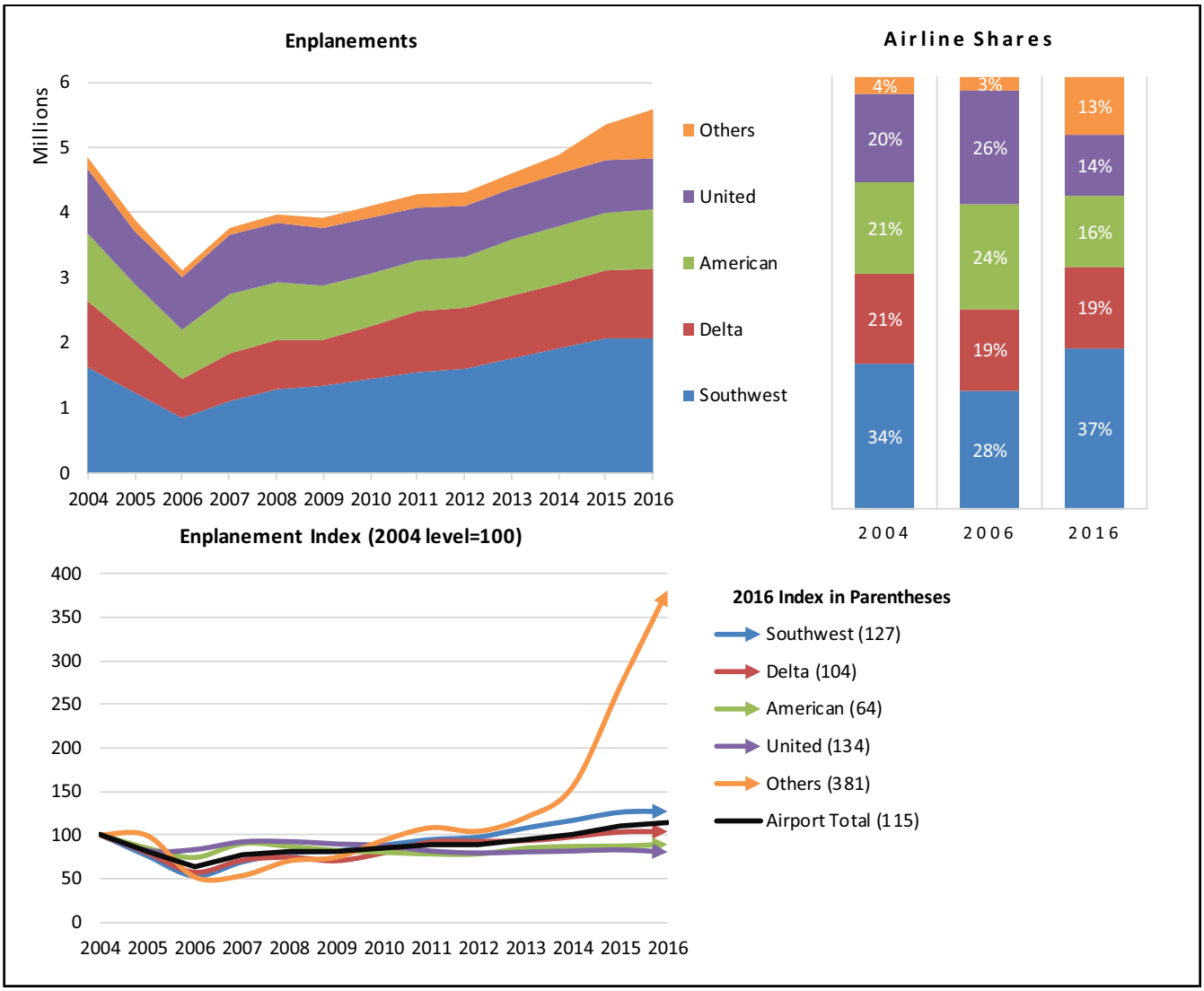
[1] Merged airline reported with surviving airline unless otherwise noted.
[2] "Mainline service" refers to flights operated by an airline's main operating unit, in contrast to flights operated by a regional subsidiaries or affiliates.

- United Airlines increased its MSY market share—from 20 percent in 2004 to 26 percent in 2006, including traffic on flights operated by regional affiliates. United's enplanement market share decreased to 14 percent in 2016.

- Although Southwest, Delta, American and United have the clear majority of enplanements at MSY, other airlines have dramatically increased their enplanements since 2012. The combined enplanements in 2016 for all other airlines increased 281 percent since 2004. Enplanement growth from low-cost airlines, such as Spirit, JetBlue, Frontier and Allegiant, has been instrumental in this shift.

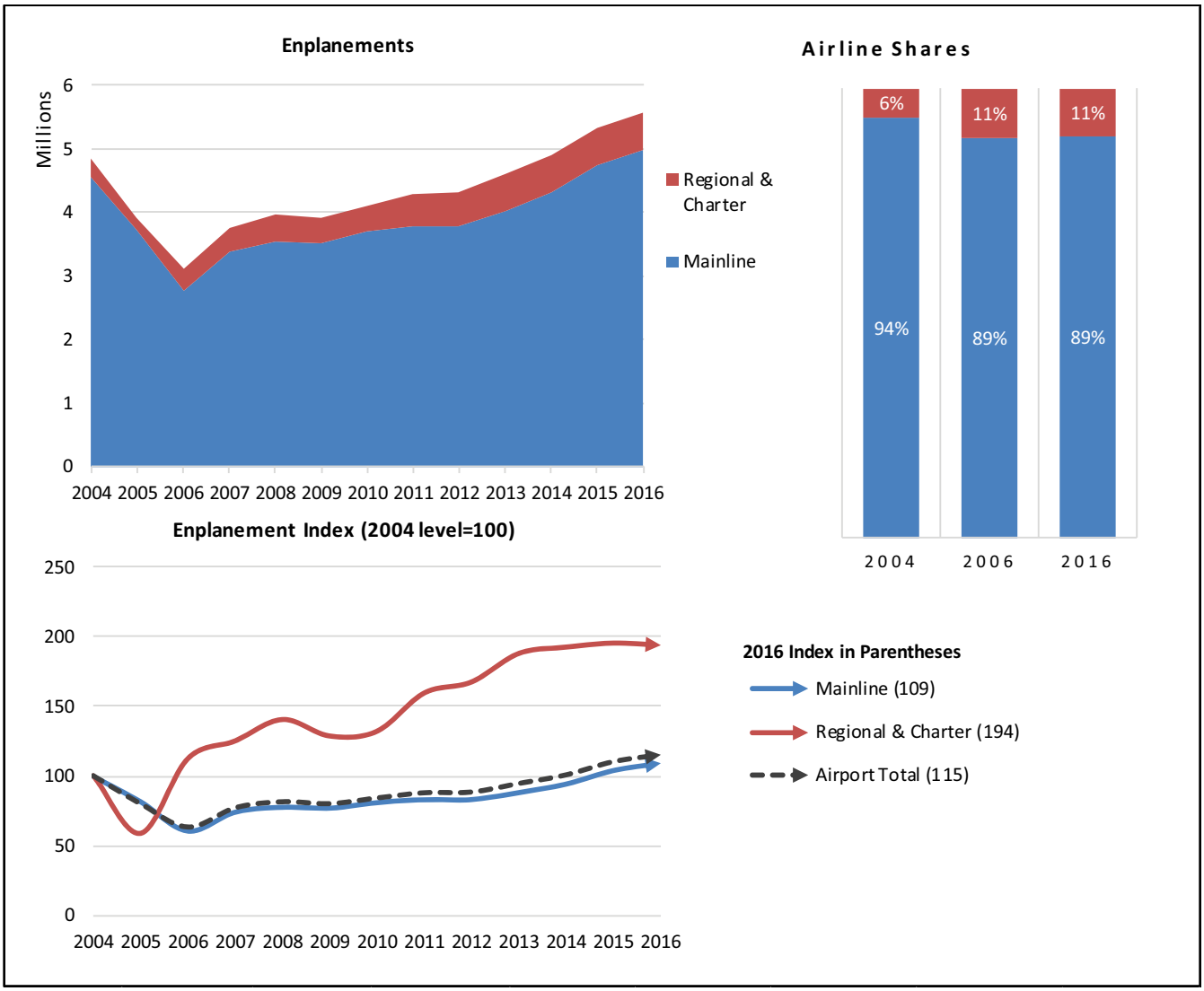
- Mainline carriers still account for most of the service at MSY. The mainline share of MSY enplanements, however, decreased from 94 percent in 2004 to 89 percent in 2016. Regional service, including very little charter activity, nearly doubled in share from 6 percent in 2004 to 11 percent in 2016. In 2016, regional and charter enplanements exceeded their pre-Katrina level by 94 percent, while mainline enplanements surpassed their pre-Katrina level by 9 percent.

FIGURE III-5
MSY ENPLANEMENTS BY PUBLISHED AIRLINE[1]
2004-2016



[1] Each published airline's traffic includes enplanements on mainline service and on regional service operated by affiliates, if any. Southwest Airlines' traffic includes AirTran Airways' enplanements before their merger. United Airlines' traffic includes Continental's enplanements before their merger. American Airlines' traffic includes U.S. Airways enplanements before their merger.
Source: Airport records.

FIGURE III-6
MSY ENPLANEMENTS BY CARRIER TYPE
2004-2016



[1] Mainline service represents flights operated by an airline's main operating unit. Regional and charter service represents flights operated by airlines' regional subsidiaries or affiliates. The very little charter activity, which accounts for less than half a percent of annual enplanements, is grouped with regional service provided by affiliates of American Airlines, Delta Air Lines and United Airlines.
Source: Airport records.

TABLE III-4
MSY ENPLANEMENTS BY AIRLINE
2004-2016

Airline	Enplanements (000)													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2004-16
Southwest & AirTran	**1,636**	**1,237**	**857**	**1,119**	**1,287**	**1,329**	**1,437**	**1,545**	**1,592**	**1,765**	**1,910**	**2,064**	**2,081**	**27.1%**
Delta & Northwest	**1,011**	**803**	**581**	**718**	**753**	**714**	**804**	**929**	**936**	**945**	**990**	**1,045**	**1,051**	**3.9%**
Mainline	859	740	445	532	587	630	702	792	807	825	877	939	951	**10.8%**
Regional	152	63	136	187	166	84	102	137	129	119	113	106	99	**-34.6%**
American & US Airways[1]	**1,027**	**863**	**752**	**918**	**886**	**836**	**814**	**793**	**794**	**863**	**884**	**889**	**910**	**-11.4%**
Mainline	1,008	851	680	824	725	651	645	606	604	639	664	621	633	**-37.2%**
Regional	19	13	72	93	161	185	169	187	190	223	221	268	277	**1326.1%**
United & Continental	**991**	**806**	**818**	**906**	**910**	**883**	**862**	**801**	**779**	**790**	**802**	**814**	**789**	**-20.4%**
Mainline	898	725	695	818	823	769	746	664	619	593	581	641	642	**-28.5%**
Regional	94	81	123	88	86	114	116	137	160	197	220	173	147	**56.6%**
Others	**197**	**195**	**101**	**104**	**138**	**146**	**184**	**213**	**205**	**236**	**306**	**532**	**750**	**280.8%**
Mainline[2]	157	172	90	91	123	137	169	187	173	203	273	492	699	**345.4%**
Regional (Air Canada)	19	10	0	0	0	0	2	15	19	19	20	22	23	**22.5%**
Charter	21	13	11	13	15	8	13	10	13	15	13	18	27	**31.0%**
Total	**4,863**	**3,904**	**3,109**	**3,766**	**3,973**	**3,908**	**4,102**	**4,281**	**4,307**	**4,598**	**4,892**	**5,345**	**5,580**	**14.7%**
Mainline	4,558	3,725	2,766	3,385	3,545	3,516	3,700	3,795	3,796	4,025	4,305	4,757	5,006	**9.8%**
Regional & Charter	305	179	343	381	428	392	403	486	510	573	587	587	574	**88.1%**

[1] Including America West, which was rebranded into US Airways in 2006.
[2] Including Spirit, Frontier, JetBlue, Allegiant, Midwest, Alaska (started service in 2014), and a few foreign flag carriers with occasional flights.
Source: Airport records.

7. Top O&D Markets

Table III-5 and **Figure III-7** show the Airport's top 25 O&D markets in the year ending September 30, 2016, ranked by share of O&D enplanements at MSY. They include 23 of the 30 largest U.S. metropolitan areas by 2015 population, as well as 2 smaller metropolitan areas. The top 25 markets received 131 of the 147 daily nonstop flight departures from MSY, and accounted for 79 percent of O&D enplanements at the Airport. The top 5 markets were: New York, Dallas, Houston, Washington DC, and Chicago.

TABLE III-5
MSY's TOP 25 O&D MARKETS IN YEAR ENDING 2016Q3

2016 Ranking[1]	Metropolitan Area (Population Ranking)	Airports	O&D Market Share	Daily Nonstop Departures[2]	Airlines with Nonstop Service from MSY[3]	Air Miles from MSY
1	New York, NY (1)	LGA, JFK, EWR, ISP, HPN, SWF	8.5%	11	B6, DL, UA, WN	1,177
2	Dallas, TX (4)	DAL, DFW	6.6%	15	AA, NK, WN	442
3	Houston, TX (5)	HOU, IAH	6.6%	20	NK, UA, WN	304
4	Washington, DC (6)	DCA, IAD, BWI	6.2%	8	AA, UA, US, WN	974
5	Chicago, IL (3)	MDW, ORD	5.7%	9	AA, NK, UA, WN	831
6	Los Angeles, CA (2)	LAX, SNA, ONT, BUR, LGB	5.4%	6	AA, DL, NK, UA, WN	1,670
7	Atlanta, GA (9)	ATL	4.0%	17	DL, F9, NK, WN	425
8	Miami, FL (8)	FLL, MIA	3.7%	4	AA, NK, WN	675
9	San Francisco, CA (11)	SFO, OAK, SJC	3.4%	1	UA, WN	1,911
10	Denver, CO (19)	DEN	3.2%	4	F9, UA, WN	1,062
11	Orlando, FL (24)	MCO, SFB	2.8%	4	F9, G4, WN	551
12	Boston, MA (10)	BOS, PVD, MHT	2.7%	1	B6	1,368
13	Las Vegas, NV (29)	LAS	2.5%	3	NK, WN	1,500
14	Philadelphia, PA (7)	PHL	2.1%	3	AA, F9, US	1,089
15	Detroit, MI (14)	DTW	2.1%	4	DL, NK	926
16	Tampa, FL (18)	TPA, PIE	1.9%	3	G4, WN	488
17	Nashville, TN (36)	BNA	1.6%	3	WN	471
18	Seattle, WA (15)	SEA	1.6%	1	AS	2,086
19	Phoenix, AZ (12)	PHX	1.3%	1	WN	1,300
20	Minneapolis, MN (16)	MSP	1.3%	1	DL	1,039
21	San Diego, CA (17)	SAN	1.3%	1	WN	1,599
22	Austin, TX (33)	AUS	1.2%	1	WN	444
23	St. Louis, MO (20)	STL	1.1%	2	WN	604
24	Kansas City, MO (30)	MCI	1.1%	1	WN	689
25	Charlotte, NC (22)	CLT	1.1%	7	AA, US	651
	Top 25 Destinations		**78.9%**	**131**		
	Other Destinations		**21.1%**	**16**		
	Total		**100.0%**	**147**		

[1] Ranking is based on share of O&D passenger enplanements over the 12-month period ending September 30, 2016.
[2] The number of daily nonstop departures equals the year's total departures divided by 365.
[3] Published carriers with at least 12 nonstop service flights from MSY. Airline codes: AA=American; B6=JetBlue; DL=Delta; F9=Frontier; G4=Allegiant; NK=Spirit; UA=United; US=US Airways; WN=Southwest.
Sources: U.S. Census Bureau population estimates, U.S. Department of Transportation 10%-sample airline ticket survey, and OAG Analyzer.

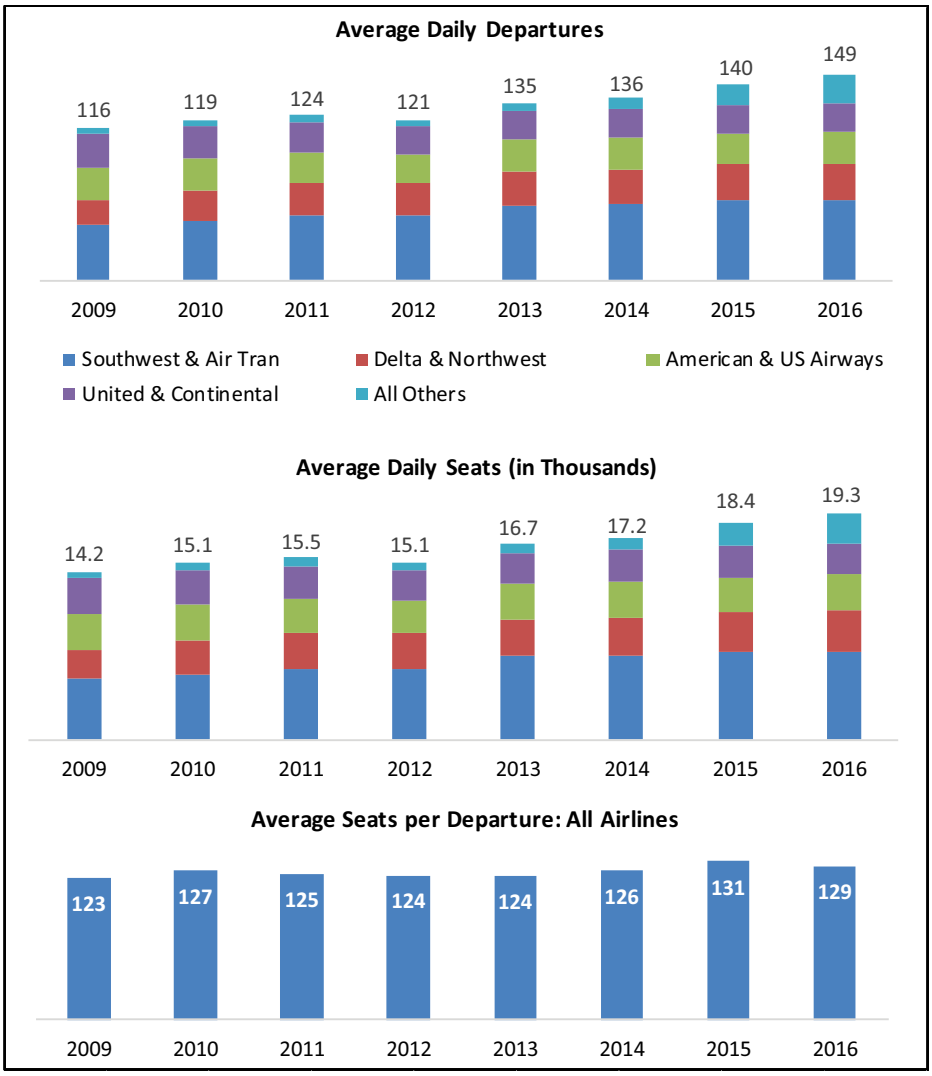
FIGURE III-7
MSY's TOP 25 O&D MARKETS IN YEAR ENDING 2016Q3

The bubble markers indicate relative market size based on share of MSY's 2016 (2015Q4-2016Q3) O&D enplanements.
Sources: U.S. Department of Transportation 10%-sample airline ticket survey.

8. Scheduled Nonstop Passenger Airline Service

According to flight schedule records, the airlines serving the Airport provided scheduled nonstop passenger service to 45 destinations in 2016. Average daily flight departures increased 6 percent from the previous year and 29 percent from 2009 levels (from 116 to 149). Seats on these flights increased by 7 percent compared to 2015, and by 31 percent compared to 2009 seats (**Figure III-8**). Including AirTran Airways service prior to integration, Southwest Airlines posted the largest proportional increase, 46 percent, in seat capacity provided since 2009. However, the carrier's growth in recent years has been modest with annual growth rates averaging under 5 percent since 2013. Including Northwest Airlines service prior to integration, Delta Air Lines posted the second largest proportional increase of 42 percent since 2009. The average number of seats per flight departure reflects the predominance of mainline service, which decreased slightly in share of scheduled flights from 84 percent in 2010 to 82 percent in 2016. Non-mainline carriers have demonstrated considerable growth in recent years, posting a 36 percent growth in 2016 over 2015 levels.

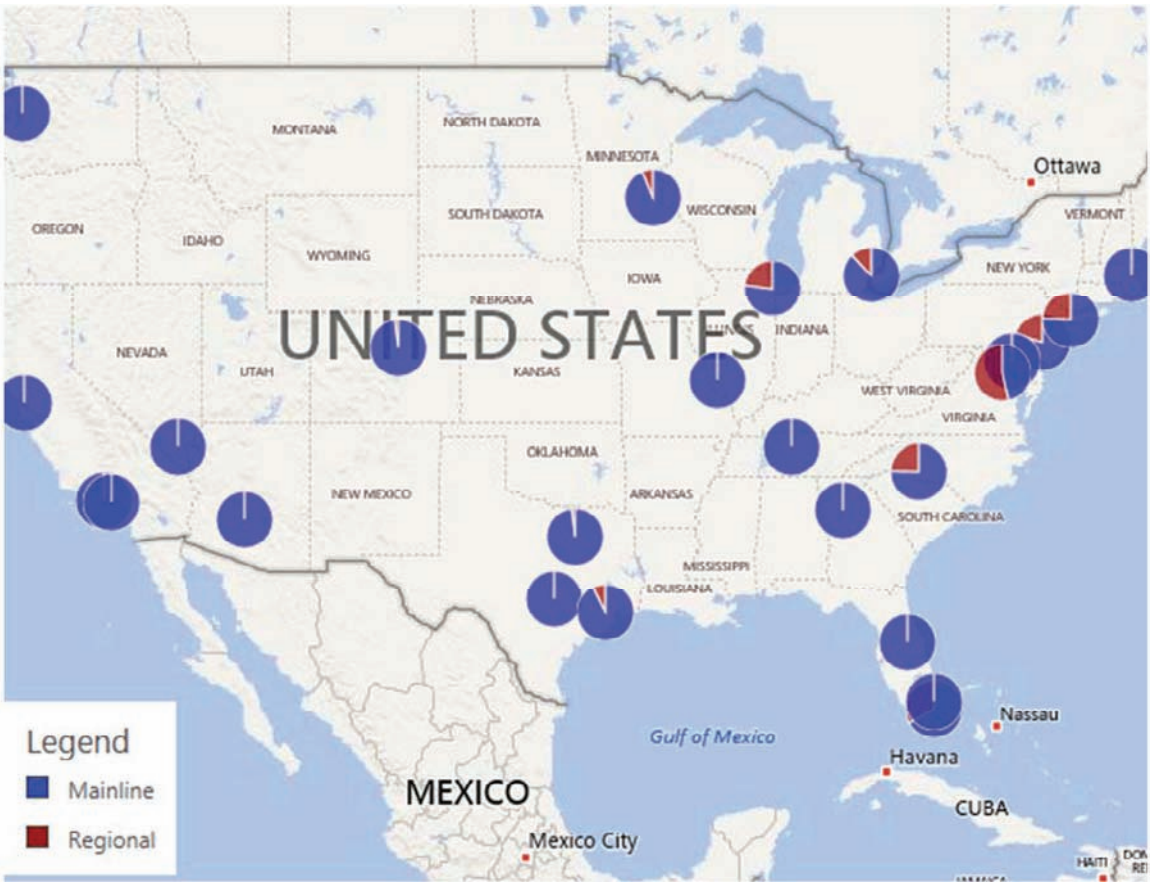
FIGURE III-8
MSY TRENDS IN SCHEDULED AIR SERVICE
2009-2016



Source: OAG Analyzer.

Figure III-9 shows MSY's top 25 nonstop markets based on scheduled seats in 2016. The markers show the mix of mainline and regional service.

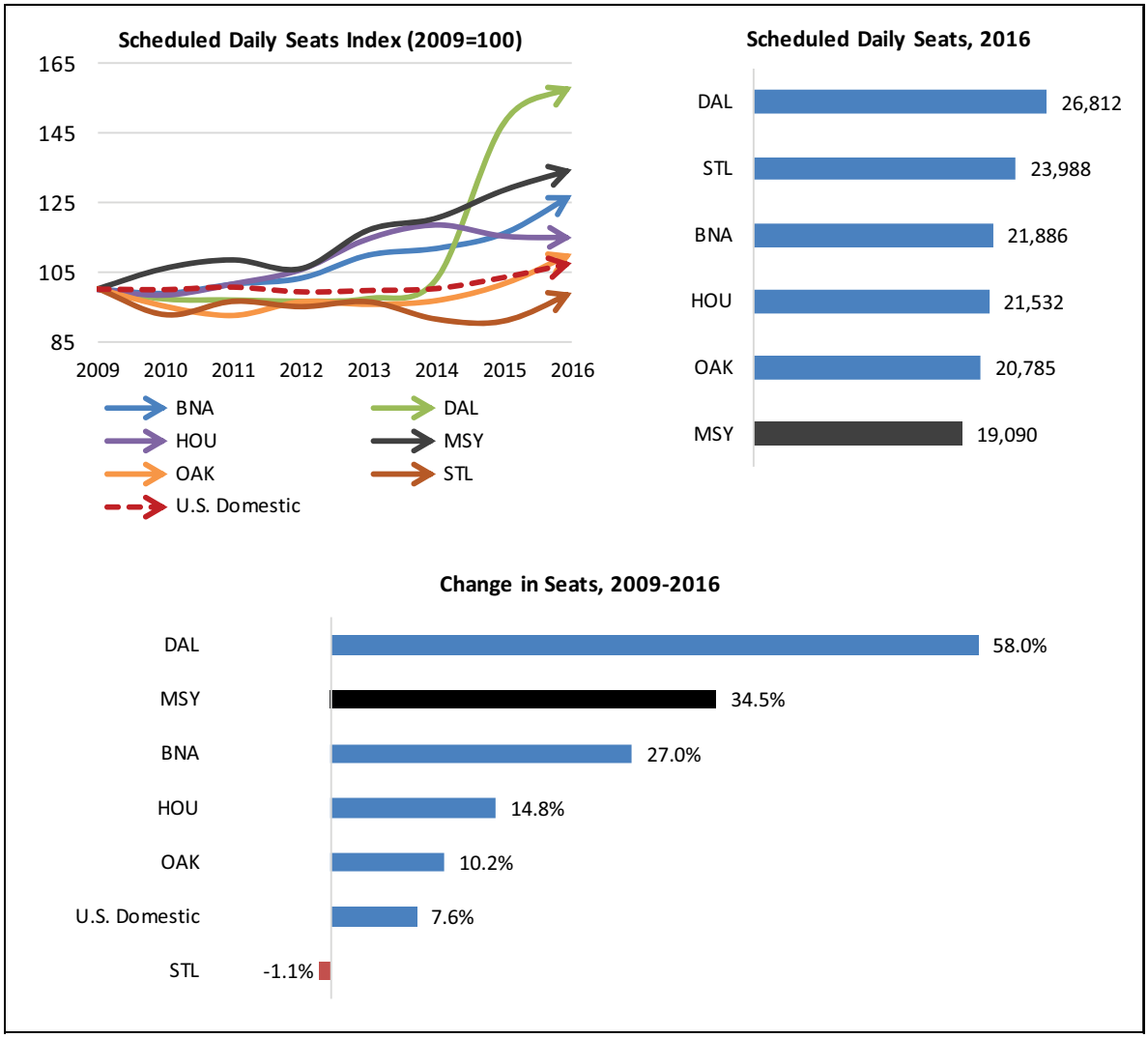
FIGURE III-9
MSY's TOP 25 NONSTOP MARKETS IN 2016



Source: OAG Analyzer and Bing Maps; ranking is based on seats on scheduled nonstop flights from MSY.

As shown in **Figure III-10**, the trends in scheduled seats at MSY since 2009 compare very favorably with the trends at five other medium hub airports with significant Southwest Airlines service. MSY shows the second highest increase in seats, 34.5 percent, from 2009 to 2016, although it has the fewest scheduled seats of the benchmark airports in 2016.

FIGURE III-10
SCHEDULED DAILY SEATS AT MSY AND SELECTED MEDIUM HUB AIRPORTS
2009-2016



Source: Airline flight schedules accessed using OAG Analyzer.

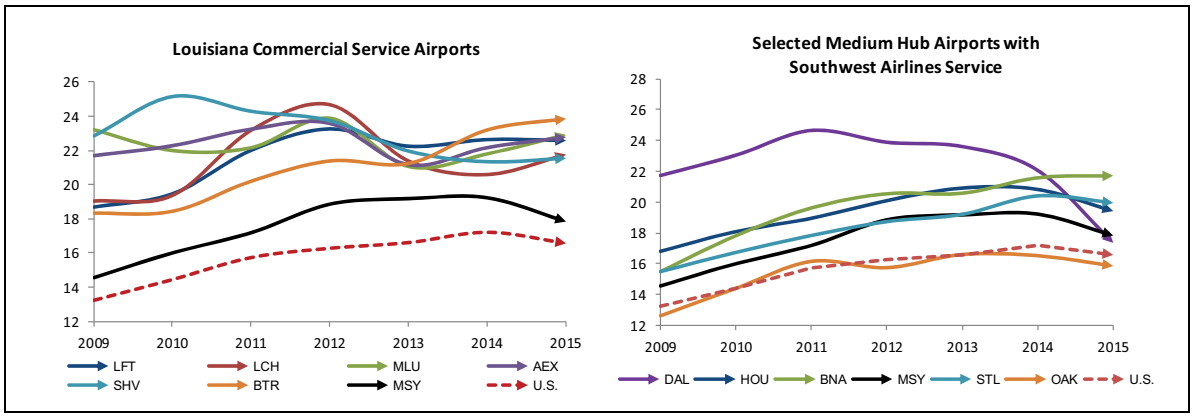
9. Passenger Yield

Lower airfares attract passengers. A common measure of airfares that controls for trip length is passenger yield—the average airline revenue per revenue passenger mile. **Figure III-11** shows the domestic passenger yields at MSY and other airports, compared to the U.S. average, from 2009 to 2016. Although the domestic passenger yield at MSY has been higher than the U.S. average, it has been the lowest among Louisiana commercial service airports. MSY's domestic passenger yield has also been lower than the domestic passenger yields at DAL, HOU, BNA, and STL (except in 2012 and 2013).

For the first time since 2009, U.S. domestic yields decreased in 2015—by 4 percent from the previous year. The FAA's 2016 publication of Aerospace Forecasts suggests that this reduction in yield was due to low oil prices and the rapid growth of ultra-low cost airlines. Yields at MSY followed the national trend and decreased by 7 percent (in nominal terms) in 2015. Still, from 2009 to 2015, MSY's domestic passenger yield increased the fastest compared to the other airports in the state, except BTR. Increasing 3.4 percent per year, twice the average annual inflation, MSY's domestic passenger yield, however, increased slower than the U.S. average, which increased 3.8 percent per year in the same period.

Since passenger traffic began to recover after the Great Recession, airlines have restrained growth in seat capacity and have been able to increase air fares faster than general inflation. This trend of air fares increasing by more than inflation is likely to continue only for a short period, as the published airline schedules for 2016 indicate overall increases in airline seat capacity. In the 2016 publication of Aerospace Forecasts, the FAA's baseline projections showed that passenger yields in the domestic market are expected to grow by 1.9% annually between 2016 and 2036.

FIGURE III-11
DOMESTIC PASSENGER YIELD AT MSY AND OTHER AIRPORTS
In Cents per Passenger Mile
2009-2016



Source: U.S. Department of Transportation 10%-sample airline ticket survey, accessed through Database Products, Inc.

10. Air Cargo

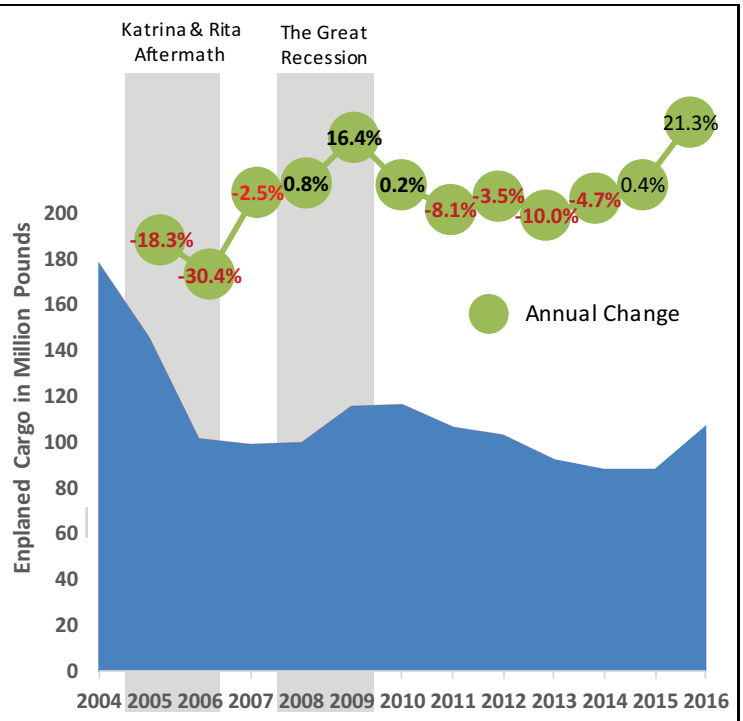
According to ACI-NA traffic data, MSY ranked 72nd in 2015 cargo volume among U.S. airports. **Figure III-12** presents the annual volume of air cargo enplaned at MSY since 2004. The annual volume of air cargo enplaned at MSY decreased sharply in the aftermath of Hurricanes Katrina and Rita, falling to its lowest level in 2006, of slightly more than 55 percent of the pre-Katrina volume. Two all-cargo carriers, ABX Air and DHL Express, left the Airport, leaving only two all-cargo carriers, FedEx and UPS. DHL Express left MSY when the company terminated its U.S. operations in 2009.

Air cargo traffic recovered in 2009 to approximately 65 percent of the pre-Katrina volume, but has since fallen back to slightly more than 60 percent of the pre-Katrina volume, as of 2016.

FIGURE III-12
ENPLANED CARGO AT MSY
2004-2016

ENPLANED CARGO

Year	Million Lbs.
2004	178.48
2005	145.81
2006	101.46
2007	98.93
2008	99.75
2009	116.10
2010	116.29
2011	106.87
2012	103.16
2013	92.80
2014	88.45
2015	88.80
2016	107.67
AAGR	-4.1%
2015-2016 Change	21.3%



Source: Airport records.

11. Commercial Aircraft Landings and Landed Weight

Table III-6 and **Table III-7** present annual commercial aircraft landings and landed weight by published airline from 2011. Both measures have recovered strongly since decreasing in 2012. Between 2011 and 2016, both measures increased by more than 20 percent.

Southwest Airlines accounts for the largest shares of landings and landed weight, which are very close to the airline's share of enplanements. In 2016, Southwest accounted for 34 percent of landings and nearly 35 percent of landed weight.

Mainline service accounts for the vast majority of landings and landed weight—78 percent and 85 percent, respectively, in 2016.

TABLE III-6
COMMERCIAL AIRCRAFT LANDINGS AT MSY
2011-2016

	Landings						Market Share					
Airline	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Southwest & AirTran	**16,373**	**16,248**	**18,666**	**18,458**	**19,006**	**18,809**	**35.3%**	**35.8%**	**37.0%**	**36.7%**	**36.2%**	**33.7%**
Delta	**9,210**	**8,683**	**9,011**	**8,745**	**9,230**	**10,228**	**19.9%**	**19.1%**	**17.8%**	**17.4%**	**17.6%**	**18.3%**
Mainline	6,706	6,444	6,683	6,698	7,598	8,161	14.5%	14.2%	13.2%	13.3%	14.5%	14.6%
Regional	2,504	2,239	2,328	2,047	1,632	2,067	5.4%	4.9%	4.6%	4.1%	3.1%	3.7%
American & US Airways	**8,434**	**8,583**	**9,880**	**7,905**	**7,432**	**6,788**	**18.2%**	**18.9%**	**19.6%**	**15.7%**	**14.1%**	**12.2%**
Mainline	5,595	5,374	6,075	4,151	2,983	2,219	12.1%	11.9%	12.0%	8.3%	5.7%	4.0%
Regional	2,839	3,209	3,805	3,754	4,449	4,569	6.1%	7.1%	7.5%	7.5%	8.5%	8.2%
United & Continental	**8,619**	**8,227**	**9,068**	**8,874**	**8,151**	**7,480**	**18.6%**	**18.1%**	**18.0%**	**17.7%**	**15.5%**	**13.4%**
Mainline	5,978	5,243	5,110	4,723	5,168	5,261	12.9%	11.6%	10.1%	9.4%	9.8%	9.4%
Regional	2,641	2,984	3,958	4,151	2,983	2,219	5.7%	6.6%	7.8%	8.3%	5.7%	4.0%
Others	**3,746**	**3,605**	**3,862**	**6,245**	**8,725**	**12,446**	**8.1%**	**7.9%**	**7.6%**	**12.4%**	**16.6%**	**22.3%**
Mainline	1,513	1,428	1,797	4,350	6,290	8,741	3.3%	3.1%	3.6%	8.7%	12.0%	15.7%
Regional	714	720	680	666	726	754	1.5%	1.6%	1.3%	1.3%	1.4%	1.4%
Charter	277	291	303	293	621	1,694	0.6%	0.6%	0.6%	0.6%	1.2%	3.0%
Cargo	1,242	1,166	1,082	936	1,088	1,257	2.7%	2.6%	2.1%	1.9%	2.1%	2.3%
Total	**46,382**	**45,346**	**50,487**	**50,227**	**52,544**	**55,751**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Mainline	36,165	34,737	38,331	38,380	41,045	43,191	78.0%	76.6%	75.9%	76.4%	78.1%	77.5%
Regional	8,698	9,152	10,771	10,618	9,790	9,609	18.8%	20.2%	21.3%	21.1%	18.6%	17.2%
Charter	277	291	303	293	621	1,694	0.6%	0.6%	0.6%	0.6%	1.2%	3.0%
Cargo	1,242	1,166	1,082	936	1,088	1,257	2.7%	2.6%	2.1%	1.9%	2.1%	2.3%

Source: Airport records.

TABLE III-7
COMMERCIAL AIRCRAFT LANDED WEIGHT AT MSY
2011-2016

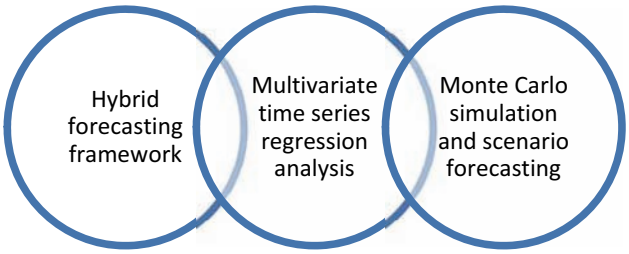
Airline	Landed Weight (Million Pounds)						Market Share					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Southwest & AirTran	**1,968**	**1,958**	**2,271**	**2,274**	**2,386**	**2,376**	**35.1%**	**35.7%**	**37.6%**	**37.1%**	**36.9%**	**35.2%**
Delta	**1,123**	**1,125**	**1,187**	**1,195**	**1,199**	**1,262**	**20.0%**	**20.5%**	**19.7%**	**19.5%**	**18.6%**	**18.7%**
Mainline	959	979	1,038	1,059	1,082	1,115	17.1%	17.9%	17.2%	17.3%	16.7%	16.5%
Regional	163	146	149	135	117	147	2.9%	2.7%	2.5%	2.2%	1.8%	2.2%
American & US Airways	**937**	**940**	**1,057**	**1,076**	**1,035**	**1,075**	**16.7%**	**17.1%**	**17.5%**	**17.6%**	**16.0%**	**15.9%**
Mainline	727	708	779	804	713	744	12.9%	12.9%	12.9%	13.1%	11.0%	11.0%
Regional	210	232	278	272	322	331	3.7%	4.2%	4.6%	4.4%	5.0%	4.9%
United & Continental	**1,012**	**925**	**952**	**927**	**936**	**886**	**18.0%**	**16.9%**	**15.8%**	**15.1%**	**14.5%**	**13.1%**
Mainline	851	751	728	687	740	749	15.2%	13.7%	12.1%	11.2%	11.5%	11.1%
Regional	161	174	224	240	196	137	2.9%	3.2%	3.7%	3.9%	3.0%	2.0%
Others	**574**	**531**	**566**	**652**	**904**	**1,154**	**10.2%**	**9.7%**	**9.4%**	**10.6%**	**14.0%**	**17.1%**
Mainline	226	203	246	328	567	779	4.0%	3.7%	4.1%	5.4%	8.8%	11.5%
Regional	26	26	25	25	27	28	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%
Charter	n.a.	n.a.	n.a.	n.a.	n.a.	46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cargo	322	303	295	299	310	301	5.7%	5.5%	4.9%	4.9%	4.8%	4.5%
Total	**5,614**	**5,479**	**6,032**	**6,123**	**6,460**	**6,753**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Mainline	4,731	4,599	5,061	5,153	5,488	5,764	84.3%	83.9%	83.9%	84.1%	84.9%	85.3%
Regional	560	578	676	672	662	642	10.0%	10.5%	11.2%	11.0%	10.2%	9.5%
Charter	n.a.	n.a.	n.a.	n.a.	n.a.	46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cargo	322	303	295	299	310	301	5.7%	5.5%	4.9%	4.9%	4.8%	4.5%

Source: Airport records.

B. FORECAST COMMERCIAL AIRCRAFT ACTIVITY

Unison's forecasting approach features three analytical techniques (**Figure III-13**). To forecast commercial passenger traffic, we use a hybrid forecasting approach that incorporates both air service supply and demand considerations. It is capacity-driven in the short run and demand-driven in the long run.

FIGURE III-13
KEY FEATURES OF THE FORECASTING APPROACH



The forecast for 2017 considers scheduled airline service through September. Airlines publish scheduled flights and seats for six-to-nine months ahead. The scheduled capacity reflects passenger airline bookings.

To develop long-term forecasts, we used econometric modeling to link enplanement growth to trends in market demand drivers, which are factors that affect enplanement activity at MSY (**Figure III-14**). We evaluated various market demand drivers and found that the following three drivers best explained past growth trends in enplanements at MSY:

- New Orleans MSA population;
- U.S. real per capita GDP; and
- MSY average real passenger yield (an indicator of the price of air travel).

In particular, we performed multivariate time series regression analysis of historical data to quantify the relationships between market demand drivers and the growth in passenger traffic. Our modeling also controlled for the effects of structural changes and other factors. We used the regression model results to project growth in future enplanements, based on the projected trends in the identified key market demand drivers (**Figure III-15**).

FIGURE III-14
KEY DRIVERS OF ENPLANEMENT GROWTH

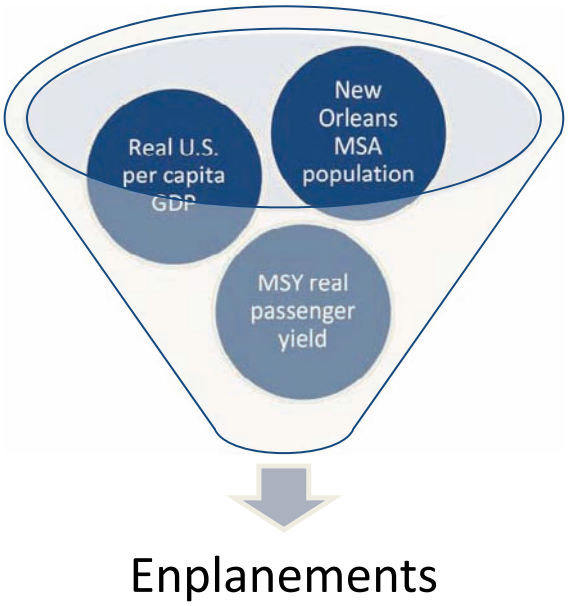
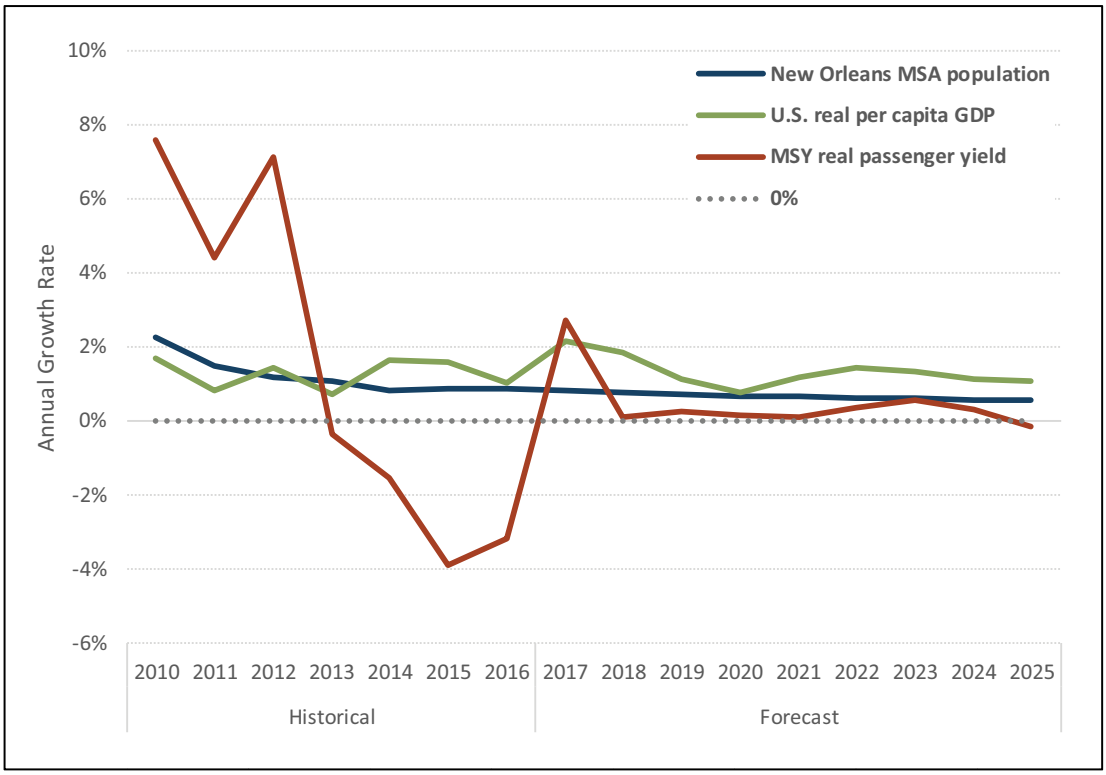


FIGURE III-15
HISTORICAL AND FORECAST TRENDS IN THE KEY EXPLANATORY VARIABLES



Sources: U.S. Bureau of Census, U.S. Bureau of Labor Statistics, Moody's Analytics, Database Products, Inc., and Federal Aviation Administration.

The key demand drivers for predicting enplanement growth at MSY are the following:

- New Orleans MSA population – The New Orleans MSA lost 25 percent of its population following Hurricanes Katrina and Rita. Residents have since been returning, and the reconstruction created new jobs that attracted new residents to New Orleans. In the early years of the recovery, the population of the New Orleans MSA grew at rates well above the U.S. average. But the trends in recent years indicate that the rate of population growth is slowing and becoming more aligned with the national rate. For the MSY base enplanement forecast, the New Orleans MSA population is projected to grow at an average annual rate of 0.7 percent over the 9-year forecast period.

- U.S. real per capita GDP, an indicator of overall economic growth and income growth trends – The U.S. economy is entering its eighth year of expansion following the Great Recession. The consensus outlook is for continued slow growth amid ever-present risk factors. For the MSY base enplanement forecast, the U.S. real per capita GDP—U.S. real GDP divided by the U.S. population—is projected to grow at an average annual rate of 1.3 percent over the 10-year forecast period, based on Moody's Analytics' forecasts for U.S. real GDP and U.S. population.

- MSY average real passenger yield, an indicator of the price of air travel – The average real passenger yield at MSY decreased in recent years as airlines lowered fares. For the MSY enplanement forecasts, we assume that the future trends in the average real passenger yield at MSY will follow industry trends projected in the latest Federal Aviation Administration (FAA) Aerospace Forecasts, increasing by 0.4 percent per year on average. The slight increase in real yields would be a drag on enplanement growth.

The regression results confirm that New Orleans' population trends and U.S. economic trends are strong predictors of growth in MSY enplanements.

The assumptions above regarding the future trends of key explanatory variables produce the base forecast enplanements. Recognizing uncertainty, we develop alternative forecast scenarios using a comprehensive, probabilistic approach to forecast risk analysis called Monte Carlo simulation.

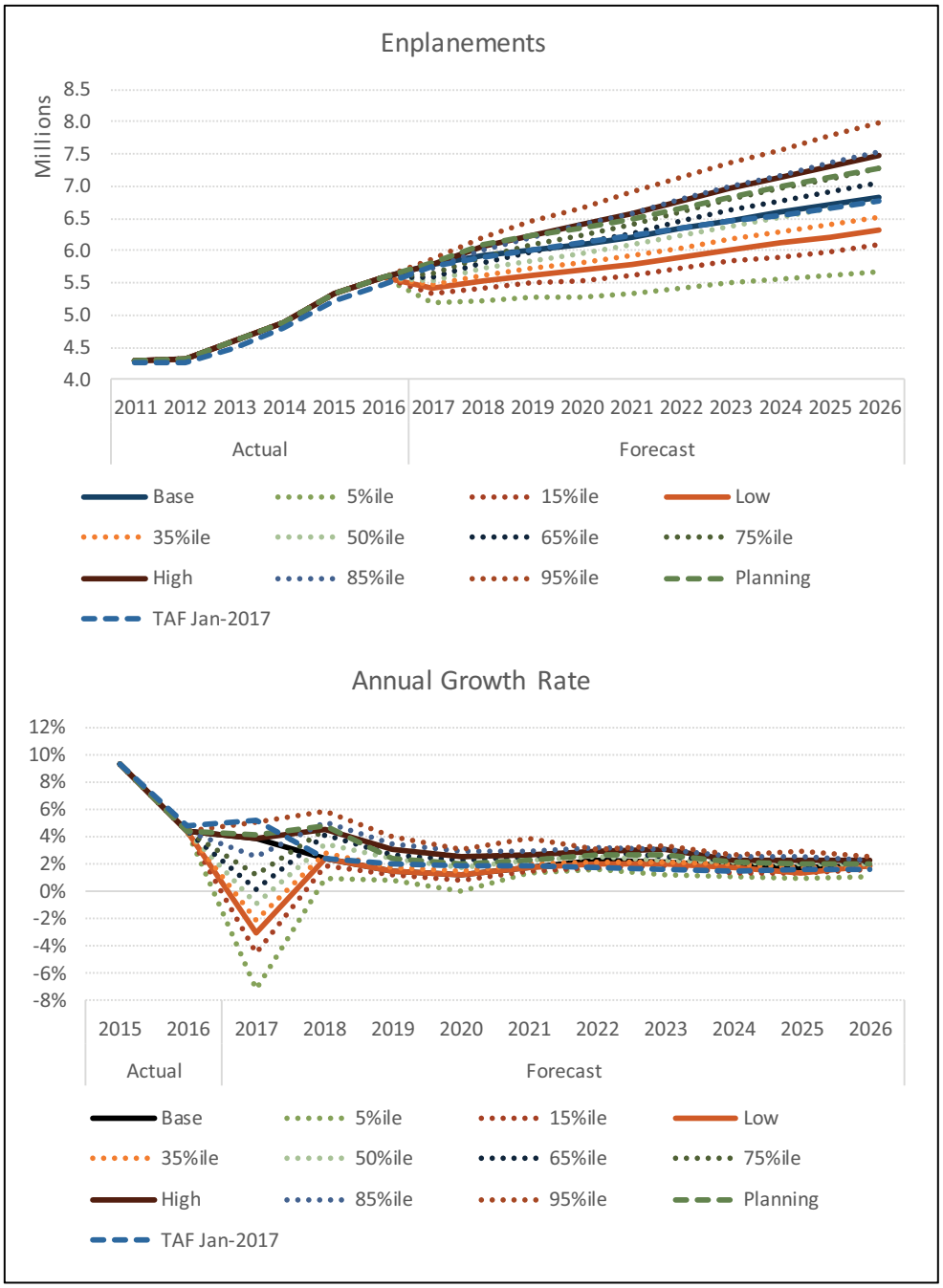
The traditional approach to risk analysis calls for making three sets of assumptions—somewhat arbitrarily—regarding the future trends of key explanatory variables to produce base, low, and high forecast scenarios. Monte Carlo simulation offers a more scientific approach, using probability distributions and random sampling techniques to generate ranges of future values for key explanatory variables, produce a range of forecasts, and estimate forecast probabilities.

From the range of forecast enplanements resulting from Monte Carlo simulation, we establish the low and high forecast scenarios. The low forecast scenario uses the 25-percentile forecast enplanements. The high forecast scenario takes the base forecast enplanements for 2016-2017 and grows them according to the annual rates of growth predicted by the 75-percentile results from the Monte Carlo simulation.

We presented details of the base, low and high forecast scenarios to airline representatives to obtain their input. Certain key airlines believe the high forecast best represents their growth expectations for their airlines at MSY, while the others believe the base forecast is more appropriate for their airlines. The consultation with the airlines resulted in the planning forecast scenario that combines the high forecast for certain airlines and the base forecast for the other airlines. In addition, the planning forecast scenario considered information provided by the Airport staff on expected new international service.

Figure III-16 shows the forecast annual enplanements at MSY resulting from the base regression model assumptions shown in **Figure III-15**, along with select percentile results from the Monte Carlo simulation. The base forecast enplanements track the 85-percentile result in 2017, the 75-percentile results in 2018-2019, the 65-percentile result in 2020, and the 50-percentile (median) results in 2021-2025. **Figure III-16** also shows the planning forecast enplanements, along with the alternative forecast enplanements under the base, low and high scenarios. They also show the latest FAA Terminal Area Forecast for MSY.

FIGURE III-16
BASE REGRESSION AND MONTE CARLO SIMULATION FORECASTS



Sources: Unison Consulting, Inc., and Federal Aviation Administration for the TAF.

Table III-8 shows the base, low, and high growth forecasts, along with the planning forecast and the latest TAF for MSY. The low and the high growth scenarios are based on the 25-percentile and 75-percentile results, respectively.

Interpretation of Percentiles

A percentile indicates the value at or below which a given percentage of results fall. For example, if we arrange 100 forecast results for one year from lowest to highest, 25 results (25 percent) will be at or below the 25-percentile, 75 results (75 percent) will be at or below the 75-percentile, and 50 results (50 percent) will be at or below the 50-percentile (also known as the median). A percentile gives the probability that actual outcome will be as forecast or lower.

The following examples illustrate how the percentile results can be used to indicate forecast probability:

- The 75-percentile results have a 25 percent probability that actual enplanements will exceed the forecast and a 75 percent probability that actual enplanements will be at or below the forecast.
- The 25-percentile results have a 75 percent probability that actual enplanements will exceed the forecast and a 25 percent probability that actual enplanements will be at or below the forecast.

The range of forecasts bounded by the 25-percentile and the 75-percentile is called the interquartile range—the middle 50 percent of results fall within this range. The range bounded by the 5-percentile and the 95-percentile contains the middle 90 percent of results.

TABLE III-8
SELECT FORECASTS OF MSY ENPLANEMENTS

		Enplanements (Thousand)				
	Year	Base	Low	High	Planning	TAF 2017
Actual	2014	4,892	4,892	4,892	4,892	4,786
	2015	5,345	5,345	5,345	5,345	5,230
	2016	5,580	5,580	5,580	5,580	5,480
Forecast	2017	5,792	5,409	5,792	5,809	5,763
	2018	5,934	5,536	6,055	6,088	5,899
	2019	6,023	5,621	6,242	6,231	6,016
	2020	6,098	5,691	6,402	6,354	6,131
	2021	6,204	5,790	6,573	6,497	6,242
	2022	6,342	5,905	6,769	6,667	6,349
	2023	6,473	6,020	6,978	6,841	6,454
	2024	6,595	6,124	7,140	6,985	6,551
	2025	6,711	6,209	7,305	7,128	6,652
	2026	6,834	6,321	7,471	7,271	6,761
		Annual Growth Rate				
Actual	2015	9.2%	9.2%	9.2%	9.2%	9.3%
	2016	4.4%	4.4%	4.4%	4.4%	4.8%
Forecast	2017	3.8%	-3.1%	3.8%	4.1%	5.2%
	2018	2.4%	2.3%	4.5%	4.8%	2.4%
	2019	1.5%	1.5%	3.1%	2.3%	2.0%
	2020	1.2%	1.2%	2.6%	2.0%	1.9%
	2021	1.7%	1.7%	2.7%	2.2%	1.8%
	2022	2.2%	2.0%	3.0%	2.6%	1.7%
	2023	2.1%	2.0%	3.1%	2.6%	1.7%
	2024	1.9%	1.7%	2.3%	2.1%	1.5%
	2025	1.8%	1.4%	2.3%	2.1%	1.5%
	2026	1.8%	1.8%	2.3%	2.0%	1.6%
		Compound Annual Growth Rate				
	2016-2026	2.0%	1.3%	3.0%	2.7%	2.1%

Sources: Unison Consulting, Inc., and Federal Aviation Administration for the TAF.

Table III-9 shows a summary of forecast enplanements, aircraft arrivals (or departures) and landed weight under the base growth scenario. Forecasts under the base scenario serve as the base input to the financial analysis in Section IV. Annual enplanements at MSY are projected to increase from 5.58 million in 2016 to 6.83 million in 2026. The annual growth rate is projected to slow to an average annual rate of 2 percent over the 10-year forecast period. Annual aircraft arrivals are projected to increase from approximately 55,800 in 2016 to 64,900 in 2026 at an average annual rate of 1.5 percent. Relative to enplanements, flights increase more slowly due to increases in aircraft gauge and load factors. Annual aircraft landed weight is projected to increase from 6.7 billion

pounds in 2016 to 7.9 billion pounds in 2026 at an average annual rate of 1.7 percent. Relative to flights, aircraft landed weight increase faster due to upgauging.

Table III-10 shows a summary of forecast enplanements, aircraft arrivals (or departures) and landed weight under the low growth scenario. Forecasts under this scenario serve as the basis for sensitivity analysis in the financial analysis in Section IV. Annual enplanements at MSY are projected to increase from 5.58 million in 2016 to 6.32 million in 2026 at an average annual rate of 1.3 percent. Annual aircraft arrivals are projected to increase from approximately 55,800 in 2016 to 60,100 in 2026 at an average annual rate of 0.7 percent. Annual aircraft landed weight is projected to increase from 6.7 billion pounds in 2016 to 7.4 billion pounds in 2026 at an average annual rate of 0.9 percent.

TABLE III-9
BASE FORECAST OF COMMERICAL AVIATION ACTIVITY AT MSY

	Actual			Forecast										CAGR
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2016-2026**
Enplanements (Thousand)														
Mainline	4,305	4,757	5,006	5,164	5,290	5,370	5,436	5,531	5,654	5,771	5,880	5,983	6,092	2.0%
Of which:														
Southwest	1,910	2,064	2,081	2,133	2,185	2,218	2,245	2,285	2,335	2,384	2,429	2,471	2,516	1.9%
All Others	2,395	2,693	2,925	3,031	3,105	3,152	3,191	3,247	3,319	3,387	3,451	3,512	3,576	2.0%
Regional	574	587	583	559	572	581	588	598	612	624	636	647	659	1.2%
Charters	13	18	27	70	71	72	73	75	76	78	79	81	82	11.8%
Total	**4,892**	**5,345**	**5,580**	**5,792**	**5,934**	**6,023**	**6,098**	**6,204**	**6,342**	**6,473**	**6,595**	**6,711**	**6,834**	**2.0%**
Annual Growth Rate		9.2%	4.4%	3.8%	2.4%	1.5%	1.2%	1.7%	2.2%	2.1%	1.9%	1.8%	1.8%	
Aircraft Arrivals or Departures (Thousand)														
Mainline	38.4	41.0	43.2	44.3	45.0	45.4	45.6	46.2	47.1	47.9	48.7	49.4	50.3	1.5%
Of which:														
Southwest	18.5	19.0	18.8	19.3	19.7	20.0	20.2	20.5	20.9	21.4	21.7	22.1	22.5	1.8%
All Others	20.3	22.0	24.4	25.0	25.3	25.4	25.4	25.7	26.2	26.6	26.9	27.3	27.7	1.3%
Regional	10.6	9.8	9.6	9.2	9.4	9.6	9.7	9.8	10.0	10.2	10.4	10.6	10.8	1.2%
Charters	0.3	0.6	1.7	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.8	5.0%
Subtotal-Passenger carriers	**49.3**	**51.5**	**54.5**	**55.9**	**56.9**	**57.4**	**57.7**	**58.6**	**59.7**	**60.8**	**61.8**	**62.7**	**63.8**	**1.6%**
Cargo	0.9	1.1	1.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-1.9%
Total	**50.2**	**52.5**	**55.8**	**56.9**	**57.9**	**58.4**	**58.8**	**59.6**	**60.7**	**61.8**	**62.8**	**63.7**	**64.9**	**1.5%**
Annual Growth Rate		4.6%	6.1%	2.1%	1.8%	0.8%	0.6%	1.4%	1.9%	1.8%	1.6%	1.5%	1.8%	
Landed Weight (Million Pounds)														
Mainline	5,153	5,488	5,764	5,893	6,018	6,090	6,149	6,237	6,358	6,472	6,577	6,677	6,796	**1.7%**
Of which:														
Southwest	2,274	2,386	2,376	2,439	2,493	2,526	2,553	2,594	2,649	2,701	2,749	2,795	2,846	1.8%
All Others	2,878	3,102	3,388	3,454	3,525	3,563	3,596	3,643	3,709	3,771	3,828	3,881	3,950	1.5%
Regional	672	662	642	660	677	688	697	709	725	740	754	767	781	2.0%
Charters	1	n.a.	46	94	96	98	99	101	103	105	107	109	111	n.a.
Subtotal-Passenger carriers	**5,826**	**6,150**	**6,452**	**6,647**	**6,791**	**6,875**	**6,945**	**7,047**	**7,186**	**7,317**	**7,438**	**7,552**	**7,688**	**1.8%**
Cargo	299	310	301	295	295	295	295	295	295	295	295	295	295	-0.2%
Total	**6,125**	**6,460**	**6,753**	**6,943**	**7,087**	**7,170**	**7,240**	**7,342**	**7,481**	**7,612**	**7,733**	**7,848**	**7,983**	**1.7%**
Annual Growth Rate		5.5%	4.5%	2.8%	2.1%	1.2%	1.0%	1.4%	1.9%	1.8%	1.6%	1.5%	1.7%	

Sources: Airport records for actual data and Unison Consulting, Inc., for forecasts.

TABLE III-10
LOW FORECAST OF COMMERICAL AVIATION ACTIVITY AT MSY

	Actual			Forecast										CAGR
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2026
Enplanements (Thousand)														
Mainline	4,305	4,757	5,006	4,823	4,936	5,011	5,074	5,162	5,264	5,367	5,460	5,535	5,636	1.2%
Of which:														
Southwest	1,910	2,064	2,081	1,992	2,039	2,070	2,096	2,132	2,174	2,217	2,255	2,286	2,328	1.1%
All Others	2,395	2,693	2,925	2,831	2,897	2,941	2,978	3,030	3,090	3,150	3,205	3,249	3,308	1.2%
Regional	574	587	583	522	534	542	549	558	569	581	591	599	610	0.4%
Charters	13	18	27	65	67	68	68	70	71	72	74	75	76	10.9%
Total	**4,892**	**5,345**	**5,580**	**5,409**	**5,536**	**5,621**	**5,691**	**5,790**	**5,905**	**6,020**	**6,124**	**6,209**	**6,321**	**1.3%**
Annual Growth Rate	6.4%	9.2%	4.4%	-3.1%	2.3%	1.5%	1.2%	1.7%	2.0%	2.0%	1.7%	1.4%	1.8%	
Aircraft Arrivals or Departures (Thousand)														
Mainline	38.4	41.0	43.2	41.4	42.0	42.3	42.6	43.2	43.9	44.6	45.2	45.7	46.5	0.7%
Of which:														
Southwest	18.5	19.0	18.8	18.0	18.4	18.6	18.8	19.1	19.5	19.9	20.2	20.4	20.8	1.0%
All Others	20.3	22.0	24.4	23.3	23.6	23.7	23.7	24.0	24.4	24.7	25.0	25.2	25.7	0.5%
Regional	10.6	9.8	9.6	8.6	8.8	8.9	9.0	9.2	9.3	9.5	9.7	9.8	10.0	0.4%
Charters	0.3	0.6	1.7	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.5	4.2%
Subtotal-Passenger carriers	**49.3**	**51.5**	**54.5**	**52.2**	**53.1**	**53.5**	**53.9**	**54.7**	**55.6**	**56.5**	**57.3**	**58.0**	**59.0**	**0.8%**
Cargo	0.9	1.1	1.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-1.9%
Total	**50.2**	**52.5**	**55.8**	**53.2**	**54.1**	**54.6**	**54.9**	**55.7**	**56.6**	**57.6**	**58.4**	**59.0**	**60.1**	**0.7%**
Annual Growth Rate		4.6%	6.1%	-4.6%	1.7%	0.9%	0.6%	1.4%	1.7%	1.7%	1.4%	1.1%	1.8%	
Landed Weight (Million Pounds)														
Mainline	5,153	5,488	5,764	5,503	5,615	5,683	5,739	5,821	5,919	6,019	6,107	6,176	6,286	**0.9%**
Of which:														
Southwest	2,274	2,386	2,376	2,278	2,326	2,358	2,383	2,421	2,466	2,512	2,553	2,586	2,633	1.0%
All Others	2,878	3,102	3,388	3,225	3,289	3,326	3,356	3,400	3,453	3,507	3,555	3,591	3,653	0.8%
Regional	672	662	642	617	632	642	650	662	675	688	700	710	722	1.2%
Charters	1	n.a.	46	88	90	91	92	94	96	98	99	101	103	n.a.
Subtotal-Passenger carriers	**5,826**	**6,150**	**6,452**	**6,208**	**6,336**	**6,416**	**6,481**	**6,576**	**6,690**	**6,805**	**6,907**	**6,987**	**7,111**	**1.0%**
Cargo	299	310	301	295	295	295	295	295	295	295	295	295	295	-0.2%
Total	**6,125**	**6,460**	**6,753**	**6,503**	**6,632**	**6,712**	**6,777**	**6,872**	**6,985**	**7,100**	**7,202**	**7,282**	**7,407**	**0.9%**
Annual Growth Rate	1.5%	5.5%	4.5%	-3.7%	2.0%	1.2%	1.0%	1.4%	1.7%	1.6%	1.4%	1.1%	1.7%	

Sources: Airport records for actual data and Unison Consulting, Inc., for forecasts.

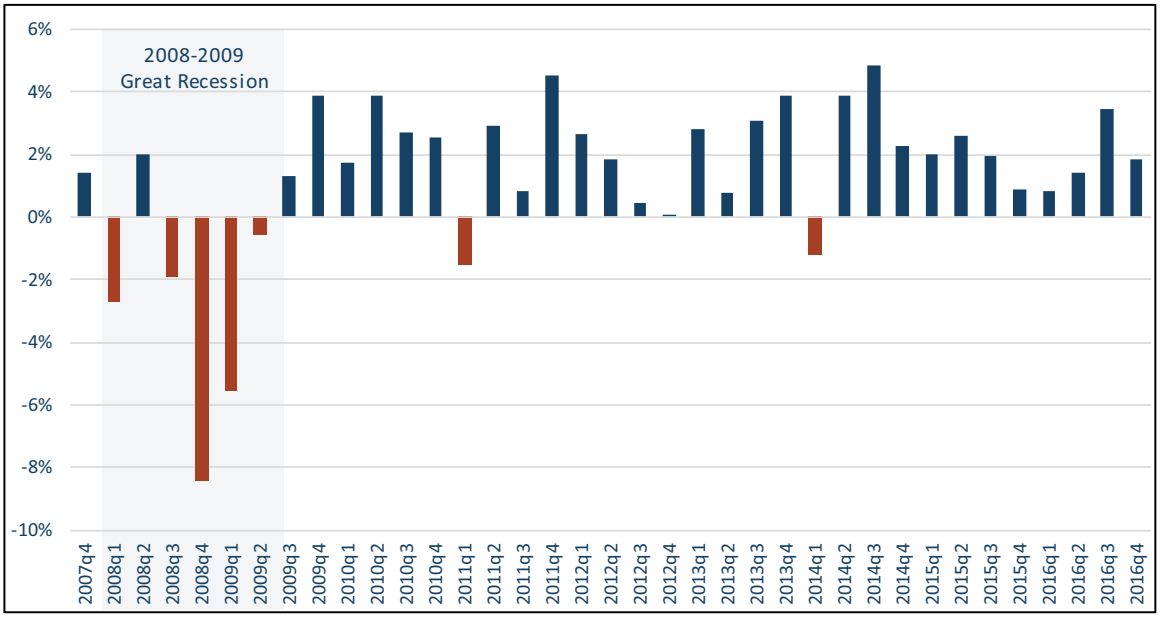
C. FORECAST UNCERTAINTY AND RISK FACTORS

The forecasts of commercial aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. Broader factors that affect the aviation industry and the Airport bring risk and uncertainty into the forecasts. Several of these factors are discussed below.

1. National Economic Conditions

National economic conditions affect airport traffic trends. The national economy is a major driver of the New Orleans MSA's economy as a whole, and it is an important determinant of air travel demand at MSY. Airport activity is closely tied to regional and national trends in the economy. Economic expansions increase income, boost consumer confidence, stimulate business activity, and increase demand. In contrast, economic recessions reduce income, diminish consumer confidence, dampen business activity, and weaken demand. Generally, national and regional air traffic decline during economic recessions and grow during economic recoveries and expansions. **Figure III-17** shows changes in U.S. economic output, measured by the U.S. real GDP, from the fourth quarter of 2007 through the end of 2016. While this economic expansion is the fourth longest in U.S. history, it is one of the slowest recoveries with the annual growth rate of real GDP averaging just over 2 percent since 2009.

FIGURE III-17
U.S. REAL GROSS DOMESTIC PRODUCT: ANNUALIZED PERCENT CHANGE PERIOD-TO-PERIOD



Source: U.S. Bureau of Economic Analysis.

The U.S. economy peaked in December 2007 and was in recession through June 2009. The Great Recession was the deepest and the longest U.S. recession since the Great Depression. Its effects and the subsequent recovery period were described in Section II.

Entering its eighth year of expansion after the Great Recession, and driven by growth in consumer spending and business investment, U.S. economic growth is estimated to continue in 2017. Independent forecasts of economic growth for 2017 range from 2 percent to 3.1 percent, averaging around 2.4 percent across various estimates (see **Table III-11**).

TABLE III-11
U.S. ECONOMIC GROWTH FORECASTS: PERCENT CHANGE IN U.S. REAL GDP

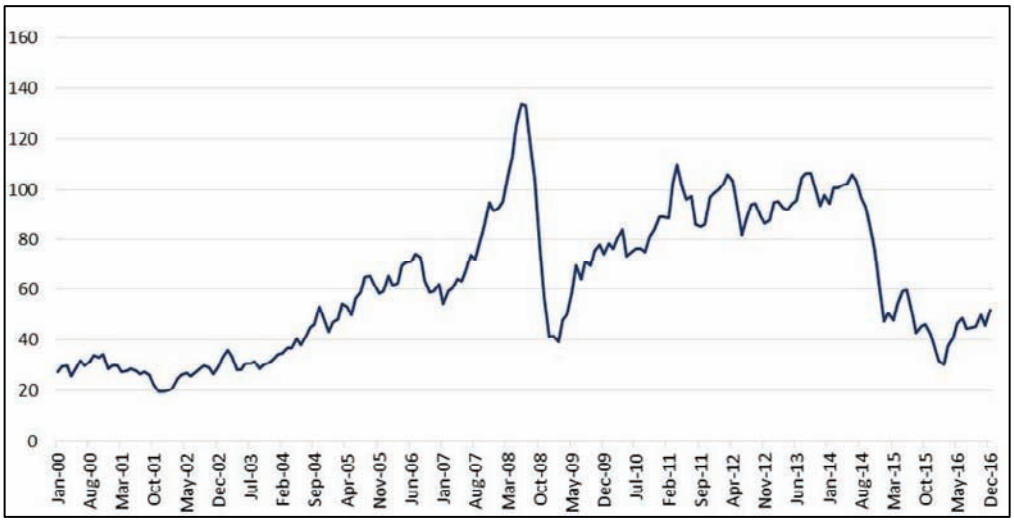
	Estimate		Forecast				
Source	**2015**	**2016F**	**2017F**	**2018F**	**2019F**	**2020F**	**2021F**
Moody's Analytics, December 8, 2016	2.6	1.6	2.8	3.0	2.2	1.4	1.6
Congressional Budget Office, August 2016	2.4	1.9	2.4	2.2	1.7	1.6	1.9
Office of Management and Budget, February 2016	2.4	2.6	2.6	2.4	2.3	2.3	2.3
Economist Intelligence Unit, June 2016	2.4	2.0	2.3	2.3	1.0	2.1	
International Monetary Fund, September 2016	2.6	1.6	2.2	2.1	1.9	1.7	1.6
World Bank, June 2016	2.4	1.9	2.2	2.1			
IHS Global Insight, published in FAA AEROSPACE FORECAST: FYs 2016-2036 (FFY basis)	2.6	2.5	3.1	2.7	2.6	2.6	2.2
Philadelphia Federal Reserve Bank Survey of 44 Economists, released November 14, 2016		1.5	2.2	2.1	2.1		
Federal Reserve Board,[1] December 2016	2.6	1.9	2.1	2.0	1.9		
Bank of Canada, October 2016	1.1	1.1	2.0	2.1			
Conference Board, December 4, 2016	2.6	1.6	2.3				
Wall Street Journal Survey of Economists, December 2016	2.4	1.9	2.4	2.4	2.2		
OECD, November 2016		1.5	2.3	3.0			
Wells Fargo, December 8, 2016	2.6	1.5	2.2	2.2			
Average	**2.4**	**1.8**	**2.4**	**2.4**	**2.0**	**2.0**	**1.9**

[1] Average of central tendency range.

The probability of a recession in the next 12 months remains low—17 percent, according to the December 2016 Wall Street Journal economic forecasting survey. However, risks to the U.S. economy from within the country and from abroad remain. Within the United States, future trade policies of the new presidential administration have increased uncertainty. Other risks include the high level of U.S. government and private debt, tightening monetary policy, the dollar appreciation, and the adverse effects of declining oil prices on the U.S. energy and manufacturing sectors. However, the new administration's proposed tax cuts and stimulus funds for infrastructure improvements, particularly for airports, may be a great boon to the economy. Since the election, consumer confidence has risen to its highest point in 15 years, signaling high economic expectations under a Trump presidency. Uncertainties from abroad that may impact the U.S. economy include the potential effects of the United Kingdom's withdrawal from the European Union, China's continuing economic slowdown, ongoing political conflicts in the Middle East, the threat of terrorism, and the enduring global oil glut.

World oil prices have been declining since mid-2014. From a June 2014 peak near $106 per barrel, West Texas Intermediate (WTI) spot oil prices fell to their lowest level of around $30 per barrel in February 2016, before climbing to just under $47 in October 2016 (**Figure III-18**). Oil prices recovered to $53.50 as of February 2017, and the U.S. Energy Information Administration projected oil prices will average $54 per barrel in 2017 and $56 per barrel in 2018. The U.S. Energy Information Administration does not anticipate oil prices to rise in 2017; however, upward price pressures are expected to emerge in 2018 as inventories are decreased to more closely align with demand. Ultimately, there is considerable ambiguity surrounding oil prices for the next few years. Geopolitical events and production cuts—particularly OPEC's adherence or nonadherence to recent production cut agreements—can push oil prices in either direction.

FIGURE III-18
MONTHLY CRUDE OIL PRICES: WEST TEXAS INTERMEDIATE – CUSHING, OKLAHOMA
Dollars per Barrel



Source: U.S. Energy Information Administration.

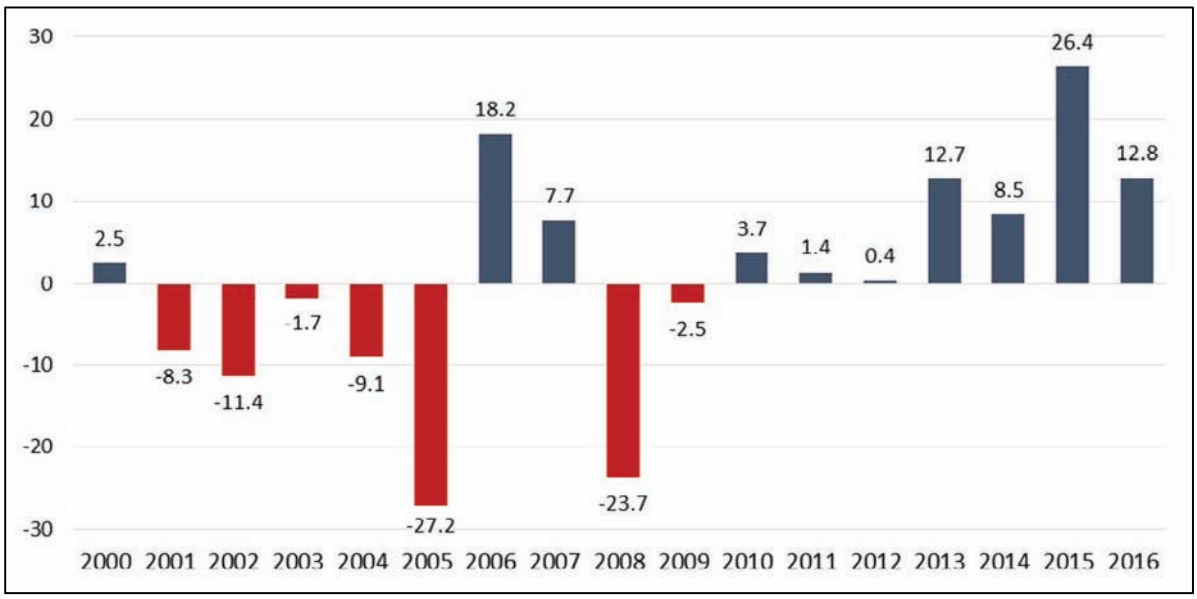
2. Financial Health of the U.S. Airline Industry

From 2000 to 2016, the U.S. airline industry incurred losses in seven years, totaling $83.9 billion, and made profits in the other ten years, totaling $94.3 billion (**Figure III-19**). The period between 2010 and 2016 has been one of the industry's most profitable periods, with an average of $9.4 billion in profits each year and no losses.

All the losses were incurred prior to 2010, when the demand for air travel declined following the September 2001 terrorist attacks, during the Great Recession, and when fuel prices increased to record levels. Mounting financial difficulties forced airlines into bankruptcy and liquidation. Surviving airlines merged, cut costs, retired fuel-inefficient aircraft, scaled back networks, changed pricing of airline services, and took many other measures to improve financial results.

The industry began to see net profits in 2010 and has since remained profitable. Lower fuel prices and restraining capacity growth, amid traffic recovery after the Great Recession, allowed airlines to raise airfares.

FIGURE III-19
U.S. PASSENGER AND CARGO AIRLINES' ANNUAL NET PROFIT
In Billion U.S. Dollars



Source: U.S. Bureau of Transportation Statistics.

3. Performance of Major Airlines Serving the Airport[3]

The market performance of major airlines operating at MSY can affect future Airport traffic. The four largest airlines at MSY together accounted for approximately 87 percent of enplanements in 2016. The four airlines and their enplanement shares are as follows: Southwest (37.3 percent), Delta (18.8 percent), United (14.1 percent) and American (16.3 percent). Airport statistics reported for 2016 reveal that, with the exception of United, enplanements for the largest carriers increased between 2015 and 2016. However, all four carriers still lost market share at the Airport in 2016, primarily to smaller carriers (Allegiant, Frontier, JetBlue, and Spirit) that are establishing a growing presence at MSY.

Southwest Airlines

Southwest is the second largest scheduled domestic market U.S. carrier, based on its share of U.S. system revenue passenger miles (18.4 percent in 2016). In 2015, Southwest reported its 43rd consecutive annual profit of $2.18 billion, nearly doubling its $1.14 billion profit in 2014 and maintaining its record as the only major U.S. airline that remained profitable through all the downturns in the airline industry. The carrier earned a

[3] The discussion is based on information and reports contained in the airlines' websites and operating data from the Bureau of Transportation Statistics.

net income of $2.26 billion through the year ending in September 2016, and it served 101 domestic markets with 1,286,000 flights through the end of the year. Southwest's top markets include Chicago, Las Vegas, Denver, Baltimore and Phoenix.

Southwest acquired AirTran Airways, Inc., in May 2011 and completed the process of integrating AirTran's operations by the end of 2014. In 2013, Southwest broke ground on its five-gate, international facility at Houston's William P. Hobby Airport—this international facility was completed in late 2015 to serve destinations in the Caribbean, Mexico, Central America, and the northern cities of South America.

Since the Great Recession, Southwest has been re-allocating capacity among airports, moving flights from less profitable to more profitable markets, and reducing flight frequencies at certain airports to increase load factors. With the removal of Wright Amendment restrictions on nonstop service at Dallas Love Field in October 2014, Southwest has been expanding service at Dallas Love Field. Enplanements reported at MSY through the end of December 2016 indicate that Southwest's year-over-year enplanements at the Airport increased, even though the carrier's market share at MSY decreased by 1.3 percent. In 2016, Southwest increased its scheduled seat capacity at MSY only by half of a percent over 2015 levels, while accounting for nearly 39 percent of all scheduled seats at MSY for 2016.

Delta Air Lines

Delta is the third largest scheduled domestic market U.S. carrier, accounting for 16.9 percent of U.S. system revenue passenger miles in 2016. Delta closed its merger with Northwest Airlines in October 2008, and fully integrated operations by the end of 2010. Delta's top markets include Atlanta, Minneapolis, Detroit, New York, and Salt Lake City. Delta operated 921,000 flights to 159 domestic markets in 2016.

Delta reported a 2015 net income of $4.53 billion, well above its 2014 net income of $659 million. Through the year ending September 2016, Delta earned a net income of $4.76 billion, which is a 67.3 percent increase over the same period in the previous year.

Delta's share of total enplanements at MSY decreased in 2016 by around 0.7%, compared to its share in 2015. The carrier's enplanements, however, increased by 0.4% between 2015 and 2016. Delta's 2016 flight schedules at MSY showed a year-over-year increase in seats of more than 2 percent and accounted for approximately 18 percent of total scheduled seats at the Airport for that year.

United Airlines

United is the fourth largest scheduled domestic market U.S. passenger carrier, as measured by its share of U.S. system revenue passenger miles (14.5 percent in 2016). United merged with Continental Airlines on October 1, 2010, and began operating as a single airline in November 2011. United's top markets include Chicago, Houston, Denver, San Francisco and Newark. The airline served 153 markets and operated 542,000 flights in 2016.

United's 2015 net profit was $7.34 billion, nearly seven times the 2014 net profit of $1.13 billion. Through the year ending September 2016, however, the airline earned a net profit of $2.69 billion, around 58 percent lower than the same period in the previous year.

Over the past few years, United has aggressively cut capacity to improve financial results. Airport statistics published for December 2016 reveal that United's enplanement market share at MSY slipped by around 1 percent. Unlike other major carriers serving MSY, United's enplanements reported for 2016 were lower than the levels reported for the previous year. These observed trends are consistent with the carrier's strategy to reduce costs by restricting capacity. Per published airline schedules, United's seats at MSY for 2016 decreased more than 3 percent, year-over-year, while accounting for over 13 percent of total scheduled seats at MSY for the period.

American Airlines

American is the largest scheduled domestic market U.S. passenger carrier, based on its 19.1 percent share of U.S. system revenue passenger miles in 2016. The airline's top domestic markets are Dallas, Charlotte, Chicago, Phoenix, and Miami. The airline served 106 domestic markets with 906,000 flights in 2016.

AMR Corporation, the parent company of American Airlines, filed for Chapter 11 reorganization on November 29, 2011, and announced a merger agreement with US Airways in February 2013. On December 9, 2013, American Airlines emerged from bankruptcy and merged with U.S. Airways. As a result of the merger, US Airways Group became a subsidiary of AMR Corporation, which changed its name to American Airlines Group Inc. (AAG). US Airways ceased operations in late 2015 and the combined carrier now operates as American Airlines.

The 2015 net profit of the airline was $7.61 billion, over 2.5 times higher than its 2014 net profit of $2.88 billion. Through the year ending September 2016, the airline has earned a net profit of $6.19 billion, more than 75 percent higher than what the carrier earned over the same period in the previous year.

Similar to other major carriers at MSY, American also lost market share at the Airport in 2016. The carrier's passenger enplanements, however, increased by 2.3% between 2015 and 2016. The airline accounted for about 16 percent of total scheduled seats at MSY for 2016.

4. Airline Economics, Competition, and Airfares

Airfares have an important effect on passenger demand, particularly for relatively short trips where the automobile or other travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. Airfares are influenced by airline operating costs, debt burden, passenger demand, capacity and yield management, market presence, and competition. Recent data have shown that the sustained decline of real airfares in the U.S. has not been offset by increases in ancillary passenger fees, including baggage fees.

The traffic forecasts for MSY assume that, over the long term, annual increases in airfares at MSY will not exceed annual inflation. If they do, the increases in airfares would dampen forecast traffic growth.

5. Airline Mergers

To respond to competitive, cost and regulatory pressures, the airline industry has been consolidating. The most recent examples of large mergers include Delta and Northwest in 2008, United and Continental in 2010, Southwest and AirTran in 2011, American and US Airways in 2013, and Alaska and Virgin America in 2016.

Airline mergers affect service and traffic at airports, when they consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on affected airports is often immediate. The impact can be significant or trivial, depending upon whether the merging airlines have a large market share at the airport and whether they carry significant connecting traffic through the airport.

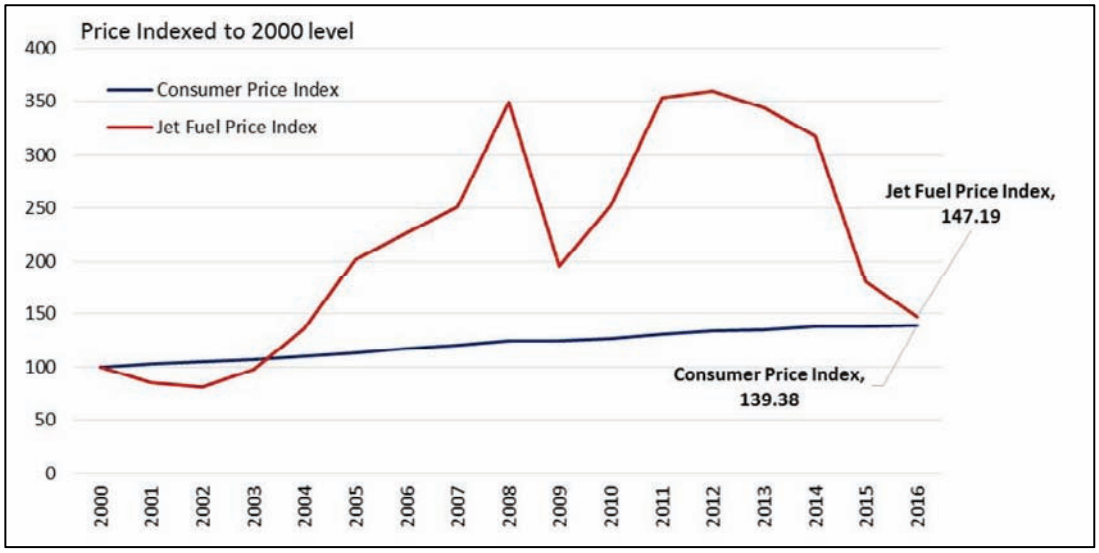
The previous mergers had mostly positive effects on MSY. In particular, Southwest's integration of AirTran at MSY has been positive—Southwest has steadily increased scheduled seats at MSY. The Alaska-Virgin America merger is unlikely to have a significant effect, because Alaska has relatively little service at MSY and Virgin America does not serve MSY.

6. Price of Jet Fuel

Jet fuel prices affect the financial health of the airline industry. Data from the Bureau of Transportation Statistics show that expenditures on fuel historically accounted for up to one-third of U.S. passenger airline operating costs. However, with fuel prices at their lowest level since 2008, fuel costs as a portion of operating expenses fell to 18 percent in 2015.

From 2000 to 2016, the nominal price of jet fuel increased by nearly 47 percent, while the U.S. Consumer Price Index (CPI)—which measures general price levels of consumer goods and services—increased 39 percent (**Figure III-20**). Real fuel prices, which account for the rise in general price levels, increased by around 6 percent over this period. However, as **Figure III-20** shows, airlines faced unsteady fuel prices over the past decade. Highly volatile fuel prices increase uncertainty for carriers as they make important fuel purchasing and investment decisions to bolster their profits. While it is too early to determine how long oil prices will stay low, the current decline will benefit U.S. airline financially in the short run, at least through part of 2017. The U.S. Energy Information Administration does not anticipate oil prices to rise in 2017.

FIGURE III-20
U.S. JET FUEL PRICE AND CONSUMER PRICE INDEXES
2000-2016



Sources: U.S. Energy Information Administration and U.S. Bureau of Labor Statistics.

7. Aviation Security, Health and Safety Concerns

Concerns about security, health, and safety influence consumer travel behavior. Even with tightened security measures implemented by the Department of Homeland Security, terrorism remains a serious threat to the aviation industry. Additionally, the stringent airport security screening and long waits at security screening lines discourage air travel particularly to destinations that can be reached by ground transportation within a reasonable amount of time. Health and safety concerns can also cause temporary dips in traffic in affected routes.

8. Structural Changes in Travel Demand

Consumers alter their travel patterns in response to changes at airports, such as in airline business practices, and technology. For example, the stringent airport security screening and long wait times at airports after the 2001 terrorist attacks decreased the demand for air travel for short-haul trips. Intense fare competition and the ease of comparison shopping allowed by the internet have made consumers more price-sensitive. Moreover, the widespread use of tele- and videoconferencing has decreased the need for business travel.

Section IV
FINANCIAL ANALYSIS

This section presents a review of the framework for the financial operation of the Airport, including key provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009, (the General Indenture), providing for the issuance of general airport revenue bonds (GARBs). This section also (i) reviews the recent historical financial performance of the Airport and examines the ability of the Airport to generate sufficient Net Revenues to meet the obligations of the Indenture in each year of the forecast period, and (ii) discusses the information and assumptions underlying the financial forecasts, which include Airport Revenues, Operation and Maintenance (O&M) Expenses, debt service requirements, and debt service coverage. The financial projections presented in this section are based on the base case air traffic forecast developed in Section III.

A. FINANCIAL FRAMEWORK

1. The Indenture and Application of Revenues

The Series 2017A/B Bonds and Series 2017D Bonds are being issued pursuant to the General Indenture as supplemented and amended by a First Supplemental Trust Indenture (the First Supplemental Indenture), a Second Supplemental Trust Indenture dated as of March 1, 2015, (the Second Supplemental Indenture), and a Third Supplemental Trust Indenture dated as of May 1, 2017 (the Third Supplemental Indenture). The General Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, and the Third Supplemental Indenture are collectively referred to in this Report as the "Indenture." The Series 2017A/B Bonds and Series 2017D Bonds are being issued on parity with the Series 2009 Bonds and the Series 2015 Bonds.

Under Section 604 of the General Indenture, the Board covenants to impose, charge and collect reasonable rates, fees, rentals or other charges for services, facilities and commodities of the Airport System (collectively, Rates and Charges) sufficient so that:

a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

Figure IV-1 illustrates the application of and priority in the uses of amounts in the Airport Operating Fund. On the second Business Day preceding the First Wednesday

of each calendar month, the Aviation Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied in the following order to pay or deposit:

1. Arbitrage Rebate Fund: all sums due to be deposited into the Arbitrage Rebate Fund to pay arbitrage rebate amounts required with respect to tax-exempt bonds.

2. Operating and Maintenance Fund: all Operation and Maintenance Expenses (O&M Expenses).

3. Debt Service Fund: an amount required to make the balance therein equal to the Debt Service Fund Requirement as of the first day of the next ensuing month.

4. Debt Service Reserve Fund: an amount required to make the balance therein to equal the Funded Debt Service Reserve Fund Requirement.

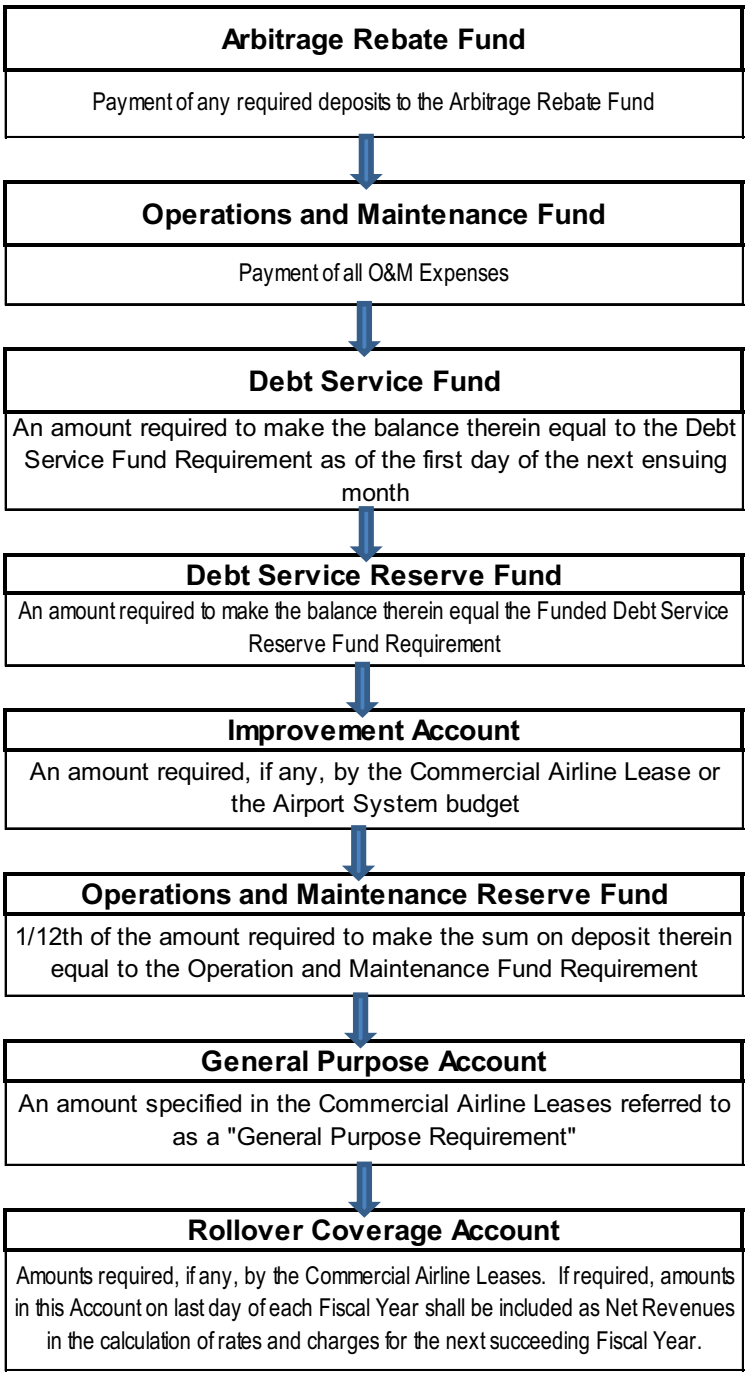
5. Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases (not presently required).

6. Operation and Maintenance Reserve Fund: one-twelfth of the amount required to make the sum on deposit therein equal the Operation and Maintenance Fund Requirement.

7. General Purposes Account: an amount specified in the Commercial Airline Leases referred to as a “General Purpose Requirement.” The sums credited to this Account may be applied by the Board to any lawful use or purpose of the Board, including without limitation, O&M Expenses, the purchase or payment of Bonds, and the payment of the cost of any Capital Improvement.

8. Rollover Coverage Account: amounts required, if any, by the Commercial Airline Leases. To the extent required, the amounts in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of rates and charges for the next succeeding Fiscal Year as required by Section 604 the Indenture.

FIGURE IV-1
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
APPLICATION OF AND PRIORITY OF USES OF AMOUNTS IN THE AIRPORT OPERATING FUND, PURSUANT TO GENERAL INDENTURE



2. Airport Accounting

The City of New Orleans operates the Airport as an Enterprise Fund in accordance with generally accepted accounting principles (GAAP) for governmental entities. The City prepares its financial statements based on the City's fiscal year, which corresponds with the calendar year (beginning on January 1 and ending on December 31)[1].

The City's financial statements are examined following the end of the fiscal year by independent certified public accountants. The purpose of this audit is to determine if the City's financial statements are in compliance with GAAP and the requirements of various state and federal agencies with which the City has agreements and receives grants-in-aid. The City's 2015 Comprehensive Annual Financial Report (CAFR) shows that as of December 31, 2015, the Airport had total assets of approximately $1.416 billion, liabilities of approximately $1.021 billion, and net assets of approximately $0.395 billion.

Table IV-1 summarizes the Airport's operating results for 2009 through 2015 presented in the financial statements, the Net Revenues presented in this Report, and a reconciliation between the two presentations. The Net Revenues presented in this Report are calculated pursuant to the definitions of Revenues, Operation and Maintenance Expenses (O&M Expenses), and Net Revenues included in the Indenture. The reconciling items between the annual Operating Loss reported in the financial statements and the Net Revenues presented in this Report consist of depreciation and impairment write-downs, interest income and various other non-operating revenues, and amounts in the Rollover Coverage Account on the last day of the previous calendar year.

3. Airline Revenues and Rates and Charges Methodology

The Airline-Airport Use and Lease Agreement between the Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement) establishes rentals, fees, and charges payable by all Signatory Airlines during the term of the Airline Agreement. The Airline Agreement calculates airline rates, fees, and charges that, together with other revenues, generate sufficient Net Revenues to maintain the rate covenant established under the Indenture under a residual rate-setting methodology. The term of the Airline Agreement was extended to a date that is the earlier of (i) the date that a new airline agreement is executed by the Board and at least two (2) Signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding 12-month period, (ii) the date that is five (5) years after the North Terminal Building is able to be occupied by the airlines, and (iii) December 31, 2023.

[1] Because the City's fiscal year coincides with the calendar year, all references to years in this section are stated simply as the year, without any designation of calendar year or fiscal year.

TABLE IV-1
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
HISTORICAL FINANCIAL RESULTS PER FINANCIAL STATEMENTS
RECONCILED TO NET REVENUES
Fiscal Years Ended December 31

	Actuals						
Category	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Audited Statement of Revenues and Expenses							
Operating Revenues	$ 64,372,906	$ 63,782,278	$ 61,307,339	$ 74,656,204	$ 73,485,000	$ 72,856,266	$ 73,573,058
Less: Operating Expenses	(75,002,794)	(76,438,016)	(75,625,214)	(79,884,722)	(86,460,778)	(82,816,753)	(81,265,770)
Operating Loss	**$(10,629,888)**	**$(12,655,738)**	**$(14,317,875)**	**$ (5,228,518)**	**$(12,975,778)**	**$ (9,960,487)**	**$ (7,692,712)**
Net Revenues per Bond Indenture							
Revenues	$ 68,046,699	$ 67,661,710	$ 62,624,039	$ 75,269,060	$ 74,083,005	$ 74,037,446	$ 75,601,962
Less: Operation & Maintenance Expenses	(49,661,257)	(50,134,740)	(43,178,634)	(47,149,723)	(47,595,000)	(39,970,128)	(40,784,393)
Rollover Coverage	5,600,000	3,719,573	3,720,173	3,719,960	3,720,332	3,719,082	3,721,446
Net Revenue per General Indenture	**$ 23,985,441**	**$ 21,246,543**	**$ 23,165,578**	**$ 31,839,298**	**$ 30,208,337**	**$ 37,786,400**	**$ 38,539,015**
Reconciliation							
Operating Loss per Financial Statements	$(10,629,888)	$(12,655,738)	$(14,317,875)	$ (5,228,518)	$(12,975,778)	$ (9,960,487)	$ (7,692,712)
Add: Depreciation and Impairment Write-Down[1]	28,766,602	29,599,254	32,446,580	32,734,999	38,866,112	42,846,625	40,481,377
Add: Interest Income and other non-operating revenues[2]	248,727	583,454	1,316,700	612,857	597,671	1,181,180	2,028,904
Add: Rollover Coverage	5,600,000	3,719,573	3,720,173	3,719,960	3,720,332	3,719,082	3,721,446
Net Revenues and Rollover Coverage	**$ 23,985,441**	**$ 21,246,543**	**$ 23,165,578**	**$ 31,839,298**	**$ 30,208,337**	**$ 37,786,400**	**$ 38,539,015**
Debt Service Fund Requirements	14,881,453	14,878,290	14,880,690	14,876,328	14,879,840	14,876,328	14,879,950
Debt Service Coverage	**1.61**	**1.43**	**1.56**	**2.14**	**2.03**	**2.54**	**2.59**

[1] Deprecation and Impairment Write-Down are included in Operating Expenses in the financial statements, but is excluded from the definition of Operation and Maintenance Expenses in the Indenture.

[2] Interest income and other non-operating revenues are included in the definition of Revenues in the Indenture, but are categorized as Nonoperating revenues on the financial statements.

The Airline Agreement, as amended, stipulates the following:

- The form of the rate-making methodology will be residual.
- On December 31, 2020, each Signatory Airline will be granted a one-time opportunity to return no more than 25% of total leased space. At any time during the term of the Airline Agreement, a Signatory Airline may add additional leased space up to the extent such space is available and operationally required.
- The North Terminal Project and the 2015-2019 CIP projects will be considered approved by the Signatory Airlines and will be included in the airline rate base.
- All gates and terminal space leased to the Signatory Airlines will be leased on a preferential basis, with a utilization requirement provision of a minimum of four scheduled turns per day for each gate. All unleased gates will be Airport controlled for common use.
- The Signatory Airlines will have Majority-In-Interest (MII) voting rights for capital projects in the Terminal, Airfield, and Apron cost centers costing over $1.5 million in any one year; provided, however, that such Capital Expenditures do not exceed a total of $5.0 million in Capital Expenditures for Airport projects over any five-year period.
- The Board will target an airline cost per enplaned passenger of no more than $10.00 during the initial term of the Agreement.
- The Board will maximize the use of PFCs to offset PFC eligible debt service for the North Terminal Project.
- The Board will use amounts available from the General Purposes Account to fund incremental coverage on the bonds issued to fund costs of the North Terminal.
- The Signatory Airlines agree to fund, through rates and charges, a $6.0 million deposit to the General Purposes Account for each of Fiscal Year (FY) 2016 and FY 2017, and $3.0 million per year for each fiscal year thereafter.

B. AIRPORT OPERATION AND MAINTENANCE (O&M) EXPENSES

Airport O&M Expenses are incurred in the maintenance and operations of the Airport. **Table IV–2** shows the historical O&M Expenses from 2009 through 2015, the most recent fiscal year for which actual (historical) information on O&M Expenses is available. Total O&M Expenses decreased from approximately $49.7 million in 2009 to approximately $40.8 million in 2015, averaging an annual decrease of 3.2 percent.

TABLE IV-2
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
HISTORICAL OPERATION AND MAINTENANCE EXPENSES
Fiscal Years Ended December 31

O&M Expenses	Actuals 2009	2010	2011	2012	2013	2014	2015	Avg. Annual Growth Rate (2009-2015)
Wages & Salaries	$ 6,931,270	$ 6,800,112	$ 7,287,394	$ 8,418,336	$ 7,765,003	$ 7,940,883	$ 8,263,528	3.0%
Fringe Benefits	2,239,033	1,685,194	2,864,499	3,135,534	3,204,881	3,370,224	4,077,337	10.5%
City Services	1,590,493	1,670,017	1,753,518	1,753,518	1,753,518	1,753,518	1,753,518	1.6%
Insurance	2,565,006	2,202,707	2,075,790	2,226,585	2,828,638	2,757,143	2,303,847	-1.8%
Police Services	4,053,710	3,900,370	3,592,116	3,543,068	3,697,387	3,642,554	3,445,867	-2.7%
Fire Services	3,688,139	3,171,992	2,850,601	4,522,439	4,625,912	4,372,106	5,015,516	5.3%
Legal Services	1,345,385	1,204,850	799,384	1,598,568	320,411	126,078	256,203	-24.1%
Cleaning and Waste Removal	4,257,903	4,066,869	4,266,594	2,520,412	2,579,401	2,600,576	2,411,742	-9.0%
Shuttle Services/Parking	4,656,496	4,574,885	3,763,551	4,007,831	4,756,903	2,387,979	628,524	-28.4%
Security Services	2,820,880	2,412,337	564,331	1,552,961	1,334,602	1,338,565	1,208,045	-13.2%
Repairs and Maintenance	4,564,824	3,672,936	2,596,147	3,339,968	3,886,866	2,877,311	4,039,108	-2.0%
Utilities	3,328,595	4,013,736	3,404,550	3,589,493	4,063,367	4,234,363	3,560,241	1.1%
Supplies	1,275,818	1,302,909	1,332,571	1,400,082	1,217,608	1,208,778	1,277,092	0.0%
Professional Services	4,219,225	3,114,649	1,550,457	1,090,784	870,382	964,776	540,231	-29.0%
Other Expenses	1,087,511	778,809	2,787,547	64,677	742,114	423,245	1,803,594	8.8%
Infrastructure Repairs	1,036,968	5,562,367	1,689,584	4,385,465	3,948,008	(27,971)	200,000	-24.0%
Total O&M Expenses	**$ 49,661,257**	**$ 50,134,740**	**$ 43,178,634**	**$ 47,149,723**	**$ 47,595,000**	**$ 39,970,128**	**$ 40,784,393**	**-3.2%**

Source: Airport records and audited financial statements.

The largest components of 2015 O&M Expenses were Wages, Salaries & Fringe Benefits (30.3 percent), Fire Services (12.3 percent), Repairs and Maintenance (9.9 percent), Utilities (8.7 percent), and Police Services (8.4 percent). Together, these six largest categories accounted for approximately 69.6 percent of total 2015 O&M Expenses. Historical O&M Expense trends are explained in more detail by category below.

Table IV-3 presents preliminary 2016, revised budget 2017, and projected 2018 and 2019 prepared by Airport staff and projected O&M Expenses for 2020 through 2026. O&M Expenses are budgeted to increase from approximately $39.9 million in 2016 to $50.5 million in 2017. The increase reflected in the 2017 budget resulted from a comprehensive line item review conducted by Airport staff, to develop an accurate baseline for future year projections. Increases were budgeted in a number of categories, including the following: personnel costs associated with anticipated new personnel positions; additional employee development expenses; increased planning and development costs related to the redevelopment of facilities on the Southside of the Airport; air service incentive program costs; additional finance and administration expenses related to investment advisory services, insurance matters, and the organization of all property acquisition records; and increases in service contracts to account for the City's Living Wage Ordinance, enhanced janitorial services, and increased enforcement for ground transportation.

The projections of O&M Expenses are based on the historical trends; anticipated trends during the forecast period; some operational savings achieved by relocating to a newer more efficient terminal facility; and the additional assumptions described in the following paragraphs. O&M Expenses for 2019 are projected to reflect a realistic cost to staff and operate the new North Terminal. Thereafter, O&M Expenses are projected to increase as follows:

- 3.0 percent per year for wages and benefits, including police and fire services;
- Annual allowances for airline marketing incentives, judgements/settlements, and infrastructure repair; and
- 2.0 percent annual increase for all other services, equipment, utilities, and supplies.

Total O&M Expenses are projected to increase from approximately $50.5 million in 2017 to approximately $64.8 million in 2026, or by an average annual growth rate of 2.8 percent.

TABLE IV-3
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED OPERATION AND MAINTENANCE EXPENSES
Fiscal Years Ending December 31

O&M Expense Category	Preliminary 2016	Revised Budget 2017	Projected 2018	2019	2020	2021	2022	2023	2024	2025	2026
Wages & Salaries	$ 8,651,000	$ 10,139,000	$ 11,941,000	$ 12,327,000	$ 12,694,000	$ 13,075,000	$ 13,468,000	$ 13,873,000	$ 14,290,000	$ 14,718,000	$ 15,160,000
Fringe Benefits	3,727,000	4,754,000	5,329,000	5,448,000	5,611,000	5,779,000	5,950,000	6,126,000	6,308,000	6,497,000	6,691,000
City Services	1,754,000	1,933,000	1,933,000	1,933,000	1,991,000	2,051,000	2,113,000	2,176,000	2,241,000	2,308,000	2,377,000
Insurance	1,953,000	2,000,000	2,120,000	2,826,000	2,883,000	2,941,000	3,000,000	3,060,000	3,121,000	3,183,000	3,247,000
Police Services	3,451,000	3,705,000	3,705,000	3,131,000	3,225,000	3,322,000	3,422,000	3,525,000	3,631,000	3,740,000	3,852,000
Fire Services	4,501,000	5,050,000	5,176,000	5,306,000	5,465,000	5,629,000	5,798,000	5,972,000	6,151,000	6,336,000	6,526,000
Cleaning and Waste Removal	2,122,000	2,484,000	2,650,000	2,650,000	2,703,000	2,757,000	2,812,000	2,868,000	2,925,000	2,983,000	3,042,000
Shuttle Services/Parking	490,000	600,000	600,000	3,459,000	3,527,000	3,597,000	3,668,000	3,741,000	3,815,000	3,891,000	3,968,000
Security Services	1,026,000	1,376,000	1,378,000	959,000	978,000	998,000	1,018,000	1,038,000	1,059,000	1,080,000	1,102,000
Repairs and Maintenance	3,364,000	4,258,000	4,398,000	4,426,000	4,520,000	4,613,000	4,706,000	4,803,000	4,903,000	5,003,000	5,105,000
Utilities	3,774,000	4,261,000	4,267,000	5,050,000	5,066,000	5,166,000	5,269,000	5,373,000	5,479,000	5,587,000	5,697,000
Supplies	989,000	1,468,000	1,435,000	1,441,000	1,469,000	1,492,000	1,515,000	1,538,000	1,561,000	1,584,000	1,607,000
Professional Services	984,000	1,917,000	1,787,000	1,488,000	1,519,000	1,551,000	1,584,000	1,617,000	1,650,000	1,683,000	1,716,000
Other Expenses	748,000	1,831,000	1,397,000	1,466,000	1,494,000	1,521,000	1,548,000	1,575,000	1,603,000	1,632,000	1,661,000
Infrastructure Repairs	1,139,000	2,000,000	2,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Marketing Incentives	1,271,000	2,700,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total O&M Expenses	$ 39,944,000	$ 50,476,000	$ 52,616,000	$ 54,910,000	$ 56,145,000	$ 57,492,000	$ 58,871,000	$ 60,285,000	$ 61,737,000	$ 63,225,000	$ 64,751,000
Allocation of O&M Expense by Cost Center											
Airfield Area	$ 9,697,000	$ 11,729,000	$ 12,786,000	$ 12,730,000	$ 13,061,000	$ 13,397,000	$ 13,741,000	$ 14,094,000	$ 14,458,000	$ 14,830,000	$ 15,212,000
Terminal Building and Area	26,971,000	34,592,000	35,531,000	33,588,000	34,299,000	35,112,000	35,946,000	36,800,000	37,678,000	38,578,000	39,500,000
Apron Area	1,077,000	1,303,000	1,421,000	1,415,000	1,451,000	1,489,000	1,527,000	1,566,000	1,606,000	1,648,000	1,690,000
Ground Transportation and Other Areas	2,198,000	2,852,000	2,878,000	7,177,000	7,334,000	7,494,000	7,657,000	7,825,000	7,995,000	8,169,000	8,349,000
	$ 39,943,000	$ 50,476,000	$ 52,616,000	$ 54,910,000	$ 56,145,000	$ 57,492,000	$ 58,871,000	$ 60,285,000	$ 61,737,000	$ 63,225,000	$ 64,751,000

1. Wages, Salaries and Fringe Benefits

During the historical period of 2009 through 2015, Wages and Salaries increased from $6.9 million to $8.3 million, or by an average of 3.0 percent per year. During this same period, Fringe Benefits increased from $2.2 million to $4.1 million, or by an average of 10.0 percent per year. During the forecast period, Wages, Salaries and Fringe Benefits are projected to increase at an average annual rate of 4.4 percent, to simulate annual cost of living increases approximately equal to the projected increases in the CPI and the filling of budgeted positions currently unfilled. Wages & Salaries and Fringe Benefits are projected to increase to approximately $15.2 million and $6.7 million in 2026, respectively.

2. City Services

City Services include charges for professional services provided to the Airport by other City departments. This category totaled approximately $1.8 million in 2015. City Services are budgeted to increase to $1.9 million in 2017. Total City Services are projected to increase at an average annual rate of 2.3 percent during the remainder of the forecast period, to approximately $2.4 million in 2026.

3. Insurance

Insurance costs decreased from approximately $2.6 million in 2009 to $2.3 million in 2015, representing an average annual decrease of 1.3 percent. Insurance costs at the Airport are projected to increase by approximately 33.3 percent between 2018 and 2019 to reflect the insuring of the North Terminal. Thereafter, insurance costs are projected to increase at an average annual rate of 2.0 percent.

4. Police Services

Police Services decreased by an average of 2.7 percent per year from 2009 to 2015. During the forecast period, Police Services are projected to decrease in 2019 by 15.5 percent, reflecting lower staffing requirements needed to man one security checkpoint in the North Terminal, compared with the three checkpoints that are staffed currently in the existing terminal facilities. Thereafter, Police Services are projected to increase 3.0 percent annually, to account for inflationary increases in wages and benefits.

5. Fire Services

Fire Services increased from approximately $3.7 million in 2009 to $5.0 million in 2015, or at an average annual growth rate of 5.3 percent. This expense category is estimated to total approximately $4.5 million in 2016, and $5.1 million in the 2017. A 2.9 percent increase average annual increase is assumed for Fire Services, to account for inflationary increases in wages and benefits.

6. Cleaning and Waste Removal

Cleaning and Waste Removal expenses decreased from approximately $4.3 million in 2009 to approximately $2.4 million in 2015. Airport management has implemented certain initiatives that have resulted in lower janitorial contracting costs at the Airport. Cleaning and Waste Removal expenses are projected to increase at 2.3 percent annually during the forecast period.

7. Shuttle and Parking Services

Airport management entered into a contract with New South Parking in 2015 that provides the parking operator a fixed rate concession fee of 53.6% annually. This arrangement covers most of the existing Airport parking facilities, whereby the short-term parking management company retains a percentage of parking revenues and pays the parking operation, the credit card lot, employee parking lot, and shuttle services expenses directly. The long-term parking garage is not part of this contractual agreement.

The Airport will solicit a parking operator for the new North Terminal Parking facilities, as well as the long-term lot on the Southside of the airfield. Based on a review of the current contract and peer airports, the Airport anticipates paying a parking operator 27% of the gross revenue after taxes. At this time, the Airport has budgeted to receive $15.3 million in net revenue from parking operations. The Airport does not intend to continue to operate the credit card lot. The Airport also anticipates that the employee parking lot will be relocated. This relocation may be to one of the south terminal parking garages or potentially to a site on the north side of the airfield. The analysis of relocation options is ongoing to determine the best option for the Airport. As of the date of this report, the Airport expects that in 2019 it will incur additional shuttle and other costs for employee parking of approximately $2.9 million, based on a detailed analysis of shuttle costs.

Shuttle and Parking Services decreased from $4.7 million in 2009 to $0.6 million in 2015, or an average annual decrease of 28.4%. Shuttle and Parking Services expenses are projected to increase after 2019 at an average annual rate of 2.0 percent.

8. Security Services

Security Services consist of contracted services for securing and patrolling roadways and certain areas of the Airport not provided by Police Services. Security Services decreased from $2.8 million in 2009 to $1.2 million in 2015, or an average annual decrease of 13.2 percent. Airport management anticipated consolidating security operations in the North Terminal and expects Security Services to decrease 30.4 percent between 2018 and 2019. Thereafter, Security Services are projected to increase annually by 2.0 percent.

9. Repairs and Maintenance

Repairs and Maintenance include, among other things, the costs for outside maintenance contractors that provide services for various facilities and systems throughout the Airport. Repairs and Maintenance expenses decreased from $4.6 million in 2009 to $4.0 million in 2015, or an average annual decrease of 2.0 percent. After relocating to the North Terminal, Repairs and Maintenance are projected to increase slightly to reflect some maintenance savings and some increased costs for maintaining the North and South Terminals.[2] Thereafter, Repairs and Maintenance costs are projected to increase at an average annual rate of 2.1 percent.

10. Utilities

Utilities expenses consist of expenditures for electricity, natural gas, fuel oil, and water. Utilities expenses increased from approximately $3.3 million in 2009 to approximately $3.6 million in 2015, or an average annual increase of 1.1%. Utilities expenses are projected to increase 18.4 percent between 2018 and 2019 to reflect additional utilities costs associated with operation of both the North Terminal and the existing terminal facilities on the Southside, based on a detailed analysis prepared by the Airport. Thereafter, Utilities expenses are projected to increase at an average annual rate of 1.7 percent.

11. Supplies

Expenses for Supplies include the costs for rental of equipment, cleaning supplies, uniforms, office supplies, and other general maintenance supplies. Supplies expenses were flat at $1.28 million from 2009 to 2015. Supplies expenses are projected to be relatively flat between 2018 and 2019. Thereafter, Supplies expenses are projected to increase at an annual rate of 1.6 percent.

12. Professional Services

Professional Services includes fees for specialized engineering, legal, financial, planning, and other consulting service firms. Based on Airport management initiatives, Professional Services decreased from $4.2 million in 2009 to $0.5 million in 2015, or an average annual decrease of 29.0 percent. Upon completion of the North Terminal, Airport management expects to decrease Professional Services by 16.7 percent. After 2019, Professional Services are projected to increase at an annual rate of 2.1 percent.

[2] For the purpose of this analysis, it is assumed that the South Terminal will be repurposed and remain operational throughout the forecast period.

13. Other

Other Expenses consist of costs for training, travel, education, other advertising and marketing, and other miscellaneous expenses. Other Expenses increased from $1.1 million in 2009 to $1.8 million in 2015. During the forecast period, Other Expense are projected to increase at an annual rate of 2.2 percent.

14. Infrastructure Repairs

Infrastructure Repairs have varied from 2009 through 2015 based on the various needs of maintenance on an aging terminal facility. Infrastructure Repairs are expected to decrease by 75.0 percent between 2018 and 2019 to reflect less repairs needed for a new facility. It is projected that Infrastructure Repairs will be relatively minor between 2020 and 2026 reflected in the projected $500,000 annual expense.

15. Marketing Incentives

Marketing Incentives were relatively small between 2009 and 2015, and were included in the "Other" category. The Airport is expected to continue its increased marketing efforts between 2015 and 2017, reflected by the 2017 budget of $2.7 million. During the forecast period this category is shown separately on **Table IV-8**. The Airport plans to continue to propose new airline service opportunities, which are anticipated to result in an annual cost of $2,500,000 per year.

C. DEBT SERVICE

As discussed in Section I, the Airport intends to develop a new terminal complex on the north side of the Airport's airfield, referred to as the North Terminal Project. The North Terminal Project is expected to be funded with a combination of FAA AIP Grants, TSA Grants, State of Louisiana grants, Airport General Purposes Account funds, and the proceeds of the Series 2015 and Series 2017A/B Bonds. The financial analysis presented in this section reflects the North Terminal Project's funding plan presented in Section I.

The Board also intends to exercise its option to purchase the existing long-term garage from Parking Facilities Corporation (the current lessee). The Airport intends to issue the Series 2018 Bonds to redeem the existing Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Refunding Bonds, Series 2012 (the Parking Facilities Corporation Bonds).

The sources and uses of bond funds for the Series 2017A/B Bonds and the Series 2018 Bonds are summarized on **Table IV-4**.

The financial analysis assumes that the currently outstanding Series 2007 PFC Bonds will be refunded through the issuance of the Series 2017D Bonds. The proceeds of the

Series 2017D Bonds, together with certain transferred proceeds of the currently outstanding Series 2007 PFC Bonds, will be used to defease and refund the Series 2007 PFC Bonds, to fund a Debt Service Reserve Fund for the Series 2017D Bonds and to pay the costs of issuance of the Series 2017D Bonds. To be conservative, the financial analysis assumes that the annual debt service will equal the debt service on the currently outstanding Series 2007 PFC Bonds. Because the Board anticipates that the Series 2017D Bonds will be issued only if it is determined that the refunding of the currently outstanding Series 2007 PFC Bonds will result in economic and annual debt service cost savings to the Board, the debt service on the Series 2017D Bonds will be lower than the existing annual debt service on the Series 2007 PFC Bonds.

The additional Debt Service Fund Requirement is projected based on the following components:

- Series 2017A/B Bonds: Annual debt service was estimated by Frasca & Associates, based on annual interest rates of 5.12 percent and a 30-year maturity.

- Series 2018 Bonds: Annual debt service was estimated by Frasca & Associates, based on annual interest rates of 6.25 percent and an 18-year maturity.

The Debt Service Fund Requirements during the forecast period, including the Series 2017A/B, Series 2017D, and Series 2018 Bonds, are summarized on **Table IV-5**. The Series 2017A/B and Series 2017D Bonds will be issued on parity with the Series 2009 Bonds and Series 2015 Bonds.

The Total Debt Service Requirement is projected to increase to $21.8 million in 2018 and to $70.5 million in 2019, reflecting the first full year of debt service on the Series 2015, Series 2017A/B, Series 2017D, and Series 2018 Bonds.

As provided for in the Agreement, the Airport intends to maximize the use of Net PFC Revenues to offset the PFC eligible portion of the Debt Service Requirement on the Series 2015 Bonds and the 2017A/B Bonds, and the Series 2017D Bonds. Net PFC Revenues will be transferred to the 2015 and the 2017 Debt Service Funds annually, as available, to reduce the amount payable from Airline Revenues. The Indenture permits the pledge and deposit of Net PFC Revenues into the Debt Service Fund to pay debt on one or more series of bonds. In accordance with the terms of the Indenture, this deposit of Net PFC Revenues to the Transferred PFCs Account to debt service on the Series 2015, the Series 2017A/B and Series 2017D Bonds, as provided for in the Third Supplemental Indenture, will constitute such Net PFC Revenues as Revenues pledged under the Indenture.

TABLE IV-4
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
SOURCES AND USES OF SERIES 2017A/B AND SERIES 2018 BOND FUNDS

	Series 2017A/B				
	Completion of North Terminal	5-Gate Expansion	Subtotal	Series 2018	Total
Sources of Funds					
Par Amount	$174,465,000	$185,680,000	$360,145,000	$34,475,000	$ 394,620,000
Premium	2,784,000	2,963,000	5,747,000	-	5,747,000
Total Sources of Funds	**$ 177,249,000**	**$ 188,643,000**	**$ 365,892,000**	**$ 34,475,000**	**$ 400,367,000**
Uses of Funds					
Project Fund	$123,423,000	$153,820,000	$277,243,000	$33,280,000	$ 310,523,000
Series 2015 Additional Capitalized Interest	21,107,000	-	21,107,000		21,107,000
Debt Service Reserve Fund	16,183,000	17,223,000	33,406,000	917,000	34,323,000
Capitalized Interest	15,139,000	16,112,000	31,251,000	-	31,251,000
Cost of Issuance	1,397,000	1,488,000	2,885,000	278,000	3,163,000
Total Uses of Funds	**$ 177,249,000**	**$ 188,643,000**	**$ 365,892,000**	**$ 34,475,000**	**$ 400,367,000**

Source: Frasca & Associates.

D. AIRPORT REVENUES

Airport Revenues (Revenues), as defined in the Indenture, mean all revenues derived by the Board from the use and operation of the Airport System. Revenues do not include (a) Special Facility Revenues except after the Payment of any Special Facility Bonds, (b) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (c) the proceeds of any passenger facility charges or other per passenger charge except those as applied in Section 501(v) of the Indenture, (d) any sums received by the Board or City from the State or the United States of America including avails of any tax, (e) the proceeds of any rental car customer facility charge, (f) any Released Revenues, (g) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (h) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (i) the proceeds of any condemnation awards, or (j) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport.

Airport Revenues are shown on **Table IV-6,** which presents actual historical revenues for 2009 through 2015, the most recent fiscal year for which actual historical information is available. Total Revenues grew from $68.0 million to $75.6 million from 2009 to 2015 at an average annual growth rate of 1.8 percent. **Table IV-7** presents the estimated and budget Revenues for 2016 and 2017, which were prepared by Airport staff. Total Revenues are estimated to be $85.4 million in the 2017 Budget. Total Revenues are projected to increase to approximately $122.8 million in 2026 or by an average annual growth rate of 3.4 percent. The recent historical trends and projected future trends in individual revenue categories are described later in this section.

TABLE IV-5
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
HISTORICAL AND PROJECTED ANNUAL GENERAL AIRPORT REVENUE BOND DEBT SERVICE
For Fiscal Years Ending December 31

	Actual		Estimated	Revised Budget	Projected								
Debt Service Fund Requirement	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Existing													
Series 2009 Bonds	$ 14,876,328	$ 14,879,950	$ 14,879,000	$ 14,879,000	$ 14,880,000	$ 14,878,000	$ 14,881,000	$ 14,877,000	$ 14,877,000	$ -	$ -	$ -	$ -
Series 2015 Bonds[1]	-	-	-	-	-	25,797,000	28,142,000	28,142,000	28,142,000	40,572,000	40,576,000	40,573,000	40,572,000
	$ 14,876,328	$ 14,879,950	$ 14,879,000	$ 14,879,000	$ 14,880,000	$ 40,675,000	$ 43,023,000	$ 43,019,000	$ 43,019,000	$ 40,572,000	$ 40,576,000	$ 40,573,000	$ 40,572,000
Proposed													
Series 2017A/B Bonds	$ -	$ -	$ -	$ -	$ -	$ 20,508,000	$ 20,951,000	$ 20,958,000	$ 20,958,000	$ 21,796,000	$ 21,791,000	$ 21,791,000	$ 21,791,000
Series 2017D Bonds[2]	-	-	-	3,482,000	6,965,000	7,120,000	4,371,000	4,371,000	4,375,000	4,374,000	4,371,000	4,373,000	4,373,000
Series 2018 Bonds	-	-	-		-	2,161,000	2,155,000	2,155,000	2,155,000	3,765,000	3,764,000	3,767,000	3,768,000
	$ -	$ -	$ -	$ 3,482,000	$ 6,965,000	$ 29,789,000	$ 27,477,000	$ 27,484,000	$ 27,488,000	$ 29,935,000	$ 29,926,000	$ 29,931,000	$ 29,932,000
Total Debt Service Fund Requirement	**$ 14,876,328**	**$ 14,879,950**	**$ 14,879,000**	**$ 18,361,000**	**$ 21,845,000**	**$ 70,464,000**	**$ 70,500,000**	**$ 70,503,000**	**$ 70,507,000**	**$ 70,507,000**	**$ 70,502,000**	**$ 70,504,000**	**$ 70,504,000**
PFC Revenues Transferred to Debt Service Funds													
Series 2015 Bonds	$ -	$ -	$ -	$ -	$ -	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000
Series 2017A/B Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Series 2017D Bonds[2]	-	-	-	3,482,000	6,965,000	7,120,000	4,371,000	4,371,000	4,375,000	4,374,000	4,371,000	4,373,000	4,373,000
Total PFC Revenues available for transfer	$ -	$ -	$ -	$ 3,482,000	$ 6,965,000	$ 27,120,000	$ 24,371,000	$ 22,571,000	$ 22,375,000	$ 20,374,000	$ 20,371,000	$ 18,373,000	$ 18,373,000
Debt Service Fund Requirement net of PFC Revenues	$ 14,876,328	$ 14,879,950	$ 14,879,000	$ 14,879,000	$ 14,880,000	$ 43,344,000	$ 46,129,000	$ 47,932,000	$ 48,132,000	$ 50,133,000	$ 50,131,000	$ 52,131,000	$ 52,131,000
Allocation of Net Debt Service Fund Requirement													
Airfield Area	$ 8,223,933	$ 8,225,935	$ 8,225,410	$ 8,225,000	$ 8,226,000	$ 10,100,000	$ 10,279,000	$ 10,373,000	$ 10,383,000	$ 3,107,000	$ 3,107,000	$ 3,213,000	$ 3,213,000
Terminal Building and Area	5,738,624	5,740,022	5,739,655	5,740,000	5,740,000	27,086,000	29,454,000	31,076,000	31,256,000	38,579,000	38,578,000	40,372,000	40,372,000
Apron Area	913,770	913,993	913,934	914,000	914,000	2,065,000	2,193,000	2,280,000	2,290,000	2,080,000	2,080,000	2,177,000	2,177,000
Ground Transportation and Other Areas	-	-	-	-	-	4,093,000	4,203,000	4,203,000	4,203,000	6,367,000	6,366,000	6,369,000	6,369,000
	$ 14,876,328	$ 14,879,950	$ 14,879,000	$ 14,879,000	$ 14,880,000	$ 43,344,000	$ 46,129,000	$ 47,932,000	$ 48,132,000	$ 50,133,000	$ 50,131,000	$ 52,131,000	$ 52,131,000

Source: Airport records and Frasca & Associates. Debt Service Fund Requirement shown net of capitalized interest.

[1] Net of interest paid from the Series 2017A/B Bond proceeds.
[2] The Series 2007 PFC Supported Bonds will be refunded by the Series 2017D Bonds only in the event that there are annual savings resulting from the refunding.

TABLE IV-6
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
HISTORICAL REVENUES
For Fiscal Years Ending December 31

Revenues by Category	Actual 2009	2010	2011	2012	2013	2014	2015	Growth Rate (2009-2015)
AIRLINE REVENUES[1]								
Terminal Building Rental Revenue	$ 27,909,391	$ 26,901,931	$ 21,204,831	$ 29,878,081	$ 26,183,627	$ 22,304,085	$ 22,057,942	-3.8%
Landing Fee Revenue	10,751,395	9,971,928	10,607,597	12,589,384	10,281,637	11,654,470	11,092,109	0.5%
Apron Use Fee Revenue	1,353,236	1,419,075	1,329,283	1,488,007	1,615,990	1,952,157	1,145,050	-2.7%
Non-Signatory Airline Terminal Use Fees	589,240	458,615	693,603	566,888	800,568	1,399,177	3,005,151	31.2%
Total Airline Revenues	**$ 40,603,262**	**$ 38,751,549**	**$ 33,835,315**	**$ 44,522,360**	**$ 38,881,822**	**$ 37,309,890**	**$ 37,300,251**	**-1.4%**
REVENUES OTHER THAN AIRLINE REVENUES								
Airside Revenues								
Hangars, Buildings, and Other Ground Rentals	$ 2,235,869	$ 2,227,541	$ 2,102,738	$ 2,093,077	$ 2,460,258	$ 2,488,671	$ 2,308,395	0.5%
Other Airside Rentals and Fees	696,922	623,467	701,363	674,522	704,746	759,768	876,287	3.9%
	$ 2,932,790	$ 2,851,007	$ 2,804,101	$ 2,767,599	$ 3,165,004	$ 3,248,439	$ 3,184,682	4.4%
Terminal Building and Area								
Food and Beverage Concessions	$ 1,733,005	$ 2,087,370	$ 2,348,265	$ 2,363,860	$ 3,006,916	$ 3,404,092	$ 3,775,314	13.9%
Retail Concessions	1,718,179	2,018,901	2,010,002	2,133,971	2,929,749	3,079,227	3,229,398	11.1%
Advertising Concessions	311,399	440,501	434,215	513,885	797,568	588,702	679,135	13.9%
Other Terminal Concessions and Revenues	1,311,173	1,157,863	1,036,059	1,415,794	1,234,961	1,111,739	1,286,069	-0.3%
	$ 5,073,756	$ 5,704,635	$ 5,828,541	$ 6,427,510	$ 7,969,194	$ 8,183,760	$ 8,969,916	38.5%
Apron Area								
Other apron use fees	210,559	253,480	276,632	305,220	359,232	507,260	908,975	27.6%
Overnight parking charges	351,036	238,862	270,052	558,689	526,504	318,815	283,689	-3.5%
	$ 561,595	$ 492,342	$ 546,684	$ 863,909	$ 885,736	$ 826,075	$ 1,192,664	27.6%
Ground Transportation and Other Areas								
Rental Cars	$ 8,496,954	$ 9,356,864	$ 8,584,008	$ 9,171,344	$ 9,501,025	$ 9,893,500	$ 9,999,344	2.8%
Automobile Parking	8,855,234	8,500,527	8,237,795	9,455,358	11,450,419	11,420,253	10,738,484	3.3%
Ground Transportation	897,158	1,054,342	1,054,572	1,049,000	1,205,145	1,518,647	1,705,412	11.3%
Off-Airport Parking	353,055	342,871	385,164	389,202	418,593	445,997	478,484	5.2%
Downtown Heliport	24,168	24,119	31,159	9,922	8,062	9,705	3,821	-26.5%
	$ 18,626,568	$ 19,278,723	$ 18,292,698	$ 20,074,826	$ 22,583,244	$ 23,288,102	$ 22,925,545	-6.7%
Other Non-Operating Revenues	248,727	583,454	1,316,701	612,856	598,006	1,181,180	2,028,904	41.9%
Total Revenues Other Than Airline Revenues	**$ 27,443,437**	**$ 28,910,161**	**$ 28,788,724**	**$ 30,746,700**	**$ 35,201,183**	**$ 36,727,556**	**$ 38,301,711**	**5.7%**
Total Revenues	**$ 68,046,699**	**$ 67,661,710**	**$ 62,624,039**	**$ 75,269,060**	**$ 74,083,005**	**$ 74,037,446**	**$ 75,601,962**	**1.8%**

Source: Airport records and audited financial statements.

[1] Amounts reflect airline revenues recorded through the audit period. For certain years, adjustments made to airline revenues are reflected in the subsequent year's airline revenues.

TABLE IV-7
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED REVENUES
For Fiscal Years Ending December 31

Revenues by Category	Estimated 2016	Revised Budget 2017	Projected 2018	2019	2020	2021	2022	2023	2024	2025	2026
AIRLINE REVENUES[1]	**$ 40,377,000**	**$ 40,799,000**	**$ 34,617,000**	**$ 51,776,000**	**$ 53,744,000**	**$ 54,963,000**	**$ 55,109,000**	**$ 56,113,000**	**$ 56,359,000**	**$ 57,336,000**	**$ 57,396,000**
÷ Enplaned passengers[2]	5,323,000	5,466,000	5,934,000	6,023,000	6,098,000	6,204,000	6,342,000	6,473,000	6,595,000	6,711,000	6,834,000
Projected cost per enplaned passenger	***$7.59***	***$7.46***	***$5.83***	***$8.60***	***$8.81***	***$8.86***	***$8.69***	***$8.67***	***$8.55***	***$8.54***	***$8.40***
REVENUES OTHER THAN AIRLINE REVENUES											
Airfield Area											
Hangars, Buildings, and Other Ground Rentals	$ 2,592,000	$ 2,958,000	$ 2,960,000	$ 3,095,000	$ 3,124,000	$ 3,135,000	$ 3,154,000	$ 3,231,000	$ 3,243,000	$ 3,254,000	$ 3,266,000
Other Airside Rentals and Fees	958,000	1,199,000	1,164,000	1,184,000	1,200,000	1,218,000	1,240,000	1,264,000	1,287,000	1,310,000	1,334,000
	$ 3,550,000	$ 4,157,000	$ 4,124,000	$ 4,279,000	$ 4,324,000	$ 4,353,000	$ 4,394,000	$ 4,495,000	$ 4,530,000	$ 4,564,000	$ 4,600,000
Terminal Building and Area											
Food and Beverage Concessions	$ 4,035,000	$ 4,385,000	$ 4,890,000	$ 5,926,000	$ 6,105,000	$ 6,320,000	$ 6,573,000	$ 6,827,000	$ 7,077,000	$ 7,327,000	$ 7,592,000
Retail Concessions	3,371,000	3,600,000	3,852,000	4,190,000	4,248,000	4,397,000	4,574,000	4,750,000	4,924,000	5,098,000	5,283,000
Advertising Concessions	720,000	750,000	773,000	775,000	785,000	799,000	817,000	834,000	850,000	865,000	881,000
Other Terminal Concessions and Revenues	1,170,000	1,115,000	1,107,000	1,166,000	1,208,000	1,213,000	1,217,000	1,222,000	1,227,000	1,232,000	1,238,000
	$ 9,296,000	$ 9,850,000	$ 10,622,000	$ 12,057,000	$ 12,346,000	$ 12,729,000	$ 13,181,000	$ 13,633,000	$ 14,078,000	$ 14,522,000	$ 14,994,000
Apron Area											
Other apron use fees	$ 263,000	$ 269,000	$ 279,000	$ 286,000	$ 290,000	$ 294,000	$ 300,000	$ 307,000	$ 313,000	$ 319,000	$ 325,000
Overnight parking charges	310,000	324,000	336,000	344,000	349,000	353,000	359,000	367,000	375,000	382,000	389,000
	$ 573,000	$ 593,000	$ 615,000	$ 630,000	$ 639,000	$ 647,000	$ 659,000	$ 674,000	$ 688,000	$ 701,000	$ 714,000
Ground Transportation and Other Areas											
Rental Cars	$ 9,927,000	$ 10,194,000	$ 10,245,000	$ 10,296,000	$ 10,422,000	$ 10,602,000	$ 10,841,000	$ 11,068,000	$ 11,277,000	$ 11,476,000	$ 11,686,000
Automobile Parking	12,023,000	12,886,000	13,273,000	20,323,000	20,656,000	21,886,000	22,190,000	23,505,000	23,873,000	25,180,000	25,511,000
Ground Transportation	2,200,000	2,764,000	2,815,000	2,867,000	2,945,000	3,020,000	3,113,000	3,203,000	3,291,000	3,377,000	3,468,000
Off-Airport Parking	507,000	508,000	523,000	-	-	-	-	-	-	-	-
Downtown Heliport	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	$ 24,662,000	$ 26,357,000	$ 26,861,000	$ 33,491,000	$ 34,028,000	$ 35,513,000	$ 36,149,000	$ 37,781,000	$ 38,446,000	$ 40,038,000	$ 40,670,000
Other Non-Operating Revenues	4,880,000	3,621,000	2,853,000	3,120,000	3,707,000	3,741,000	3,777,000	3,979,000	4,016,000	4,405,000	4,445,000
Total Revenues Other Than Airline Revenues	**$ 42,961,000**	**$ 44,578,000**	**$ 45,075,000**	**$ 53,577,000**	**$ 55,044,000**	**$ 56,983,000**	**$ 58,160,000**	**$ 60,562,000**	**$ 61,758,000**	**$ 64,230,000**	**$ 65,423,000**
TOTAL REVENUES	**$ 83,338,000**	**$ 85,377,000**	**$ 79,692,000**	**$ 105,353,000**	**$ 108,788,000**	**$ 111,946,000**	**$ 113,269,000**	**$ 116,675,000**	**$ 118,117,000**	**$ 121,566,000**	**$ 122,819,000**

[1] Table IV-8.

[2] Enplaned passengers shown in 2016 and 2017 reflect the projections used in the calculation of the 2017 airline rates and charges. All other years reflect the forecast enplaned passengers presented in Section III.

1. Airline Revenues

In accordance with the Airline Agreement, the Signatory Airlines are charged Landing Fees, Terminal Building Rentals, and Apron Use Fees based on the residual requirement of allocable costs net of non-airline revenues. The Airline Agreement establishes direct and indirect cost and revenue centers in order to allocate O&M Expenses, Debt Service Fund requirements (net of PFCs applied to offset the Debt Service Fund requirements), amortization of Airport-funded capital improvements, and non-airline revenues to calculate these fees and rentals. In addition, incremental deposits to the O&M Reserve and allowable equipment and capital outlays are allocated to the direct cost centers. The cost and revenues centers established under the Airline Agreement, are as follows:

- Airfield Area
- Terminal Building and Area
- Apron Area
- Ground Transportation and Other Area
- Indirect cost centers
    - General Administration
    - Insurance
    - Public Safety and Security

Indirect costs for Insurance and Public Safety and Security are allocated back to the direct cost centers based on set percentages. The General Administration cost center is allocated based on the direct cost centers' share of direct costs and allocated Insurance and Public Safety and Security costs. The net revenues (deficits) from the Ground Transportation and Other Area cost and revenue center, reduced by the required deposit to the General Purpose Account, are allocated 50 percent to the Airfield Area requirement and 50 percent to the Terminal Building and Area requirement. The residual requirements for the Airfield Area, the Terminal Building and Area, and the Apron Area represent the Landing Fees, the Terminal Building Rentals, and the Apron Use Fees required from the Signatory Airlines, respectively.

Based on the Airline Agreement, the Airport will fund incremental Debt Service Coverage attributable to the North Terminal Project from funds available in the General Purposes Account. The Airport intends to deposit sufficient funds into the Rollover Coverage Account in 2019 to fund the incremental Debt Service Coverage required (which is calculated as the amount necessary to increase the balance in the Rollover Coverage Account to 25 percent of Debt Service, net of PFCs intended to be applied to Debt Service) through the maturity of the Series 2015 and Series 2017A/B Bonds. Based on projected Debt Service Fund Requirements Net of PFC Revenues, the projected contribution to Debt Service Coverage to be made in 2019 from the General Purpose Account is $11.3 million.

Other fees collected from Signatory and non-Signatory Airlines include overnight parking charges, loading bridge use fees, and other terminal and apron use fees. These are included as non-airline revenues.

Total Airline Revenues decreased from $40.6 million in 2009 to $37.3 million in 2015. Total Airline Revenues are projected to increase to approximately $51.8 million in the 2019. **Table IV-8** summarizes the Airline Revenues required based on the Agreement from 2018 through 2026. Airline Revenues required are projected to increase from $34.6 million in 2018 to $57.4 million in 2026, due to the increase in the Debt Service Fund Requirement for the North Terminal Project.

2. Revenues other than Airline Revenues

Revenues other that Airlines Revenues include, among other things:

- Airfield Area revenues consisting of Hangar, Buildings, and other Ground Rentals, Charter and Itinerant Landing Fees, Aircraft Storage and Parking Fees, Inflight Catering, Fuel Flowage Fees, and Cargo Apron Rentals.

- Terminal Building and Other Areas revenues consisting of Non-airline terminal rentals, Food and Beverage fees, Retail fees, Advertising fee, Coin-Operated Devices, and Other Terminal Revenues.

- Apron Area revenues consisting of other fees and charges paid by Signatory and non-Signatory airlines for overnight apron parking and for use of Airport common-use aprons.

- Ground Transportation and Other revenues consisting of Rental Car concession fees, Automobile Parking fees, Ground Transportation fees, Off-Airport Parking fees, and the Downtown Heliport.

- Other revenue includes other non-operating expenses and interest income.

a. Airfield Area Revenues

1) *Hangar, Buildings, and Other Ground Rentals*. Hangars, Buildings, and Other Ground Rentals include building rentals, FBO fees, hangar rentals, and ground rentals. Hangar, Buildings, and Other Ground Rentals grew by 0.5 percent per year from $2.2 million in 2009 to $2.3 million in 2015. Hangars, Buildings, and Other Ground Rentals are projected to grow by a CPI adjustment where provisions in leases allow for increases and for increased leasing of other buildings and grounds. This revenue category is projected to increase to $3.3 million in 2026.

TABLE IV-8
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED AIRLINE RENTALS
For Fiscal Years Ending December 31

	Projected								
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Airfield Area Requirement									
O&M Expenses	$ 12,786,000	$ 12,730,000	$ 13,061,000	$ 13,397,000	$ 13,741,000	$ 14,094,000	$ 14,458,000	$ 14,830,000	$ 15,212,000
O&M Reserve incremental deposit	88,000	89,000	48,000	52,000	53,000	55,000	57,000	58,000	60,000
Debt Service Fund Requirement	8,226,000	10,100,000	10,279,000	10,373,000	10,383,000	3,107,000	3,107,000	3,213,000	3,213,000
Debt Service Coverage	2,057,000	3,488,000	3,336,000	3,240,000	3,229,000	928,000	928,000	923,000	923,000
Amortization and depreciation	1,148,000	1,146,000	722,000	706,000	708,000	706,000	692,000	673,000	476,000
Equipment and Capital Outlay Allowance	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	$ 24,805,000	$ 28,053,000	$ 27,946,000	$ 28,268,000	$ 28,614,000	$ 19,390,000	$ 19,742,000	$ 20,197,000	$ 20,384,000
Less: Airfield Area Credits									
Revenues other than Airline Revenues	$ 4,124,000	$ 4,279,000	$ 4,324,000	$ 4,353,000	$ 4,394,000	$ 4,495,000	$ 4,530,000	$ 4,564,000	$ 4,600,000
Rollover Coverage Credit	2,057,000	3,488,000	3,336,000	3,240,000	3,229,000	928,000	928,000	923,000	923,000
Airfield Area Revenue Share Credit	11,654,000	10,930,000	11,360,000	12,031,000	12,416,000	12,173,000	12,440,000	13,352,000	13,621,000
	$ 17,835,000	$ 18,697,000	$ 19,020,000	$ 19,624,000	$ 20,039,000	$ 17,596,000	$ 17,898,000	$ 18,839,000	$ 19,144,000
Net Airfield Area Requirement	$ 6,970,000	$ 9,356,000	$ 8,926,000	$ 8,644,000	$ 8,575,000	$ 1,794,000	$ 1,844,000	$ 1,358,000	$ 1,240,000
Terminal Area and Other Requirement									
O&M Expenses	$ 35,531,000	$ 33,588,000	$ 34,299,000	$ 35,112,000	$ 35,946,000	$ 36,800,000	$ 37,678,000	$ 38,578,000	$ 39,500,000
O&M Reserve incremental deposit	244,000	233,000	126,000	138,000	140,000	144,000	148,000	152,000	154,000
Debt Service Fund Requirement	5,740,000	27,086,000	29,454,000	31,076,000	31,256,000	38,579,000	38,578,000	40,372,000	40,372,000
Debt Service Coverage	1,434,000	9,355,000	9,558,000	9,705,000	9,722,000	11,520,000	11,520,000	11,593,000	11,593,000
Amortization and depreciation	6,041,000	1,059,000	1,057,000	1,056,000	1,056,000	1,055,000	1,055,000	1,055,000	1,055,000
Equipment and Capital Outlay Allowance	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	$ 49,490,000	$ 71,821,000	$ 74,994,000	$ 77,587,000	$ 78,620,000	$ 88,598,000	$ 89,479,000	$ 92,250,000	$ 93,174,000
Less: Terminal Area Credits									
Revenues other than Airline Revenues	$ 10,622,000	$ 12,057,000	$ 12,346,000	$ 12,729,000	$ 13,181,000	$ 13,633,000	$ 14,078,000	$ 14,522,000	$ 14,994,000
Rollover Coverage Credit	1,434,000	9,355,000	9,558,000	9,705,000	9,722,000	11,520,000	11,520,000	11,593,000	11,593,000
Terminal Area Revenue Share Credit	11,655,000	10,930,000	11,360,000	12,032,000	12,417,000	12,174,000	12,440,000	13,353,000	13,622,000
	$ 23,711,000	$ 32,342,000	$ 33,264,000	$ 34,466,000	$ 35,320,000	$ 37,327,000	$ 38,038,000	$ 39,468,000	$ 40,209,000
Net Terminal Buidling and Other Area Requirement	$ 25,779,000	$ 39,479,000	$ 41,730,000	$ 43,121,000	$ 43,300,000	$ 51,271,000	$ 51,441,000	$ 52,782,000	$ 52,965,000

TABLE IV-8 (Concluded)
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED AIRLINE RENTALS
For Fiscal Years Ending December 31

	Projected								
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Apron Area Requirement									
O&M Expenses	$ 1,421,000	$ 1,414,000	$ 1,451,000	$ 1,489,000	$ 1,527,000	$ 1,566,000	$ 1,606,000	$ 1,648,000	$ 1,690,000
O&M Reserve incremental deposit	10,000	10,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000
Debt Service Fund Requirement	914,000	2,065,000	2,193,000	2,280,000	2,290,000	2,080,000	2,080,000	2,177,000	2,177,000
Debt Service Coverage	229,000	713,000	712,000	712,000	712,000	621,000	621,000	625,000	625,000
Amortization and depreciation	138,000	82,000	78,000	70,000	70,000	70,000	70,000	66,000	31,000
Equipment and Capital Outlay Allowance	-	-	-	-	-	-	-	-	-
	$ 2,712,000	$ 4,284,000	$ 4,439,000	$ 4,557,000	$ 4,605,000	$ 4,343,000	$ 4,383,000	$ 4,522,000	$ 4,530,000
Less: Terminal Area Credits									
Revenues other than Airline Revenues	$ 615,000	$ 630,000	$ 639,000	$ 647,000	$ 659,000	$ 674,000	$ 688,000	$ 701,000	$ 714,000
Rollover Coverage Credit	229,000	713,000	712,000	712,000	712,000	621,000	621,000	625,000	625,000
	$ 844,000	$ 1,343,000	$ 1,351,000	$ 1,359,000	$ 1,371,000	$ 1,295,000	$ 1,309,000	$ 1,326,000	$ 1,339,000
Net Apron Area Requirement	$ 1,868,000	$ 2,941,000	$ 3,088,000	$ 3,198,000	$ 3,234,000	$ 3,048,000	$ 3,074,000	$ 3,196,000	$ 3,191,000
Airline Revenues required	**$ 34,617,000**	**$ 51,776,000**	**$ 53,744,000**	**$ 54,963,000**	**$ 55,109,000**	**$ 56,113,000**	**$ 56,359,000**	**$ 57,336,000**	**$ 57,396,000**
÷ Enplaned passengers	5,934,000	6,023,000	6,098,000	6,204,000	6,342,000	6,473,000	6,595,000	6,711,000	6,834,000
Airline Cost per Enplaned Passenger	**$5.83**	**$8.60**	**$8.81**	**$8.86**	**$8.69**	**$8.67**	**$8.55**	**$8.54**	**$8.40**

2) *Other Airside Rentals and Fees.* Other Airside Rentals and Fees include charter/itinerant landing fees, inflight catering, fuel flowage fee, cargo storage, parking and apron rentals. Other landing fees, inflight catering, and fuel flowage fees are projected to increase with growth in air traffic activity. This revenue category is projected to increase to approximately $1.3 million in 2026.

b. Terminal Building and Other Revenues

1) *Food and Beverage*. Revenues from Food and Beverage concessionaires increased by 13.9 percent per year from approximately $1.7 million in 2009 to $3.8 million in 2015. Food and Beverage revenue for the forecast period was projected based on growth in enplaned passengers, better passenger flow to concessions resulting from consolidation of facilities at the new North Terminal, and a new concession program to be developed for the new North Terminal. This revenue category is projected to increase to $7.6 million in 2026.

2) *Retail.* Retail revenues increased from $1.7 million in 2009 to $3.2 million in 2015, or an average annual increase of 11.1 percent. This increase is also a result of improvements to concessions areas for the Super Bowl and increases in enplaned passengers. Retail revenues for the forecast period were projected based on growth in enplaned passengers, better passenger flow to concessions resulting from consolidation of facilities at the new North Terminal, and a new concession program to be developed for the new North Terminal. This revenue category is projected to increase to approximately $5.3 million in 2026.

3) *Advertising.* Advertising revenues increased from $0.3 million in 2009 to $0.7 million in 2015, or an average annual increase of 13.9 percent. During the forecast period, revenues are projected to increase in part with enplaned passengers and demand for advertising. This revenue category is projected to increase from $0.8 million in 2017 to approximately $0.9 million in 2026.

4) *Other Terminal Concessions and Revenues.* Other Terminal Concessions and Revenues fluctuated between above and below $1.3 million between 2009 and 2015. Other Terminal Concessions and Revenues, which include non-airline space rentals and common use fees, are projected to increase from $1.1 million in 2017 to $1.2 million in 2026.

c. Apron Area Revenues

1) *Other Apron Use Fees.* Other apron use fees increased from $0.2 million in 2009 to $0.9 million in 2015 which was an average increase of 27.6 percent per year. Other apron use fees are based on common-use fees recovered from Signatory and non-Signatory Airlines for the use of Airport apron areas. This revenue category is projected to be approximately $0.3 million in 2026.

2) *Overnight Parking Charges.* Historical overnight parking charge revenues decreased from $0.4 million in 2009 to $0.3 million in 2015. This revenue category is projected to be approximately $0.4 million in 2026.

d. Ground Transportation and Other Revenues

1) *Rental Cars.* Rental Car revenues increased from $8.5 million in 2009 to $10.0 million in 2015 which was an average increase of 2.8 percent per year. Rental Cars pay the greater of 10% of gross revenues or a minimum annual guarantee (MAG). During the forecast period, Rental Car revenues are projected to increase with enplaned passengers and are assumed to equal to 10% of gross revenues. This revenue category is projected to be approximately $11.7 million in 2026.

2) *Automobile Parking.* Historical Automobile Parking revenues increased from $8.9 million in 2009 to $10.7 million in 2015. This increase was attributable to an increase in Airport parking rates between 2009 and 2015. Airport short-term parking rates are currently $18.50 per day and long-term rates are $15.00 per day.

   During the forecast period, it is assumed that the existing short-term parking garage will be converted to additional long-term parking, along with the existing long-term parking structure. It is also assumed that a new 2,190 space short-term garage would be constructed at the North Terminal site and a total of 1,272 spaces in two surface lots would be constructed on the north side of the Airport. Upon completion of the North Terminal Project in 2019, long-term parking rates are assumed to be $22.00 per day and $20.00 per day for the short-term garage and the surface lot, respectively.

   Airport management anticipates entering into parking management fee contracts similar to the most recent short-term parking contract. During the remainder of the forecast period, Parking transactions are projected to increase with enplaned passengers. Parking rates are projected to increase $1.00 per day every two years. Parking revenues are projected to increase to approximately $25.5 million in 2026.

3) *Ground Transportation.* Ground Transportation revenues include limousine and courtesy shuttle revenues. Ground Transportation revenues increased from $0.9 million in 2009 to $1.7 million in 2015. The Ground Transportation revenues increase is due primarily to the increase in passengers and the increase in the use of transportation network companies (TNC) like Uber. During the forecast period, Ground Transportation revenues are projected to increase with enplaned passengers, increasing to $3.5 million in 2026.

4) *Off-Airport Parking.* Off-Airport Parking increased from $353,055 in 2009 to $478,484 in 2015. During the forecast period, it is assumed there will be no

Off-Airport Parking revenues once the new North Terminal opens due to the lack of desirable locations for these operators.

5) *Downtown Heliport.* Heliport revenues are projected to remain relatively constant at $5,000 annually.

e. Other Revenues

Other Revenues include non-operating revenues and interest income. Other non-operating revenues are projected to increase between one and two percent per year. Interest Income is projected to increase with increases in short-term interest rates and the additional interest earnings on the Series 2015 and Series 2017A/B and Series 2017D Debt Service Reserve Funds.

E. KEY FINANCIAL INDICATORS

This sub-section discusses the projections of the following key financial indicators: (1) the application of Revenues pursuant to the provisions of the Indenture, (2) the Airport's ability to satisfy the rate covenants of Section 604 of the Indenture, and (3) the Airline cost per enplaned passenger.

1. Application of Revenues

Table IV-9 shows the forecast application of Revenues pursuant to the provisions of the Indenture. Revenues are applied in the order shown on **Figure IV-1**.

2. Debt Service Coverage

Debt service coverage is calculated as Net Revenues, plus Other Available Funds, divided by total annual GARB Debt Service. Other Available Funds, as defined in the Bond Resolution, include the unencumbered balances in the Coverage Fund and the Surplus Fund, up to a maximum of 25 percent of the current year debt service. Pursuant to the Bond Resolution, annual debt service coverage must be at least 1.25.

Debt service coverage, shown on **Table IV-10**, is projected to decrease during the forecast period from 2.23 in 2017 to 1.30 in 2026, reflecting the decrease in the rate-funded deposit to the General Purpose Account from $6,000,000 in 2017 to $3,000,000 during the remainder of the forecast period.

3. PFC Revenue Cash Flow

The projected Net PFC Revenue cash flow is presented on **Table IV-11**. This projection assumes the PFC collection level will remain at the current rate of $4.50 per qualifying enplaned passenger through 2024 and then decrease to $3.00 effective January 1, 2025. Net PFC Revenues (PFC collections), net of the airline collection fee, are projected to

TABLE IV-9
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED APPLICATION OF REVENUES
For Fiscal Years Ending December 31

	Estimated 2016	Revised Budget 2017	Projected								
			2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues											
Airline Revenues	$ 40,377,000	$ 40,799,000	$ 34,617,000	$ 51,776,000	$ 53,744,000	$ 54,963,000	$ 55,109,000	$ 56,113,000	$ 56,359,000	$ 57,336,000	$ 57,396,000
Revenues Other Than Airline Revenues	42,961,000	44,578,000	45,075,000	53,577,000	55,044,000	56,983,000	58,160,000	60,562,000	61,758,000	64,230,000	65,423,000
Net PFC Revenues Transferred to the 2015 and 2017 Debt Service Fund	-	3,482,000	6,965,000	27,120,000	24,371,000	22,571,000	22,375,000	20,374,000	20,371,000	18,373,000	18,373,000
Total Revenues	**$ 83,338,000**	**$ 88,859,000**	**$ 86,657,000**	**$ 132,473,000**	**$ 133,159,000**	**$ 134,517,000**	**$ 135,644,000**	**$ 137,049,000**	**$ 138,488,000**	**$ 139,939,000**	**$ 141,192,000**
Deposit to Arbitrage Rebate Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
O&M Expenses	39,944,000	50,476,000	52,616,000	54,910,000	56,145,000	57,492,000	58,871,000	60,285,000	61,737,000	63,225,000	64,751,000
Debt Service Fund Requirement	14,879,000	18,361,000	21,845,000	70,464,000	70,500,000	70,503,000	70,507,000	70,507,000	70,502,000	70,504,000	70,504,000
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Improvement Account	-	-	-	-	-	-	-	-	-	-	-
O&M Reserve Fund	-	271,000	362,000	382,000	206,000	225,000	229,000	236,000	242,000	248,000	254,000
General Purpose Account											
General Purpose Account Requirement	6,000,000	6,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Rollover Coverage Account	-	-	-	-	-	-	-	-	-	-	-
Remaining balances deposited to the General Purposes Account	22,515,000	13,751,000	8,834,000	3,717,000	3,308,000	3,297,000	3,037,000	3,021,000	3,007,000	2,962,000	2,683,000
Application of Revenues	**$ 83,338,000**	**$ 88,859,000**	**$ 86,657,000**	**$ 132,473,000**	**$ 133,159,000**	**$ 134,517,000**	**$ 135,644,000**	**$ 137,049,000**	**$ 138,488,000**	**$ 139,939,000**	**$ 141,192,000**

TABLE IV-10
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE
For Fiscal Years Ending December 31

	Actual 2015	Estimated 2016	Revised Budget 2017	Projected 2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues												
Airline Revenues	$ 37,300,251	$ 40,377,000	$ 40,799,000	$ 34,617,000	$ 51,776,000	$ 53,744,000	$ 54,963,000	$ 55,109,000	$ 56,113,000	$ 56,359,000	$ 57,336,000	$ 57,396,000
Revenues Other Than Airline Revenues	38,301,711	42,961,000	44,578,000	45,075,000	53,577,000	55,044,000	56,983,000	58,160,000	60,562,000	61,758,000	64,230,000	65,423,000
Net PFC Revenues Transferred to the 2015 and 2017 Debt Service Funds	-	-	3,482,000	6,965,000	27,120,000	24,371,000	22,571,000	22,375,000	20,374,000	20,371,000	18,373,000	18,373,000
Total Revenues	$ 75,601,962	$ 83,338,000	$ 88,859,000	$ 86,657,000	$ 132,473,000	$ 133,159,000	$ 134,517,000	$ 135,644,000	$ 137,049,000	$ 138,488,000	$ 139,939,000	$ 141,192,000
Less: O&M Expenses	40,784,393	39,944,000	50,476,000	52,616,000	54,910,000	56,145,000	57,492,000	58,871,000	60,285,000	61,737,000	63,225,000	64,751,000
Subtotal	$ 34,817,569	$ 43,394,000	$ 38,383,000	$ 34,041,000	$ 77,563,000	$ 77,014,000	$ 77,025,000	$ 76,773,000	$ 76,764,000	$ 76,751,000	$ 76,714,000	$ 76,441,000
Plus: Rollover Coverage Account[1,2]	3,720,000	3,720,000	3,720,000	3,720,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000	14,970,000
Net Revenues	**$ 38,537,569**	**$ 47,114,000**	**$ 42,103,000**	**$ 37,761,000**	**$ 92,533,000**	**$ 91,984,000**	**$ 91,995,000**	**$ 91,743,000**	**$ 91,734,000**	**$ 91,721,000**	**$ 91,684,000**	**$ 91,411,000**
Debt Service Fund Requirement	14,879,950	14,879,000	18,361,000	21,845,000	70,464,000	70,500,000	70,503,000	70,507,000	70,507,000	70,502,000	70,504,000	70,504,000
Debt Service Coverage	**2.59**	**3.17**	**2.29**	**1.73**	**1.31**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**

[1] Represents the sums on deposit in the Rollover Coverage Account as of the last day of the preceding year.
[2] Assumes, in 2019, NOAB deposits amounts sufficient to provide 1.25 times coverage on the Debt Service Fund Requirement, net of PFC Revenues, through the maturity on the Series 2015 and Series 2017 Bonds.

TABLE IV-11
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
PROJECTED PFC REVENUE CASH FLOW
For Fiscal Years Ending December 31

		Projected									
	Estimated 2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Excess PFC Fund balance - Beginning of Year	$ 51,008,783	$ 62,779,413	$ 72,754,485	$ 69,640,399	$ 63,455,429	$ 57,430,716	$ 53,626,966	$ 50,563,866	$ 50,021,766	$ 49,966,666	$ 43,304,072
Net PFC Revenues (PFC Collections)											
Enplaned Passengers	5,580,000	5,792,000	5,934,000	6,023,000	6,098,000	6,204,000	6,342,000	6,473,000	6,595,000	6,711,000	6,834,000
Percent PFC-Eligible	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Projected PFC-Eligible Passengers	5,022,000	5,213,000	5,341,000	5,421,000	5,488,000	5,584,000	5,708,000	5,826,000	5,936,000	6,040,000	6,151,000
PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$2.89	$2.89
Estimated Net PFC Revenues	$ 22,047,000	$ 22,885,000	$ 23,447,000	$ 23,798,000	$ 24,092,000	$ 24,514,000	$ 25,058,000	$ 25,576,000	$ 26,059,000	$ 17,456,000	$ 17,776,000
Total PFC Resources Available	$ 73,055,783	$ 85,664,413	$ 96,201,485	$ 93,438,399	$ 87,547,429	$ 81,944,716	$ 78,684,966	$ 76,139,866	$ 76,080,766	$ 67,422,666	$ 61,080,072
Less: Use of PFC Resources											
Debt Service - Series 2007 and 2010 PFC Bonds[1]	$ 9,706,225	$ 6,222,725	$ 2,740,713	$ 2,740,713	$ 4,245,713	$ 4,246,750	$ 4,246,100	$ 4,244,100	$ 4,243,100	$ 4,245,594	$ 4,245,594
Near-Term Infrastructure CIP	570,145	1,072,489	208,733	122,258	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reimbursement of planning studies	-	2,132,714	-	-	-	-	-	-	-	-	-
PayGo Application - Terminal Program	-	-	16,646,640	-	-	-	-	-	-	-	-
	$ 10,276,370	$ 9,427,928	$ 19,596,086	$ 2,862,971	$ 5,745,713	$ 5,746,750	$ 5,746,100	$ 5,744,100	$ 5,743,100	$ 5,745,594	$ 5,745,594
Excess Net PFC Revenues Available for Transfer	$ 62,779,413	$ 76,236,485	$ 76,605,399	$ 90,575,429	$ 81,801,716	$ 76,197,966	$ 72,938,866	$ 70,395,766	$ 70,337,666	$ 61,677,072	$ 55,334,479
Less: Net PFC Revenues transferred to Debt Service Funds											
Series 2015 Bonds	$ -	$ -	$ -	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000
Series 2017A/B Bonds	-	-	-	-	-	-	-	-	-	-	-
Series 2017D Bonds	-	3,482,000	6,965,000	7,120,000	4,371,000	4,371,000	4,375,000	4,374,000	4,371,000	4,373,000	4,373,000
	$ -	$ 3,482,000	$ 6,965,000	$ 27,120,000	$ 24,371,000	$ 22,571,000	$ 22,375,000	$ 20,374,000	$ 20,371,000	$ 18,373,000	$ 18,373,000
Excess PFC Fund - End of Year	**$ 62,779,413**	**$ 72,754,485**	**$ 69,640,399**	**$ 63,455,429**	**$ 57,430,716**	**$ 53,626,966**	**$ 50,563,866**	**$ 50,021,766**	**$ 49,966,666**	**$ 43,304,072**	**$ 36,961,479**

[1] Assumes Series 2007 PFC Bonds will be refunded with the Series 2017D bonds during 2017.

decrease from $22.9 million in 2017 to $17.8 million in 2026 as a result of the decrease in the collection rate. Net PFC Revenues will first be used to pay debt service on the 2010 PFC Bonds that were issued under the PFC General Revenue Bond Indenture (the PFC General Indenture), dated as of November 1, 2007. The Airport intends to fund the local share of various near-term infrastructure improvements with Net PFC Revenues. The Airport also intends to fund approximately $16.6 million of the North Terminal Project with Net PFC Revenues on a pay-as-you-go basis.

Per the PFC General Indenture, Net PFC Revenues are deposited daily to a Receipts Fund. The PFC Trustee credits from the Receipts Fund, on a priority basis, Net PFC Revenues to accounts for all purposes, including payment of debt service on PFC Bonds, prior to the Net PFC Revenues being credited to an Excess PFC Fund. PFC Revenues credited to the Excess PFC Fund may be applied to any lawful purpose of the Aviation Board. A portion of the Net PFC Revenues deposited to the Excess PFC Fund are expected to be transferred to the 2015 and 2017 Debt Service Funds and applied by the Board to pay debt service on the PFC eligible portion of the Series 2015 Bonds and the Series 2017A/B and Series 2017D Bonds. The Net PFC Revenues transferred to the 2015 and 2017 Debt Service Funds are projected to range from $27.1 million in 2019 to $18.4 million in 2026. After accounting for such transfers, the excess PFC revenues are projected to total $37.0 million at the end of 2026.

As shown on **Table I-1** in Section I, the funding plan assumes that the Series 2015 Bonds and Series 2017A/B Bonds will fund $763.3 million of the North Terminal Project costs, of which $306.2 million (30.8 percent of the cost) is currently authorized as PFC eligible. During the forecast period, a total of $175.3 million of debt service on the Series 2015 and Series 2017A/B Bonds is projected to be eligible to be offset with excess PFC Revenues. During this same period, projected Net PFC Revenues applied to offset debt service on the Series 2015 and Series 2017A/B Bonds are projected to total $136.2 million ($39.1 million less than the eligible debt service), accounting for overall Net PFC Revenues available to offset debt service being less than PFC-eligible debt service over the life of the Bonds. Total projected PFC-eligible debt service through maturity of the Series 2015 and Series 2017A/B Bonds is $709.3 million, while total excess Net PFC Revenues available are projected to total $578.8 million, or $130.5 million less than PFC-eligible debt service.

Since excess Net PFC Revenues are projected to be less than PFC-eligible debt service on the Series 2015 and Series 2017A/B Bonds and the PFC collection rate is projected to decrease to $3.00 effective January 1, 2025, excess Net PFC Revenues were applied, as follows:

- To maximize their application against annual debt service during the forecast period, without creating significant fluctuations in annual required airline revenues; and

- To provide sufficient excess Net PFC Revenues beyond the forecast period to maintain a reasonable application against PFC-eligible debt service 1) after the collection rate decreases to $3.00 and 2) through maturity of the Series 2015 and Series 2017A/B Bonds.

4. Airline Cost per Enplaned Passenger

An important component of the financial feasibility report is the assessment of how the planned capital improvements and the related financings will affect the airline rates and charges. Based on the financial projections discussed above, the airline cost per enplaned passenger, presented on **Table IV-8**, is projected to increase from $8.60 in 2019 to $8.86 in 2021, and then decrease each year thereafter, to $8.40 in 2026. The projected airline cost per enplaned passenger during the forecast period is consistent with other medium hub airports and is relatively low compared to other medium hub airports that have recently completed major capital improvement programs.

5. Sensitivity Analysis

A sensitivity analysis was prepared using the low scenario forecast presented on Table III-8. The projections of the key financial variables under the sensitivity analysis, and for comparative purposes, the base scenario forecast, are summarized on Table IV-12. Net Revenues and debt service coverage are projected to be the same under both the base scenario and the low scenario forecast due to the residual nature of the airline revenue required under the Agreement. The required airline revenues and the airline cost per enplaned passenger are both projected to increase under the low scenario forecast. In 2026, the required airline revenues and the airline cost per enplaned passenger are projected to be $4.0 million and $0.58 higher, respectively. This increase in attributable to a combined decrease in projected non-airline revenues and PFC Revenues available to offset Airline revenue required.

Net PFC Revenues available to be transferred to the 2015 and 2017A/B and Series 2017D Debt Service Funds are projected to be lower from the base scenario forecast in 2022 by $2.0 million and in 2025 and 2026 by $1.0 million. The excess Net PFC Revenues balance is projected to be $11.9 million lower under the low scenario forecast in order to maintain sufficient Net PFC Revenues balances after the forecast period to offset debt service on the Series 2015 and Series 2017A/B Bonds.

F. SUMMARY

The following points highlight the significant findings of the financial analysis contained in this section:

- Debt service coverage was 2.59 in 2015, well above the 1.25 requirement.

- Debt service coverage is projected to remain above the 1.25 requirement, with a projected minimum of 1.30 during the period 2019 through 2026.
- The Airport's Excess PFC Fund balance is projected to total $37.0 million in 2026.
- The airline cost per enplaned passenger is projected to remain reasonable during the forecast period. The airline cost per enplaned passenger is projected to increase from $8.60 in 2019 to $8.86 in 2021, and then decrease to $8.40 in 2026.
- Under the low scenario forecast, debt service coverage is projected to remain the same as under the base scenario forecast and range from 1.31 to 1.30 after the completion of the North Terminal Project. The airline cost per enplaned passenger is projected to increase from $8.88 in 2019 to $9.37 in 2022, and then decrease each year thereafter, to $8.98 in 2026. The Excess PFC Fund balance is projected to total $25.0 million in 2026.

TABLE IV-12
LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
KEY FINANCIAL PROJECTIONS
BASE AND LOW SCENARIO FORECASTS
For Fiscal Years Ending December 31

	Projected								
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Base Scenario Forecast									
Net Revenues	$ 34,041,000	$ 77,563,000	$ 77,014,000	$ 77,025,000	$ 76,773,000	$ 76,764,000	$ 76,751,000	$ 76,714,000	$ 76,441,000
Debt Service Coverage	1.73	1.31	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Airline Revenues required	$ 34,617,000	$ 51,776,000	$ 53,744,000	$ 54,963,000	$ 55,109,000	$ 56,113,000	$ 56,359,000	$ 57,336,000	$ 57,396,000
Airline cost per enplaned passenger	$5.83	$8.60	$8.81	$8.86	$8.69	$8.67	$8.55	$8.54	$8.40
PFC Revenues Transferred to the 2015 and 2017A/B Debt Service Funds	$ -	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000
Excess PFC Fund balance	$ 69,640,000	$ 63,455,000	$ 57,431,000	$ 53,627,000	$ 50,564,000	$ 50,022,000	$ 49,967,000	$ 43,304,000	$ 36,961,000
Low Scenario Forecast									
Net Revenues	$ 34,041,000	$ 77,563,000	$ 77,014,000	$ 77,025,000	$ 76,773,000	$ 76,764,000	$ 76,751,000	$ 76,714,000	$ 76,441,000
Debt Service Coverage	1.73	1.31	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Airline Revenues required	$ 35,287,000	$ 53,469,000	$ 55,846,000	$ 57,155,000	$ 59,451,000	$ 58,618,000	$ 58,991,000	$ 61,242,000	$ 61,384,000
Airline cost per enplaned passenger	$5.95	$8.88	$9.16	$9.21	$9.37	$9.06	$8.94	$9.13	$8.98
PFC Revenues Transferred to the 2015 and 2017A/B Debt Service Funds	$ -	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 16,000,000	$ 16,000,000	$ 16,000,000	$ 13,000,000	$ 13,000,000
Excess PFC Fund balance	$ 66,550,000	$ 58,776,000	$ 51,146,000	$ 45,704,000	$ 42,916,000	$ 40,583,000	$ 38,667,000	$ 31,697,000	$ 25,019,000
Increase (Decrease) From Base									
Net Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage	-	-	-	-	-	-	-	-	-
Airline Revenues required	$ 670,000	$ 1,693,000	$ 2,102,000	$ 2,192,000	$ 4,342,000	$ 2,505,000	$ 2,632,000	$ 3,906,000	$ 3,988,000
Airline cost per enplaned passenger	$0.11	$0.28	$0.34	$0.35	$0.68	$0.39	$0.40	$0.58	$0.58
PFC Revenues Transferred to the 2015 and 2017A/B Debt Service Funds	$ -	$ -	$ -	$ -	$ (2,000,000)	$ -	$ -	$ (1,000,000)	$ (1,000,000)
Excess PFC Fund balance	$ (3,090,000)	$ (4,679,000)	$ (6,285,000)	$ (7,923,000)	$ (7,648,000)	$ (9,439,000)	$ (11,300,000)	$ (11,607,000)	$ (11,942,000)

APPENDIX D-1

FORM OF OPINION OF CO-BOND COUNSEL: SERIES 2017A BONDS, SERIES 2017B BONDS AND SERIES 2017C BONDS

May 25, 2017

Honorable Board of Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

$100,010,000	$219,390,000	$46,995,000
New Orleans Aviation Board	New Orleans Aviation Board	New Orleans Aviation Board
General Airport Revenue Bonds	General Airport Revenue Bonds	General Airport Revenue
(North Terminal Project)	(North Terminal Project)	Refunding Bonds
Series 2017A (Non-AMT)	Series 2017B (AMT)	Series 2017C (Taxable)

We have acted as bond counsel in connection with the issuance by the New Orleans Aviation Board (the "**Issuer**"), an unattached board of the City of New Orleans, Louisiana (the "**City**"), of the captioned bonds consisting of (i) $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT) (the "**Series 2017A Bonds**"), (ii) $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT) (the "**Series 2017B Bonds**"), and (iii) $46,995,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2017C (Taxable) (the "**Series 2017C Bonds**"). The Series 2017A Bonds and the Series 2017B Bonds are hereinafter referred to as the "**Series 2017 Tax-exempt Bonds**."

The Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds are issued pursuant to (i) authority conferred by Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Sections 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including, without limitation, the provisions of Chapter 13 of Subtitle III, in particular Section 1430 thereof, of Title 39 and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively the "**Act**"), (ii) resolutions (a) of the Issuer adopted on February 2, 2017 and April 27, 2017 (together the "**Bond Resolution**") and (b) of the City adopted on February 23, 2017 (the "**City Resolution**") approving the issuance and sale of the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds by the Issuer and (iii) provisions of that certain General Revenue Bond Trust Indenture among the Issuer, the City and The Bank of New York Trust Company, N.A. (the "**Trustee**") dated as of February 1, 2009, (the "**General Indenture**") as amended and supplemented by that certain Third Supplemental Trust Indenture among the same parties dated as of May 1, 2017 (the "**Third Supplemental Indenture**", and together with the General Indenture and the Second Supplemental Indenture, the "**Indenture**").

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

Proceeds of the Series 2017A Bonds and Series 2017B Bonds will be used (i) to pay for a portion of the costs of the North Terminal Project, including capitalized interest on the Series 2017A Bonds, Series 2017B Bonds, and the Series 2015 Bonds issued pursuant to that certain Second Supplemental Trust Indenture among the same parties dated as of March 1, 2015 (the "**Second Supplemental Indenture**"), (ii) to fund a Debt Service Reserve Fund and (iii) to pay the costs of issuance of the Series 2017A Bonds and Series 2017B Bonds.

Proceeds of the Series 2017C Bonds will be used (i) to refund the Series 2009 Bonds other than the Series 2009 Bonds maturing January 1, 2018 and January 1, 2019, (ii) to fund a Debt Service Reserve Fund and (iii) to pay the costs of issuance of the Series 2017C Bonds.

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) the Bond Resolution, (iii) executed counterparts of the Indenture, and (iv) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City's Home Rule Charter with full power and authority under the Act to issue the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and to perform all of its obligations under the Indenture.

2. The Indenture (i) has been duly authorized, executed and delivered by the Issuer and the City, (ii) constitutes a legal, valid and binding obligation of the City and the Issuer and (iii) creates a legal, valid and binding first lien pledge of the Net Revenues to the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and of other items described in the Indenture.

3. The Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds have been duly authorized, executed and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and secured by the sources provided for in the Indenture. Neither the City's general credit nor taxing power is pledged as security for the payment of the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds. The Issuer has no taxing power.

4. Interest on the Series 2017 Tax-exempt Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "**Code**"), except that no opinion is expressed as to the status of interest on any Series 2017B Bond for any period that a Series 2017B Bond is held by a "substantial user" of the facilities financed by such Series 2017B Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2017A Bonds is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the federal alternative minimum tax. Interest on the Series 2017B Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations. Interest on the Series 2017C Bonds is not excluded from gross income for purposes of Section 103 of the Code.

5. Under the Act, interest on the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds is exempt from all taxation for state, parish, municipal or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Series 2017 Tax-exempt Bonds for the interest on the Series 2017 Tax-exempt Bonds to be and remain excluded from gross income of the owners of such Series 2017 Tax-exempt Bonds for federal income tax purposes. The Issuer has covenanted in the Indenture and other documents to institute programs and procedures for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Series 2017 Tax-exempt Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and the enforceability of the Bond Resolution, the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2017A Bonds, the Series 2017B Bonds, and the Series 2017C Bonds and our services as bond counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

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APPENDIX D-2

FORM OF OPINION OF CO-BOND COUNSEL: SERIES 2017D BONDS

October 4, 2017

Honorable Board of Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

$4,150,000	$50,145,000
New Orleans Aviation Board	New Orleans Aviation Board
General Airport Revenue	General Airport Revenue
Refunding Bonds	Refunding Bonds
Series 2017D-1 (Non-AMT)	Series 2017D-2 (AMT)

We have acted as bond counsel in connection with the issuance by the New Orleans Aviation Board (the "**Issuer**"), an unattached board of the City of New Orleans, Louisiana (the "**City**"), of the captioned bonds consisting of (i) $4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) (the "**Series 2017D-1 Bonds**") and (ii) $50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT) (the "**Series 2017D-2 Bonds**", together with the Series 2017D-1 Bonds, the "**Series 2017D Bonds**").

The Series 2017D Bonds are issued pursuant to (i) authority conferred by Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Sections 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including, without limitation, the provisions of Chapter 13 of Subtitle III, in particular Section 1430 thereof, of Title 39 and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively the "**Act**"), (ii) resolutions (a) of the Issuer adopted on February 2, 2017 and April 27, 2017 (together the "**Bond Resolution**") and (b) of the City adopted on February 23, 2017 (the "**City Resolution**") approving the issuance and sale of the Series 2017D Bonds by the Issuer and (iii) provisions of that certain General Revenue Bond Trust Indenture among the Issuer, the City and The Bank of New York Trust Company, N.A. (the "**Trustee**") dated as of February 1, 2009, (the "**General Indenture**") as amended and supplemented by that certain Second Supplemental Trust Indenture among the same parties dated as of March 1, 2015 (the "**Second Supplemental Indenture**") and as further amended and supplemented by that certain Third Supplemental Trust Indenture among the same parties dated as of May 1, 2017 (the "**Third Supplemental Indenture**", and together with the General Indenture and the Second Supplemental Indenture, the "**Indenture**").

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

Proceeds of the Series 2017D Bonds will be used (i) to refund Series 2007 PFC Bonds, (ii) to fund a Debt Service Reserve Fund and (iii) to pay the costs of issuance of the Series 2017D Bonds.

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) the Bond Resolution, (iii) executed counterparts of the Indenture, and (iv) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City's Home Rule Charter with full power and authority under the Act to issue the Series 2017D Bonds and to perform all of its obligations under the Indenture.

2. The Indenture (i) has been duly authorized, executed and delivered by the Issuer and the City, (ii) constitutes a legal, valid and binding obligation of the City and the Issuer and (iii) creates a legal, valid and binding first lien pledge of the Net Revenues to the Series 2017D Bonds and of other items described in the Indenture.

3. The Series 2017D Bonds have been duly authorized, executed and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and secured by the sources provided for in the Indenture. Neither the City's general credit nor taxing power is pledged as security for the payment of the Series 2017D Bonds. The Issuer has no taxing power.

4. Interest on the Series 2017D Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "**Code**"), except that no opinion is expressed as to the status of interest on any Series 2017D-2 Bond for any period that a Series 2017D-2 Bond is held by a "substantial user" of the facilities financed by such Series 2017D-2 Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2017D-1 Bonds is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the federal alternative minimum tax. Interest on the Series 2017D-2 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations.

5. Under the Act, interest on the Series 2017D Bonds is exempt from all taxation for state, parish, municipal or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Series 2017D Bonds for the interest on the Series 2017D Bonds to be and remain excluded from gross income of the owners of such Series 2017D Bonds for federal income tax purposes. The Issuer has covenanted in the Indenture and other documents to institute programs and procedures for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Series 2017D Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Series 2017D Bonds and the enforceability of the Bond Resolution, the Series 2017D Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2017D Bonds and our services as bond counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

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APPENDIX E-1

FORM OF OPINION OF AVIATION BOARD COUNSEL: SERIES 2017A BONDS, SERIES 2017B BONDS AND SERIES 2017C BONDS

May 25, 2017

Honorable Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

Citigroup Global Markets Inc.
As Representative of the Underwriters
New York, New York

The Bank of New York Mellon Trust Company, N.A.
Baton Rouge, Louisiana

Foley & Judell, L.L.P.
New Orleans, Louisiana

$100,010,000	$219,390,000	$46,995,000
New Orleans Aviation Board	New Orleans Aviation Board	New Orleans Aviation Board
General Airport Revenue Bonds	General Airport Revenue Bonds	General Airport Revenue
(North Terminal Project)	(North Terminal Project)	Refunding Bonds
Series 2017A (Non-AMT)	Series 2017B (AMT)	Series 2017C (Taxable)

Ladies and Gentlemen:

This opinion is being rendered to you in the undersigned's capacity as Chief Legal Counsel to the New Orleans Aviation Board (the "**Board**") of the City of New Orleans, Louisiana (the "**City**"), relating to the sale and delivery of (i) $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT) (the "**Series 2017A Bonds**"), (ii) $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT) (the "**Series 2017B Bonds**"), and (iii) $46,995,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2017C (Taxable) (the "**Series 2017C Bonds**").

The Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds are issued pursuant to resolutions of the Board adopted on February 2, 2017 and April 27, 2017 (the "**Bond Resolutions**") and pursuant to the provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**"), and the City of New Orleans (the "**City**"), as supplemented and amended by (i) a Second Supplemental Trust Indenture among the same parties and dated March 1, 2015 (the "**Second Supplemental Indenture**") and (ii) a Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**", together with the General Indenture and the Second Supplemental Indenture, the "**Indenture**").

All capitalized terms herein (unless otherwise defined herein) shall have the respective meanings assigned thereto in the Indenture.

Proceeds of the Series 2017A Bonds and Series 2017B Bonds will be used (i) to pay for a portion of the costs of the North Terminal Project, including capitalized interest on the Series 2017A Bonds, Series 2017B Bonds, and Series 2015 Bonds, (ii) to fund a Debt Service Reserve Fund f and (iii) to pay the costs of issuance of the Series 2017A Bonds and Series 2017B Bonds.

Proceeds of the Series 2017C Bonds will be used (i) to advance refund Series 2009 Bonds, (ii) to fund a Debt Service Reserve Fund for the Series 2017C Bonds and (iii) to pay the costs of issuance of the Series 2017C Bonds.

As Chief Legal Counsel for the Board, I am familiar with the constitution, statutes, and Home Rule Charter creating the Board, official records of the Board, and the general history of the Board. In connection with this opinion, I have examined, or caused to be examined, such documents, records, consents and papers, and considered such questions of law and fact as I have deemed relevant and necessary. In furnishing this opinion, I have examined the documents relating to the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds and I have made such investigation of matters of fact and law as I have deemed necessary or appropriate to provide a basis for the opinions set forth herein. In such examination and investigation, I have relied on certificates of members and/or staff of the Board, Consultants to the Board and Co-Bond Counsel. Likewise, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted as originals, and the conformity to original documents of all documents submitted as certified or photo static copies. I have also assumed that all parties to the documents relating to the delivery of the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds (other than the Board) have the corporate power and authority to enter into and perform all obligations thereunder, and, as to such other parties, the due authorization by all requisite corporate action, the due execution and delivery and the validity, binding effect, and enforceability of each such document.

Based upon the foregoing, I am of the opinion that:

1. The Board is an unattached board of the City under its Home Rule Charter with full power and authority, among other things, to adopt and perform its duties and obligations under the Bond Resolution, to deliver the Preliminary Official Statement for the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds dated April 28, 2017 (the "**Preliminary Official Statement**") and the Official Statement for the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds dated May 11, 2017 (the "**Official Statement**"), to execute, deliver and perform its duties and obligations under the Bond Purchase Agreement and the Continuing Disclosure Certificate executed by the Board on May 25, 2017 relating to the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, to authorize, issue and sell the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, to operate the Airport, to collect and enforce the collection of the Revenues as covenanted in the Bond Resolution and the Indenture and to impose, collect and use other available moneys in accordance with the Board's plan of finance for the North Terminal Project to be funded with the proceeds of the Series 2017A Bonds and the Series 2017B Bonds.

2. The Bond Purchase Agreement, the Indenture, and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Board, the Bond Resolutions have been duly adopted by the Commissioners of the Board, and all such instruments and the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds constitute valid and legal obligations of the Board enforceable in accordance with their terms, subject to

bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

3. Compliance with the provisions of the Bond Purchase Agreement, the Bond Resolutions and the Indenture and performance of the Board's obligations contemplated therein do not conflict with, or constitute a breach of or default under, any applicable law, regulation, court order or consent decree of the State or any department, division, agency or instrumentality thereof or of the United States, or any loan agreement, note, resolution, indenture, order, agreement, ordinance or other instrument to which the Board is a party or may otherwise be subject.

4. All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the Board of its obligations under the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Bond Resolution, the Indenture and the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds have been obtained except for certain licenses, permits and other governmental approvals necessary for compliance with state and local building codes, regulations and requirements, which the Board expects to obtain on a timely basis when required.

5. All approvals, consents, and orders of any governmental authority, board, agency, or commission (including the FAA and the State Bond Commission) having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations under the Bond Purchase Agreement, the Bond Resolution, the Indenture and the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds have been obtained and are in full force and effect.

6. Except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the undersigned's knowledge, threatened, in any way affecting the existence of the Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, or the right of the Board to collect the Revenues and other moneys pledged or to be pledged to pay the principal of and interest on the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, the Bond Resolution, the Indenture, the Continuing Disclosure Certificate, or the Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, the powers of the Board or its authority with respect to the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds, the Bond Resolution, the Indenture or the Bond Purchase Agreement;

7. The information contained in the Official Statement under the headings "INTRODUCTION," "NORTH TERMINAL PROJECT," "CAPITAL IMPROVEMENT PROGRAM," "MISCELLANEOUS" (except for financial and statistical data contained in such sections, and information relating to the Report of the Aviation Consultant and DTC,), "LEGAL MATTERS," "CONTINUING DISCLOSURE," "APPROVAL OF LEGAL PROCEEDINGS" and "LITIGATION" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading.

In rendering this opinion, I do not express any opinion concerning any law other than the law of the State of Louisiana and the federal law of the United States, and I do not express any opinion, either implicitly or otherwise, on any issue not expressly addressed herein.

This opinion is being rendered to you for your sole benefit, and no other person or entity, other than you, is entitled to rely thereon without our prior written consent.

Respectfully submitted,

Michele D. Allen-Hart
New Orleans Aviation Board Chief Legal Counsel and
Deputy Director of Legal Affairs

APPENDIX E-2

FORM OF OPINION OF AVIATION BOARD COUNSEL: SERIES 2017D BONDS

October 4, 2017

Honorable Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

Citigroup Global Markets Inc.
As Representative of the Underwriters
New York, New York

The Bank of New York Mellon Trust Company, N.A.
Baton Rouge, Louisiana

Foley & Judell, L.L.P.
New Orleans, Louisiana

$4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-1 (Non-AMT)	$50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-2 (AMT)

Ladies and Gentlemen:

This opinion is being rendered to you in the undersigned's capacity as Chief Legal Counsel to the New Orleans Aviation Board (the "**Board**") of the City of New Orleans, Louisiana (the "**City**"), relating to the sale and delivery of (i) $4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) (the "**Series 2017D-1 Bonds**") and (ii) $50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT) (the "**Series 2017D-2 Bonds**", together with the Series 2017D-1Bonds, the "**Series 2017D Bonds**").

The Series 2017D Bonds are issued pursuant to resolutions of the Board adopted on February 2, 2017 and April 27, 2017 (the "**Bond Resolutions**") and pursuant to the provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**"), and the City of New Orleans (the "**City**"), as supplemented and amended by (i) a Second Supplemental Trust Indenture among the same parties and dated March 1, 2015 (the "**Second Supplemental Indenture**") and (ii) a Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**", together with the General Indenture and the Second Supplemental Indenture, the "**Indenture**").

All capitalized terms herein (unless otherwise defined herein) shall have the respective meanings assigned thereto in the Indenture.

Proceeds of the Series 2017D Bonds will be used (i) to currently refund Series 2007 PFC Bonds, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance of the Series 2017D Bonds.

As Chief Legal Counsel for the Board, I am familiar with the constitution, statutes, and Home Rule Charter creating the Board, official records of the Board, and the general history of the Board. In connection with this opinion, I have examined, or caused to be examined, such documents, records, consents and papers, and considered such questions of law and fact as I have deemed relevant and necessary. In furnishing this opinion, I have examined the documents relating to this Series 2017D Bonds transaction and I have made such investigation of matters of fact and law as I have deemed necessary or appropriate to provide a basis for the opinions set forth herein. In such examination and investigation, I have relied on certificates of members and/or staff of the Board, Consultants to the Board and Co-Bond Counsel. Likewise, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted as originals, and the conformity to original documents of all documents submitted as certified or photo static copies. I have also assumed that all parties to the documents relating to this Series 2017D Bonds transaction (other than the Board) have the corporate power and authority to enter into and perform all obligations thereunder, and, as to such other parties, the due authorization by all requisite corporate action, the due execution and delivery and the validity, binding effect, and enforceability of each such document.

Based upon the foregoing, I am of the opinion that:

8. The Board is an unattached board of the City under its Home Rule Charter with full power and authority, among other things, to adopt and perform its duties and obligations under the Bond Resolution, to deliver the Preliminary Official Statement for the Series 2017D Bonds dated April 28, 2017 (the "**Preliminary Official Statement**") and the Official Statement for the Series 2017D Bonds dated May 11, 2017 (the "**Official Statement**") as supplemented on [_____], 2017 (the "**Series 2017D Bonds OS Supplement**"), to execute, deliver and perform its duties and obligations under the Forward Delivery Bond Purchase Contract (the "**Forward Purchase Contract**") and the Continuing Disclosure Certificate executed by the Board on October 4, 2017 relating to the Series 2017D Bonds, to authorize, issue and sell the Series 2017D Bonds, to operate the Airport, to collect and enforce the collection of the Revenues as covenanted in the Bond Resolution and the Indenture.

9. The Forward Purchase Contract, the Indenture and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Board, the Bond Resolutions have been duly adopted by the Commissioners of the Board, and all such instruments and the Series 2017D Bonds constitute valid and legal obligations of the Board enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

10. Compliance with the provisions of the Forward Purchase Contract, the Bond Resolutions and the Indenture and performance of the Board's obligations contemplated therein do not conflict with, or constitute a breach of or default under, any applicable law, regulation, court order or consent decree of the State or any department, division, agency or instrumentality thereof or of the United States, or any loan agreement, note, resolution, indenture, order, agreement, ordinance or other instrument to which the Board is a party or may otherwise be subject.

11. All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the Board of its obligations under the Forward Purchase Contract, the Continuing Disclosure Certificate, the Bond Resolution, the Indenture and the Series 2017D Bonds have been obtained except for certain licenses, permits and other governmental approvals necessary for compliance with state and local building codes, regulations and requirements, which the Board expects to obtain on a timely basis when required.

12. All approvals, consents, and orders of any governmental authority, board, agency, or commission (including the FAA and the State Bond Commission) having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations under the Forward Purchase Contract, the Bond Resolution, the Indenture and the Series 2017D Bonds have been obtained and are in full force and effect.

13. Except as set forth in the Official Statement as supplemented by the Series 2017D Bonds OS Supplement, there is no litigation or proceeding pending or, to the undersigned's knowledge, threatened, in any way affecting the existence of the Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2017D Bonds, or the right of the Board to collect the Revenues and other moneys pledged or to be pledged to pay the principal of and interest on the Series 2017D Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2017D Bonds, the Bond Resolution, the Indenture, the Continuing Disclosure Certificate, or the Forward Purchase Contract, or contesting in any way the completeness or accuracy of the Official Statement as supplemented by the Series 2017D Bonds OS Supplement, the powers of the Board or its authority with respect to the Series 2017D Bonds, the Bond Resolution, the Indenture or the Forward Purchase Contract;

14. The information contained in the Official Statement under the headings "INTRODUCTION," "NORTH TERMINAL PROJECT," "CAPITAL IMPROVEMENT PROGRAM," "MISCELLANEOUS" (except for financial and statistical data contained in such sections, and information relating to the Report of the Aviation Consultant and DTC,), "LEGAL MATTERS," "CONTINUING DISCLOSURE," "APPROVAL OF LEGAL PROCEEDINGS" and "LITIGATION" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading.

In rendering this opinion, I do not express any opinion concerning any law other than the law of the State of Louisiana and the federal law of the United States, and I do not express any opinion, either implicitly or otherwise, on any issue not expressly addressed herein.

This opinion is being rendered to you for your sole benefit, and no other person or entity, other than you, is entitled to rely thereon without our prior written consent.

Respectfully submitted,

Michele D. Allen-Hart
New Orleans Aviation Board Chief Legal Counsel and
Deputy Director of Legal Affairs

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APPENDIX F

FINANCIAL STATEMENTS

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LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Financial Statements and Supplemental Schedules

December 31, 2015

(With Independent Auditors' Report Thereon)

P&N Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Table of Contents

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
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Independent Auditors' Report

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

Report on the Financial Statements

We have audited the accompanying financial statements of the Louis Armstrong New Orleans International Airport (the Airport), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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 opinion.

30th Floor - Energy Centre • 1100 Poydras Street • New Orleans, LA 70163-3000 • Tel: 800.201.7332
One Galleria Blvd., Suite 2100 • Metairie, LA 70001 • Tel: 504.837.5990 • Fax: 504.834.3609

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louis Armstrong New Orleans International Airport as of December 31, 2015 and 2014, and the changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 10 to the financial statements, the Airport implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ended December 31, 2015. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The Airport also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.*

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the schedules presented on pages 50 and 51 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Airport's basic financial statements. Supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The Supplemental schedules 1, 2, and 4 have been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental Schedules 1, 2, and 4 are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Schedule 3 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2016, on our consideration of the Airport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
July 11, 2016

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Management's Discussion and Analysis

December 31, 2015 and 2014

(Unaudited)

This narrative discussion and analysis is intended to serve as an introduction to the Louis Armstrong New Orleans International Airport's basic financial statements for the fiscal years ended December 31, 2015 and 2014, with selected comparative information for the fiscal year ended December 31, 2013. The information presented here should be read in conjunction with the financial statements, footnotes, and supplementary information in this report.

Financial Highlights

- The assets and deferred outflows of the Louis Armstrong New Orleans International Airport (the Airport) exceeded its liabilities and deferred inflows at December 31, 2015 by $394,626,143 (net position). Of this amount, $59,693,750 represents unrestricted net position, which may be used to meet the Airport's ongoing obligations to citizens and creditors.
- The Airport's total net position increased by $16,411,849, or 4.3%.
- The Airport's total outstanding long-term debt increased by $601,481,860, or 170.3%, during the year ended December 31, 2015 due primarily to the issuance of 2015 bonds during the year.
- The Airport negotiated a Commercial Airline Lease effective January 1, 2015 with the Airline Transportation Companies. The Airline - Airport Use and Lease Agreement (the "2015 Airline Lease Agreement") has a residual airline rate-setting methodology and will expire on December 31, 2025 with a mid-term checkpoint on December 31, 2020. Key provisions of the agreement include signatory airline approval of the design and construction of a $650 million passenger terminal project, a five (5) year Airfield capital improvement program, an increase in the Board's capital spending limits to $3 million in any one (1) year and not to exceed $10 million over any five (5) year period without Airline approval, and an increase in the annual general purpose account payment to the Board to $6 million for self-directed use and $1 million in equipment and capital outlays allowance.

Overview of the Financial Statements

The Louis Armstrong New Orleans International Airport (the Airport) is structured as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See the notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this Management Discussion and Analysis (MD&A) are the basic financial statements and supplemental schedules of the Airport. This information taken collectively is designed to provide readers with an understanding of the Airport's finances.

The statements of net position present information on all of the Airport's assets and deferred outflows, and liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Airport's financial position.

The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal grants, and other revenues not related to the operations of the Airport are nonoperating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are nonoperating expenses.

The statements of cash flows relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Airport's cash accounts are recorded in these statements. A reconciliation is a part of these statements to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

Financial Position

Total assets and deferred outflows of resources increased by $637,418,466 (81.88%) this year due primarily to the issuance of revenue bonds associated with the funding of ongoing airfield infrastructure improvements and design of a new passenger terminal. Total liabilities and deferred inflows increased by $621,006,617 (155.14%) primarily resulting from an increase in long-term debt of $627,632,716 as a result of the bond issuance that is offset by principal payments of $26,150,856.

The largest portion of the Airport's net position, $108,923,875 (27.6%) at 2015 and $245,477,605 (64.9%) at 2014, represents its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Airport uses these assets to provide services to its passengers, visitors, and tenants of the airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from operations, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Airport's net position, $226,008,518 (57.3%) at 2015 and $116,324,195 (29.3%) at 2014, represents resources that are subject to restrictions from contributors, bond indentures, and state and federal regulations on how they may be used. The remaining balance of unrestricted net position, $59,693,750 (15.1%) at 2015 and $16,412,494 (4.1%) at 2014, may be used to meet the Airport's ongoing obligations.

Summary of Net Position (in thousands)

	2015	(Restated) 2014	(Restated) 2013
Assets:			
Current and other assets	$ 837,221	$ 233,321	$ 230,692
Net capital assets	559,129	526,604	522,258
Total assets	$ 1,396,350	$ 759,925	$ 752,950
Deferred Outflows of Resources:			
Deferred amounts related to pension liability	$ 3,906	$ 654	$ -
Deferred losses on advance refunding	15,656	17,914	20,173
Total deferred outflows	$ 19,562	$ 18,569	$ 20,173
Liabilities:			
Current liabilities	$ 67,543	$ 51,035	$ 41,198
Long-term liabilities	952,849	348,493	364,676
Total liabilities	$ 1,020,392	$ 399,528	$ 405,874
Deferred Inflows of Resources:			
Deferred amounts related to pension liability	$ 894	$ 751	$ -
Total deferred inflows	$ 894	$ 751	$ -
Net Position:			
Net investment in capital assets	$ 108,924	$ 245,478	$ 231,487
Restricted	226,008	116,324	106,888
Unrestricted	59,694	16,412	28,874
Total net position	$ 394,626	$ 378,214	$ 367,249

Debt Activity

At December 31, 2015 and 2014, the Airport had total debt outstanding of $954,704,334 and $353,222,474, respectively. The Airport's debt represents bonds secured solely by operating revenue and bonds payable from PFC and CFC revenue. As of the date of the audit all required Go Zone loan principal and interest payments have been made.

Outstanding Debt (in thousands)

	2015	2014	2013
Bonds payable:			
Revenue Refunding Bonds 2007 (PFC)	$ 69,340	$ 72,540	$ 75,590
Revenue Refunding Bonds 2009A-C	93,490	102,830	111,730
GO Zone CFC Revenue Bonds 2009A	94,845	96,515	96,515
GO Zone PFC Revenue Bonds 2010A-B	53,640	53,640	53,640
Revenue Bonds 2015A-B	565,325	-	-
Unamortized bond discount	(2,833)	(2,996)	(3,158)
Unamortized bond premium	60,746	611	637
Loans payable: GO Zone Tax Credit Bonds	20,152	30,082	33,688
	$ 954,705	$ 353,222	$ 368,642

More detailed information on long-term debt can be found in Note 5 of the accompanying financial statements.

Capital Assets

The Airport's investment in capital assets can be noted in the following table. The total increase for this fiscal year was 6.5% before accumulated depreciation and amortization. Major capital asset events occurring this fiscal year include the following:

- The Airport incurred $54 million in CIP expenditures for the design of a new state of the art passenger terminal to replace the Airport existing passenger terminal.
- The Airport reinvested $7.9 million in airfield infrastructure for Storm Water Pumping Station and relocation Airfield NAVAIDS.
- The Airport reinvested $11 million in airfield infrastructure to rehabilitate the Airport's existing airfield lighting system.
- Construction in progress additions were primarily due to progress on the following projects:

Project	Approximate cost during FY 2015 (not including capitalized interest)
North Terminal Project Design	$54 million
Storm Water Pump Station / Airfield NAVAIDS	$7.9 million
Airfield Electrical Rehabilitation Program	$11 million

These increases were offset by the completion of various projects. More detailed information on capital assets can be found in Note 5 of the accompanying financial statements.

Net Capital Assets (in thousands)

	2015	2014	2013
Land	$ 81,292	$ 82,772	$ 85,309
Air rights	22,283	22,283	22,283
Land improvements	506,383	504,258	497,891
Buildings and furnishings	419,907	419,709	419,616
Equipment	9,230	9,005	8,215
Computers	972	853	723
Utilities	42,336	14,075	14,075
Heliport	3,074	3,074	3,074
Construction in progress	111,090	67,532	25,374
Total capital assets	1,196,567	1,123,561	1,076,560
Less accumulated depreciation	637,438	596,957	515,754
Net capital assets	$ 559,129	$ 526,604	$ 560,806

Airlines Rates and Charges

As previously discussed, an Airline Airport Use and Lease Agreement became effective January 1, 2009. The rates for 2015 and 2014 are as follows:

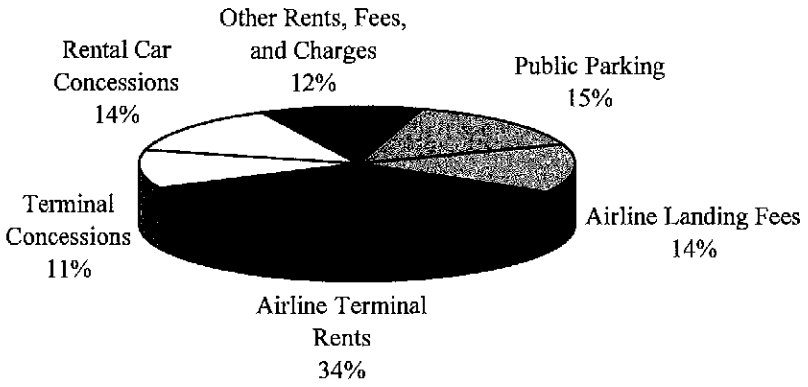
	2015	2014
Terminal building rental rates (per sq. ft.)	$ 77.78	$ 88.59
Landing fee rate (per 1,000 lbs)	1.65	1.85
Apron use fee rate (per sq. ft.)	1.20	2.19
Loading bridge use fee (per bridge)	11,725	11,167
Enplaned passenger use fee (per passenger)	7.09	7.19

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods set forth in the agreement.

Revenues

The following chart shows major sources and the percentage of operating revenues for the year ended December 31, 2015.

Operating Revenue



Operating Revenues (in thousands)

	2015	2014	2013
Passenger and cargo airlines:			
Airline landing fees	$ 10,561	$ 11,086	$ 10,060
Airline terminal rents	25,627	24,236	27,746
Land rents	100	100	112
Other rents	2,906	3,299	2,882
Total passenger and cargo airlines	39,194	38,721	40,800
Non airline rentals:			
Terminal concessions	7,961	7,333	6,976
Car rental concessions	9,999	9,894	9,501
Public parking	10,738	11,420	11,289
Other rents	5,681	5,488	4,919
Total nonairline revenues	34,379	34,135	32,685
Total operating revenues	$ 73,573	$ 72,856	$ 73,485

2015 vs. 2014

The 2015 Airline Lease Agreement was executed on January 1, 2015. Total air carrier revenue for 2015 increased by $473,000 (1.2%) compared to 2014 due to increases in service by new and existing airlines. Non-airline revenues increased by $244,000 (0.7%) due primarily to a 9.1% increase in passengers.

2014 vs. 2013

The 2009 Airline Lease Agreement was extended through 2014. Total air carrier revenue for 2014 decreased by $2,079,000 (5.1%) compared to 2013 due to increases in non-airline revenues and passenger enplanements. Non-airline revenues increased by $1,451,000 (4.4%), due primarily to a 6.3% inerease in passengers.

Cost per enplaned passenger (CPE) is a measure used by the airline industry to reflect the costs an airline pays to operate at an airport based upon the number of enplaned passengers for that airport. The cost per enplaned passenger decreased from $8.38 in 2013 to $8.35 in 2014 and decreased to $7.51 in 2015.

	2015	2014	2013
Cost per enplaned passenger:			
Airline revenues	$ 38,008	$ 40,765	$ 38,528
Enplaned passengers	5,336	4,880	4,598
Cost per enplaned passenger	$ 7.12	$ 8.35	$ 8.38

Non-Operating Revenues and Capital Contributions (in thousands)

The following chart shows major sources of non-operating revenues for the years ended December 31, 2015, 2014, and 2013.

	2015	2014	2013
Interest income	$ 41	$ 20	$ 47
Passenger facility charges	21,162	19,214	18,447
Customer facility charges	13,148	12,260	11,705
Capital contributions	10,406	12,302	9,186
Gain (loss) on disposal of assets	28	(3,474)	3
Other	3,264	1,973	1,789
	$ 48,049	$ 42,295	$ 41,177

2015 vs. 2014

Non-operating revenues for 2015 increased by approximately $5.8 million compared to 2014, due primarily to a loss on disposal of assets in 2014 of approximately $3.5 million due primarily to the sale of land in 2014.

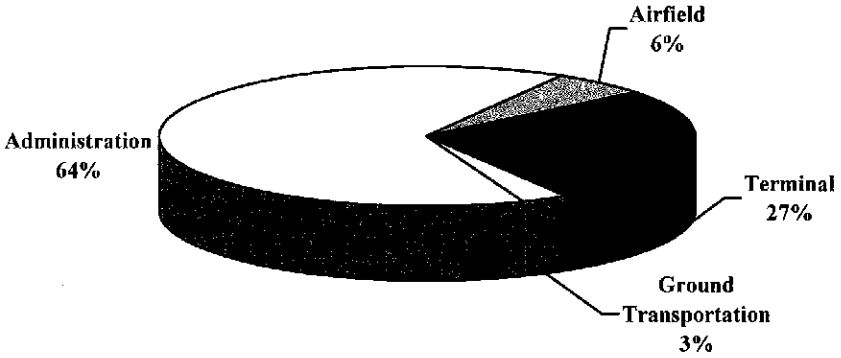
2014 vs. 2013

Non-operating revenues for 2014 increased by approximately $1.1 million compared to 2013, due primarily to an increase in grant revenue for capital projects received from the federal government and a loss on disposal of assets in 2014 of approximately $3.5 million due primarily to the sale of land in 2014.

Expenses

The following chart shows major expense categories and the percentage of operating expenses for the year ended December 31, 2015.

Operating Expenses (Excluding Depreciation)



Operating Expenses before Depreciation

	2015	2014 (Restated)	2013
Direct			
Airfield	$ 2,345	$ 2,185	$ 2,110
Terminal	11,090	11,926	16,116
Ground transportation	1,164	2,337	4,789
Administration	26,185	23,439	24,497
Cancelled/unreimbursed projects	-	-	83
	$ 40,784	$ 39,887	$ 47,595

2015 vs. 2014

The operating expenses before depreciation and amortization increased by approximately $896,000 compared to the prior year, due primarily to an increase in net pension expenses of $539,000 in 2015.

2014 vs. 2013

The operating expenses before depreciation and amortization decreased by approximately $7,708,000 compared to the prior year due primarily to the write-off of cancelled construction projects in 2013 of approximately $3.9 million and a decrease in vehicle parking expenses due to the restructure of the vehicle parking operating agreement in 2014.

Non-Operating Expenses

The following chart shows major expense categories of non-operating expenses for the years ended December 31, 2015, 2014, and 2013 (in thousands).

	2015	2014	2013
Interest expense	$ 18,230	$ 21,104	$ 21,359
Other	5,715	347	366
	$ 23,945	$ 21,451	$ 21,725

2015 vs. 2014

Non-operating expenses increased by $2.5 million in 2015 compared to 2014, due primarily to an increase in interest expense and cost of issuance attributable to the issuance of long-term debt as a result of payments made during fiscal year 2015.

2014 vs. 2013

Non-operating expenses decreased by $274,000 in 2014 compared to 2013, due primarily to a decrease in interest expense attributable to the decrease in long-term debt as a result of payments made during fiscal year 2014.

Total Revenues and Expenses (in thousands)

The following table reflects the total revenues and expenses for the Airport (in thousands):

	2015	(Restated) 2014	2013
Total operating revenues	$ 73,573	$ 72,856	$ 73,485
Total nonoperating revenues	44,757	43,874	40,349
Total revenues	$ 118,330	$ 116,730	$ 113,834
Total operating expenses	$ 81,266	$ 82,735	$ 86,461
Total nonoperating expenses	20,652	23,029	21,359
Total expenses	$ 101,918	$ 105,764	$ 107,820

Summary of Changes in Net Position (in thousands)

	2015	(Restated) 2014	2013
Summary of changes in net position:			
Operating revenues	$ 73,573	$ 72,856	$ 73,485
Operating expenses before depreciation	40,784	39,888	47,595
Operating income before depreciation	32,789	32,968	25,890
Depreciation	40,481	42,847	38,866
Operating loss	(7,692)	(9,879)	(12,976)
Nonoperating revenues (expenses), net	13,698	8,542	9,803
Income (loss) before capital contributions and transfers	6,006	(1,337)	(3,173)
Capital contributions	10,406	12,302	9,187
Change in net position	$ 16,412	$ 10,965	$ 6,014

Operating income before depreciation and amortization decreased $179,491 (0.54%) in 2015 compared to 2014. Depreciation and amortization expense decreased $2,365,248 (5.5%) due to there being projects held in construction in progress that are not depreciated until completion. Capital contributions decreased by $1,895,977 (15.4%) due primarily to an decrease in the capital contributions received from the federal government.

Debt Service Coverage

Airport revenue bond covenants require that net revenues together with the sum on deposit in the rollover coverage account on the last day of the immediately preceding fiscal year will at least equal 125% of the bond debt service requirement with respect to the bonds for such fiscal year. The bond resolution for the Revenue Refunding Bonds Series 2007A, 2007B-1, and 2007B-2, PFC Projects had a remaining ratio requirement of 105.0% or greater obtained by dividing the available amount by the cumulative debt amount. Coverage ratios for the past three years are shown in the following table.

The Board approved the Rollover Coverage for fiscal years 2010-2015 in the amounts of, $3,719,527, $3,720,107, $3,719,960, $3,720,332, $3,719,082 and $3,721,446 respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the Airport Operating Account, held by the City of New Orleans. The Airport's calculation of the historical debt service coverage ratio, as presented in Supplemental Schedule 3 to the financial statements is 259.0% for the year ended December 31, 2015 and 254.0% for the year ended December 31, 2014.

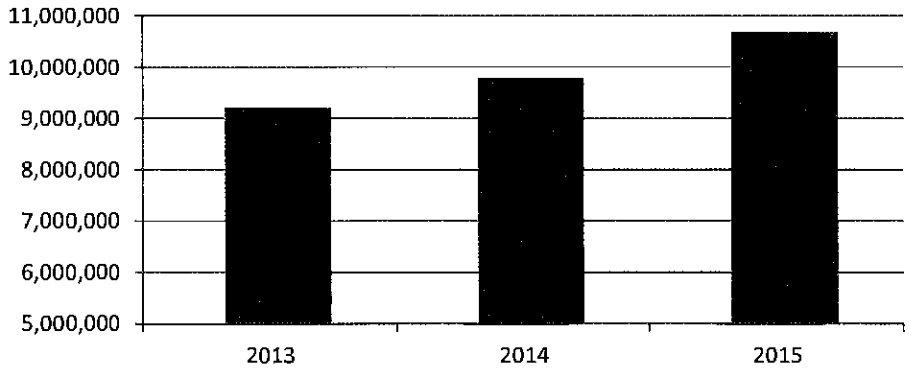
The Airport is current on all debt service payments as required by the bonds, and there has been no documented correspondence from the bond insurers or bond holders regarding noncompliance with the debt service coverage covenant.

	2015	2014	2013
Refunding Bonds and Revenue Bonds	259.0%	254.0%	203.0%
Revenue Refunding Bonds	215.6%	195.6%	191.1%

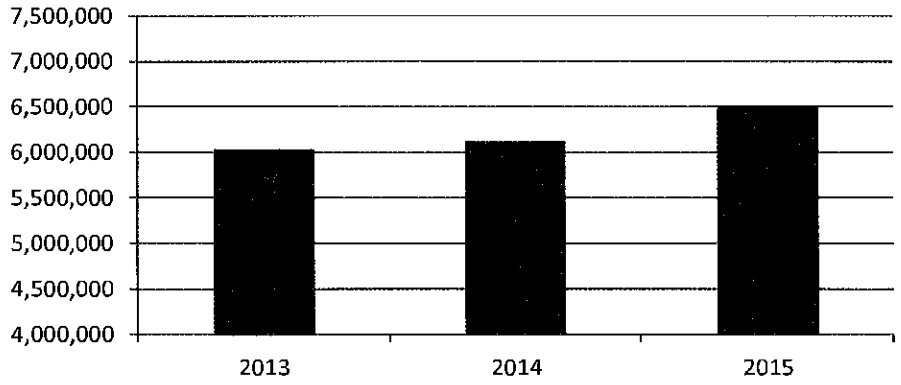
Airport Activities and Highlights

Passenger totals for 2015 increased by 887,907 (9.1%), from 9,785,394 passengers in 2014 to 10,673,301 passengers in 2015, due to an increase in passenger activity. Aircraft operations increased from 98,602 operations in 2014 to 102,637 in 2015 (4.1%). Aircraft landed weights increased from 6,122,519 in 2014 to 6,499,788 in 2015 (6.1%). As of December 2015, the Airport had 140 daily departures to 49 cities with 18,400 average daily seats. As of December 2014, the Airport had 136 daily departures to 42 cities with 17,142 average daily seats.

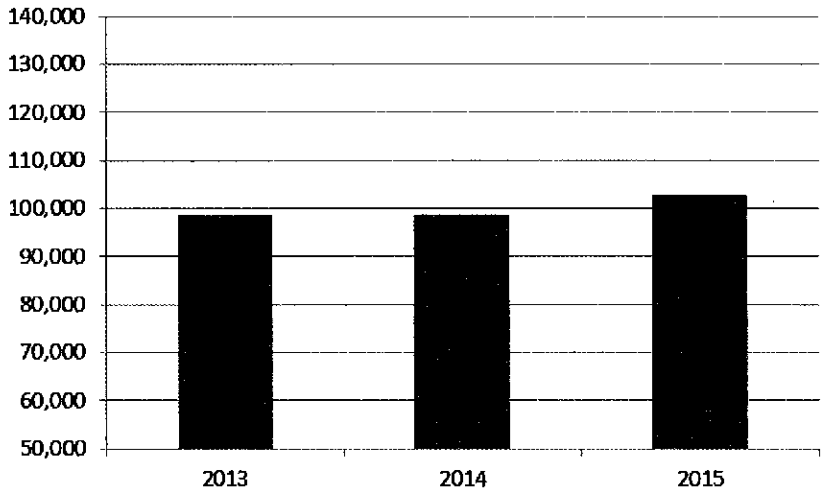
Total Passengers for the Year



Landed Weight per 1,000 pounds



Number of Passenger Flight Operations



Selected statistical information about total passengers, aircraft landed weight, and air carrier operations for the past three years are presented in the table below.

Fiscal year	Total passengers	Landed weight (1,000 pound units)	Air carrier operations
2013	9,207,636	6,032,372	98,792
2014	9,785,394	6,122,519	98,602
2015	10,673,301	6,499,788	102,637

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances. Questions concerning any of the information should be addressed to the Chief Financial Officer, Louis Armstrong New Orleans International Airport, Post Office Box 20007, New Orleans, Louisiana 70141.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Net Position
December 31, 2015 and 2014

	2015	2014 (Restated)
Assets and Deferred Outflows of Resources		
Current assets:		
Unrestricted assets:		
Cash (note 2)	$ 10,522,829	$ 7,714,541
Accounts receivable, less allowance for doubtful accounts of $43,926 in 2015; $98,062 in 2014	5,943,757	4,839,209
Due from the City of New Orleans	242,408	43,565
Investments (note 2)	67,663,480	58,245,042
Prepaid expenses and deposits	421,995	322,871
Total unrestricted assets	84,794,469	71,165,228
Restricted assets (notes 2, 4, and 6):		
Cash	60,310	486,888
Investments	38,506,438	23,202,250
Passenger facility charges receivable	2,055,519	1,819,789
Customer facility charges receivable	1,086,494	1,110,885
Capital grant receivable	4,011,575	3,932,576
Total restricted assets	45,720,336	30,552,388
Total current assets	130,514,805	101,717,616
Noncurrent assets:		
Long-term investments (note 2):		
Investments, restricted	702,653,921	127,519,749
Capital assets (note 5):		
Capital assets not being depreciated	214,664,613	172,586,666
Capital assets being depreciated	981,902,890	950,973,971
Less accumulated depreciation	(637,438,127)	(596,956,750)
Total capital assets, net	559,129,376	526,603,887
Prepaid insurance on revenue bonds, less accumulated amortization of $1,891,418 in 2015; $1,622,527 in 2014	3,178,066	3,208,975
Advances to related facility management company	874,359	874,359
Total noncurrent assets	1,265,835,722	658,206,970
Total assets	1,396,350,527	759,924,586
Deferred outflows of resources		
Deferred amounts related to net pension liability	3,905,813	654,465
Deferred losses on advance refunding	15,655,811	17,914,634
Total deferred outflows of resources	19,561,624	18,569,099
Total assets and deferred outflows of resources	$ 1,415,912,151	$ 778,493,685

(Continued)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Net Position
December 31, 2015 and 2014

	2015	2014 (Restated)
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	$ 11,580,995	$ 4,994,778
Due to City of New Orleans	1,598,285	1,634,449
Due to federal government	1,080,000	1,080,000
Due to State of Louisiana	281,778	281,778
Accrued salaries and other compensation	1,750,899	1,581,541
Capital projects payable	5,530,877	10,909,659
Total unrestricted current liabilities	21,822,834	20,482,205
Payable from restricted assets:		
Capital projects payable	5,351,823	4,681,628
Bonds payable, current portion (note 6)	14,895,000	14,210,000
Accrued bond interest payable	22,801,239	9,033,253
Loans payable, current portion (note 6)	2,019,150	1,929,616
Loan interest payable	653,124	697,891
Total restricted current liabilities	45,720,336	30,552,388
Total current liabilities	67,543,170	51,034,593
Noncurrent liabilities:		
Bonds payable, less current portion and unamortized discount (note 6)	919,657,433	308,930,957
Loans payable (note 6)	18,132,751	28,151,901
Net pension liability	15,058,503	11,410,715
Total noncurrent liabilities	952,848,687	348,493,573
Total liabilities	1,020,391,857	399,528,166
Deferred inflows of resources		
Deferred amounts related to net pension liability	894,151	751,225
Total liabilities and deferred inflows of resources	1,021,286,008	400,279,391
Net Position		
Net investment in capital assets	108,923,875	245,477,605
Restricted for:		
Debt service	83,430,007	47,044,095
Capital acquisition	130,720,708	57,734,097
Operating reserve	11,857,803	11,546,003
Unrestricted	59,693,750	16,412,494
Total net position	394,626,143	378,214,294
Total liabilities, deferred inflows of resources, and net position	$ 1,415,912,151	$ 778,493,685

See accompanying notes to financial statements.

(Concluded)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Revenues, Expenses, and Changes in Net Position
Years ended December 31, 2015 and 2014

	2015	2014 (Restated)
Operating revenues:		
Airfield	$ 13,883,993	$ 14,675,958
Terminal	56,463,903	55,238,509
Ground transportation	3,225,162	2,941,799
Total operating revenues	73,573,058	72,856,266
Operating expenses:		
Direct:		
Airfield	2,344,571	2,184,879
Terminal	11,090,107	11,926,332
Ground Transportation	1,164,503	2,337,399
Depreciation and impairment write-down	40,481,377	42,846,625
Administrative	26,185,212	23,439,500
Total operating expenses	81,265,770	82,734,735
Operating loss	(7,692,712)	(9,878,469)
Nonoperating revenues (expenses):		
Investment income	40,792	97,017
Interest expense	(18,229,599)	(21,104,251)
Passenger facility charges	21,161,870	19,214,158
Customer facility charges	13,147,640	12,260,160
Gain/(loss) on disposal of assets	28,279	(3,474,034)
Other, net	(2,450,666)	1,548,801
Total nonoperating revenues (expenses), net	13,698,316	8,541,851
Loss before capital contributions	6,005,604	(1,336,618)
Capital contributions (note 7)	10,406,245	12,302,222
Change in net position	16,411,849	10,965,604
Net position, beginning of year	378,214,294	378,838,183
Restatement of net position (note 11)	-	(11,589,493)
Net position, beginning of year, restated	378,214,294	367,248,690
Total net position, end of year	$ 394,626,143	$ 378,214,294

See accompanying notes to financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Cash Flows
Years ended December 31, 2015 and 2014

	2015	2014 (Restated)
Cash flows from operating activities:		
Cash received from customers	$ 72,468,510	$ 72,765,145
Cash paid to suppliers for goods and services	(23,265,648)	(30,404,029)
Cash paid to employees and on behalf of employees for services	(10,558,023)	(11,305,068)
Net cash provided by operating activities	38,644,839	31,056,048
Cash flow from noncapital financing activities:		
Sales tax receipts	1,241,182	953,770
Operating grants and reimbursements from other governments	1,448,574	613,814
Advance to related facility management company	-	(2,635)
Other (payments) receipts	(4,552,474)	453,814
Net cash provided by noncapital financing activities	(1,862,718)	2,018,763
Cash flows from capital and related financing activities:		
Passenger facility charges collected	20,926,140	18,981,961
Customer facility charges collected	13,172,031	12,656,793
Proceeds from disposition of property	28,279	1,626,219
Acquisition and construction of capital assets	(76,927,011)	(39,684,070)
Capital grants received	10,327,246	8,891,011
Issuance of revenue bonds	627,632,716	-
Principal paid on loan and revenue bond maturities	(24,139,616)	(15,556,334)
Interest paid on bonds and loans	(5,047,239)	(19,844,539)
Cost of bond issuance and insurance	(632,049)	-
Net cash provided by (used in) capital and related financing activities	565,340,497	(32,928,959)
Cash flows from investing activities:		
Sales of investments	1,033,487,653	185,760,702
Purchases of investments	(1,633,344,451)	(185,792,477)
Interest and dividends on investments	115,890	91,896
Net cash (used in) provided by investing activities	(599,740,908)	60,121
Net increase in cash and cash equivalents	2,381,710	205,973
Cash and cash equivalents at beginning of year	8,201,429	7,995,456
Cash and cash equivalents at end of year (note 2)	$ 10,583,139	$ 8,201,429
Noncash investing activities:		
Increase in stock investments due to change in fair value	$ -	$ 76,526

(Continued)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Cash Flows
Years ended December 31, 2015 and 2014

	2015	2014 (Restated)
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (7,692,712)	$ (9,878,469)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and impairment write-down	40,481,377	42,846,625
Decrease in allowance for doubtful accounts	(54,136)	(366,092)
Cancelled/unreimbursed projects	-	0
Other	-	0
Changes in assets and liabilities:		
Accounts receivable	(1,050,412)	274,971
Inventory of materials and supplies	-	0
Prepaid expenses and deposits	(99,212)	807,015
Due from City of New Orleans	(198,843)	(43,565)
Deferred outflows of resources related to net pension liability	(3,251,348)	(654,465)
Accounts payable	6,586,217	1,039,899
Accrued salaries and other compensation	169,358	131,208
Net pension liability	3,647,788	(178,778)
Due to City of New Orleans	(36,164)	(3,673,526)
Deferred inflows of resources related to net pension liability	142,926	751,225
Total adjustments	46,337,551	40,934,517
Net cash provided by operating activities	$ 38,644,839	$ 31,056,048

See accompanying notes to financial statements.

(Concluded)

(1) Summary of Significant Accounting Policies

(a) Organization

The Louis Armstrong New Orleans International Airport (the Airport) is a proprietary component unit of the City of New Orleans, Louisiana. The New Orleans Aviation Board (the Board) was established in 1943 to provide for the operation and maintenance of the Airport. The Board consists of nine members appointed by the Mayor of the City of New Orleans with approval of the New Orleans City Council. The City of Kenner, Louisiana and the Parish of St. Charles, Louisiana each have input as to the selection of one board member.

The accompanying policies of the Airport conform to accounting principles generally accepted in the United States of America as applicable to proprietary component units of governmental entities.

(b) Basis of Presentation

Proprietary fund accounting is used for the Airport's ongoing operations and activities which are similar to those often found in the private sector. Proprietary funds are accounted for using the economic resources measurement focus. The Airport is a proprietary component unit and accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal and state grants, and other revenues not related to the operations of the Airport are nonoperating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are nonoperating expenses.

(c) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Revenues from landing and airfield fees, terminal building, rental building, and leased areas are reported as operating revenues. Transactions, which are capital, financing, or investing related, are reported as nonoperating revenues. Expenses from employee wages and benefits, purchase of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Allowance for Uncollectible Accounts Receivable

An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable.

(f) Investments

Investments are carried at fair value in the financial statements. Unrealized gains and losses on investments are reflected in the Statements of Revenues, Expenses, and Changes in Net Position.

(g) Capital Assets

Capital assets are carried at cost. An item is classified as an asset if the initial, individual cost is $5,000 or greater. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. In situations involving the construction of certain assets financed with the proceeds of tax-exempt borrowings, interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining the amount of interest to be capitalized. Capitalized interest totaled $21,497,629 in 2015 and $793,464 in 2014.

GASB Statement No. 51 provides that if there are no factors that limit the useful life of an intangible asset, the intangible asset is considered to have an indefinite useful life and should not be amortized. Certain air rights qualify as intangible assets as defined in GASB 51.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method commencing with the date of acquisition or, in the case of assets constructed, the date placed into service.

The estimated useful lives by major classification are as follows:

	Estimated useful lives (years)
Land improvements	10 – 25
Buildings and furnishings	3 – 25
Equipment	3 – 15
Utilities	5 – 25
Heliport	5 – 15

(h) Due from/Due to the City of New Orleans

Amounts recorded as due from and due to the City of New Orleans primarily relate to amounts paid by the City on behalf of the Airport. In addition, the City provides certain administrative services to the Airport. The cost of such services was $1,753,517 for each of the years ended December 31, 2015 and 2014, respectively, and is recorded in administrative expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

(i) Restricted Assets

Restricted assets include investments required to be maintained for debt service, capital additions and contingencies, operations and maintenance, and escrow under the indentures of the revenue and refunding bonds, as well as investments to be used for the construction of capital improvements. Restricted assets also include receivables related to passenger and customer facility charges and grants.

(j) Bond Insurance

In conjunction with bonds issued in 2015, 2009 and 2007, insurance was purchased which guarantees the payment of bond principal and interest and expires with the final principal and interest payment on the bonds. The insurance costs were capitalized at the dates of issuance and are being amortized over the life of the bonds.

(k) Revenue Recognition

Landing and airfield fees, terminal building, rental building, and leased areas rentals are recorded as revenues during the year in which earned. All prospective signatory airlines pay signatory airline rates and charges according to 2009 use and lease agreement. The rates for 2015 and 2014 are as follows:

	2015	2014
Terminal building rental rates (per sq. ft.)	$ 77.78	$ 88.59
Landing fee rate (per 1,000 lbs)	1.65	1.85
Apron use fee rate (per sq. ft.)	1.20	2.19
Loading bridge use fee (per bridge)	11,725	11,167
Enplaned passenger use fee (per passenger)	7.09	7.19

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods. For the fiscal years ended December 31, 2015 and 2014, the Airport's final rate structure varied from the rates in effect during the year.

(l) Passenger Facility Charges

On June 1, 1993, the Airport began imposing, upon approval of the Federal Aviation Administration (the FAA), a $3.00 Passenger Facility Charge (PFC) on each passenger enplaned at the Airport. On April 1, 2002, the FAA approved an increase in the amount of this fee to $4.50. As of December 31, 2015, the Airport is authorized to collect up to $965,553,986 of PFC revenue of which $354,608,618 has been collected. PFC revenues are pledged to secure the Series 2007 Revenue bonds and the Series 2009 Revenue bonds, which funded construction of preapproved capital projects and redeemed prior Series of PFC Bonds. As of December 31, 2015, the estimated expiration date on PFC revenue collection is February 1, 2026.

(m) Customer Facility Charges

On November 1, 2008, the Airport began imposing a $5.50 Customer Facility Charge (CFC) on a per transaction day basis to all the On-Airport Rental Car Companies. On May 13, 2009, the Board approved an increase in the CFC charge to $6.20 which became effective June 1, 2009. CFC revenues are pledged to secure the Series 2009 Gulf Opportunity Zone CFC Revenue Bonds, which were issued to fund the construction of the Consolidated Rental Care Facility (CONRAC) garage.

(n) Federal Financial Assistance

The Airport receives financial assistance for costs of construction and improvements to airport facilities through grants from the FAA. The Airport is on the reimbursement basis for funds received for financial assistance.

(o) Vacation and Sick Leave

All full-time classified employees of the Airport hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 can accrue a maximum of 45 days annual leave and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Upon termination of employment, an employee is paid for their accrued annual leave based on their current hourly rate of pay and for their accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued annual and sick leave to additional pension credits. Annual leave and sick leave liabilities are accrued when incurred.

(p) Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include unrestricted and restricted cash, consisting primarily of cash in banks and on deposit.

(q) Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and decreased by deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws, or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets.

Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

(r) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The deferred charge on refunding reported on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See note 8 for information on deferred inflows and outflows related to the pension plan.

(s) Pension

The Airport may fund all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

(2) Cash and Investments

Included in the Airport's cash balances are amounts deposited with commercial banks in interest bearing and noninterest bearing demand accounts. The commercial bank balances of cash and cash equivalents total $11,403,700 and $7,523,821 at December 31, 2015 and 2014, respectively. The commercial bank balances are entirely insured by federal depository insurance or by collateral held by the financial institution in the Airport's name.

The Airport follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair value, which is based on available market values. The local government investment pool is a "2a-7-like" pool in accordance with GASB Statement No. 31; therefore, it is not presented at fair value but at its actual pooled share price, which approximates fair value. The fair value of all securities regardless of balance sheet classifications as cash and cash equivalents or investments at December 31 was as follows:

	2015	2014
Current assets:		
Cash and cash equivalents	$ 10,583,139	$ 8,201,429
Investments (unrestricted and restricted)	106,169,918	81,447,292
Noncurrent assets:		
Investments	702,653,921	127,519,749
Total cash and investments	819,406,978	217,168,470
Less: cash on deposit	(10,583,139)	(8,201,429)
Total securities, at fair value	$ 808,823,839	$ 208,967,041

The Airport is authorized to invest in securities as described in its investment policy, in each bond resolution and state statue. As of December 31, 2015 and 2014, the Airport held the following investments as categorized below:

Investment Maturities at December 31, 2015

Investment type	Less than 1 year	1 to 5 Years	Total
Local government investment pool	$ 63,556,283	$ -	$ 63,556,283
Money market funds	745,267,556	-	745,267,556
	$ 808,823,839	$ -	$ 808,823,839

Investment Maturities at December 31, 2014

Investment type	Less than 1 year	1 to 5 Years	Total
Local government investment pool	$ 60,258,322	$ -	$ 60,258,322
Money market funds	148,708,719	-	148,708,719
	$ 208,967,041	$ -	$ 208,967,041

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, investments are generally held to maturity. The Airport's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due.

To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolution relating to the specific bond issue.

Credit Risk: The Airport's general investment policy applies the prudent-person rule:

Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. Airport policy limits investments to the highest credit rating category of Standard & Poor's (S&P). Funds can only be invested in money market funds rated AAAm, AAm, or AAAm-G by S&P.

In accordance with the Airport's investment policy and bond resolutions, all U.S. government agency securities held in the portfolio are either issued by or explicitly guaranteed by the U.S. government.

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the values of its investments or collateral securities that are in the possession of an outside party. All of the Airport's investments are either held in the name of the Airport or held in trust under the Airport's name.

Concentration of Credit Risk: The Airport's investments are not subject to a concentration of credit risk.

In 2007, the Airport acquired common stock as a result of bankruptcy proceedings of three airlines. The common stock with a market value of $585,084 at December 31, 2013, was subject to market risk as a result of the volatility of the stock market. The stock was sold during 2014.

LAMP: LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a-7 like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The Airport's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

(3) Accounts Receivable

Accounts receivable as of December 31 consist of the following:

		2015		2014
Due from tenants	$	3,136,823	$	1,889,740
Parking garage		2,568,298		2,876,036
Other		282,562		171,495
		5,987,683		4,937,271
Less: allowance for doubtful accounts		(43,926)		(98,062)
	$	5,943,757	$	4,839,209

(4) Summary of Restricted Assets

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2015 and 2014:

	2015															
	Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARB Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables	Total
Assets:																
Cash and certificates of deposits	$ —	—	9	—	—	—	3,310	113	13,990	3,721,446	39,632	3,251	—	—	—	$ 3,781,751
Dreyfus Treasury Prime Cash Management	11,250,442	68,210,285	65,665,483	1,923,544	673,679	—	79,251,607	466,088,746	1,002,032	—	—	6,818,230	550,635	—	—	701,434,683
JPM U.S. Treasury and U.S. money market fund	12,334,964	14,435,554	—	—	—	8,136,357	—	—	—	—	—	—	—	1,097,360	—	36,004,235
Passenger facility charges receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,055,519	2,055,519
Capital grant receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,011,575	4,011,575
Transportation Security Admin grant receivable	—	—		—	—	—	—		—	—	—	—	—	—	—	0
Hazard Material grant receivable	—	—		—	—	—	—		—	—	—	—	—	—	—	0
Customer facility charges receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,086,494	1,086,494
	$ 23,585,406	82,645,839	65,665,492	1,923,544	673,679	8,136,357	79,254,917	466,088,859	1,016,022	3,721,446	39,632	6,821,481	550,635	1,097,360	7,153,588	$ 748,374,257

	2014															
	Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARB Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables	Total
Assets:																
Cash and certificates of deposits	$ —	—	—	—	—	—	—	—	132,749	3,409,677	140,180	213,959	—	—	—	$ 3,896,565
Dreyfus Treasury Prime Cash Management	11,154,059	18,399,391	—	1,766,701	673,679	—	78,617,135	—	840,259	—	—	—	103,519	—	—	111,534,743
JPM U.S. Treasury and U.S. money market fund	12,108,199	14,435,699	—	—	—	8,136,326	—	—	—	—	—	—	—	1,097,355	—	35,777,579
Passenger facility charges receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,819,789	1,819,789
Capital grant receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,932,576	3,932,576
Transportation Security Admin grant receivable	—	—		—	—	—	—		—	—	—	—	—	—	—	0
Hazard Material grant receivable	—	—		—	—	—	—		—	—	—	—	—	—	—	0
Customer facility charges receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,110,885	1,110,885
	$ 23,242,258	32,835,090	0	1,766,701	673,679	8,136,326	78,617,135	0	973,008	3,409,677	140,180	213,959	103,519	1,097,355	6,863,250	$ 158,072,137

(Continued)

(5) Capital Assets

Capital assets include assets acquired with the Airport's own funds as well as those acquired through resources externally restricted for capital acquisition. A summary of changes in capital assets for the years ended December 31, 2015 and 2014 is as follows:

	Balance December 31, 2014	Additions/ transfers during year	Deletions/ transfers during year	Balance December 31, 2015
Capital assets not being depreciated:				
Land	$ 82,772,540	$ -	$ (1,480,301)	$ 81,292,239
Air rights	22,282,449	-	-	22,282,449
Construction in progress	67,531,677	72,831,897	(29,273,649)	111,089,925
Total capital assets not being depreciated	172,586,666	72,831,897	(30,753,950)	214,664,613
Capital assets being depreciated:				
Land improvements	504,258,130	2,550,664	(425,083)	506,383,711
Buildings and furnishings	419,708,775	317,026	(119,040)	419,906,761
Equipment	9,004,801	225,063	-	9,229,864
Computers	853,046	119,040	-	972,086
Utilities	14,075,040	28,261,249	-	42,336,289
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	950,973,971	31,473,042	(544,123)	981,902,890
Total capital assets	1,123,560,637	104,304,939	(31,298,073)	1,196,567,503
Less accumulated depreciation:				
Land improvements	266,618,545	21,572,732	(1,763,838)	286,427,439
Buildings and furnishings	312,938,501	18,520,650	-	331,459,151
Equipment	6,748,829	546,606	-	7,295,435
Computers	717,503	31,340	-	748,843
Utilities	6,861,943	1,572,708	-	8,434,651
Heliport	3,071,429	1,179	-	3,072,608
Total accumulated depreciation	596,956,750	42,245,215	(1,763,838)	637,438,127
Total capital assets, net	$ 526,603,887	$ 62,059,724	$ (29,534,235)	$ 559,129,376

	Balance December 31, 2013	Additions/ transfers during year	Deletions/ transfers during year	Balance December 31, 2014
Capital assets not being depreciated:				
Land	$ 85,309,433	$ 1,480,300	$ (4,017,193)	$ 82,772,540
Air rights	22,282,449	-	-	22,282,449
Construction in progress	25,374,538	49,704,533	(7,547,394)	67,531,677
Total capital assets not being depreciated	132,966,420	51,184,833	(11,564,587)	172,586,666
Capital assets being depreciated:				
Land improvements	497,890,558	6,367,572	-	504,258,130
Buildings and furnishings	419,616,036	287,739	(195,000)	419,708,775
Equipment	8,214,746	790,055	-	9,004,801
Computers	723,046	130,000	-	853,046
Utilities	14,075,040	-	-	14,075,040
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	943,593,605	7,575,366	(195,000)	950,973,971
Total capital assets	1,076,560,025	58,760,199	(11,759,587)	1,123,560,637
Less accumulated depreciation:				
Land improvements	247,195,210	19,618,335	(195,000)	266,618,545
Buildings and furnishings	291,019,504	21,918,997	-	312,938,501
Equipment	6,266,848	478,921	3,060	6,748,829
Computers	563,480	154,023	-	717,503
Utilities	6,186,773	675,170	-	6,861,943
Heliport	3,070,250	1,179	-	3,071,429
Total accumulated depreciation	554,302,065	42,846,625	(191,940)	596,956,750
Total capital assets, net	$ 522,257,960	$ 15,913,574	$ (11,567,647)	$ 526,603,887

Construction in progress is composed of the following at December 31, 2015:

Description	December 31, 2015	Remaining commitments
Airfield Lighting Vault	$ 13,723,021	$ 656,047
Airside Development	8,492,044	98,294,980
Southside Development	658,083	487,839
Landside Development	12,360,335	164,296,854
New Terminal Development	63,073,180	197,899,834
Expansion Taxiway Gulf Phase 1	1,758,082	780,115
NAVAIDS Project	6,779,426	8,041,543
Cargo Road Repairs	164,287	76,463
Fuel Consortium	1,033,666	-
Jetblue Gate Relocation	31,904	-
Loading Bridges	1,719,083	412,203
LTDP-Hotel Development	2,338	(2,338)
Stormwater Pum Station	1,104,996	21,351,005
Miscellaneous Projects	189,480	224,366
	$ 111,089,925	$ 492,518,911

(6) Long-term Debt

Long-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

Long-Term Debt	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015	Amounts due within one year
Bonds Payable:					
Series 2007A Revenue Bonds, fixed interest rate January 1, 2038 at 4.25% final maturity	$ 59,350,000	$ -	$ (1,285,000)	$ 58,065,000	$ 1,350,000
Series 2007B-1 Revenue Refunding Bonds, fixed interest rate January 1, 2020 at 4.25% final maturity	4,295,000	-	-	4,295,000	-
Series 2007B-2 Revenue Refunding Bonds, fixed interest rate January 1, 2019 at 4.25% final maturity	8,895,000	-	(1,915,000)	6,980,000	2,010,000
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	73,960,000	-	(2,685,000)	71,275,000	7,465,000

Long-Term Debt	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015	Amounts due within one year
Bonds Payable, continued:					
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	23,055,000	-	(840,000)	22,215,000	2,325,000
Series 2009B Revenue Refunding bonds, fixed interest rate January 1, 2015 at 4.50% final maturity	5,815,000	-	(5,815,000)	-	-
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity	96,515,000	-	(1,670,000)	94,845,000	1,745,000
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	-	54,590,000	-	54,590,000	-
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	-	510,735,000	-	510,735,000	-
	325,525,000	565,325,000	(14,210,000)	876,640,000	14,895,000
Unamortized discount on bonds	(2,995,974)	-	162,494	(2,833,480)	-
Unamortized premium on bonds	611,931	62,307,716	(2,173,734)	60,745,913	-
	323,140,957	627,632,716	(16,221,240)	934,552,433	14,895,000
Loans Payable:					
Go Zone	30,081,517	-	(9,929,616)	20,151,901	2,019,150
	$ 353,222,474	$ 627,632,716	$ (26,150,856)	$ 954,704,334	$ 16,914,150

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
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Notes to Financial Statements

December 31, 2015 and 2014

Long-Term Debt	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014	Amounts due within one year
Bonds Payable:					
Series 2007A Revenue Bonds, fixed interest rate January 1, 2038 at 4.25% final maturity	$ 60,575,000	$ -	$ (1,225,000)	$ 59,350,000	$ 1,285,000
Series 2007B-1 Revenue Refunding Bonds, fixed interest rate January 1, 2020 at 4.25% final maturity	4,295,000	-	-	4,295,000	-
Series 2007B-2 Revenue Refunding Bonds, fixed interest rate January 1, 2019 at 4.25% final maturity	10,720,000	-	(1,825,000)	8,895,000	1,915,000
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	73,960,000	-	-	73,960,000	2,685,000
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	23,055,000	-	-	23,055,000	840,000
Series 2009B Revenue Refunding bonds, fixed interest rate January 1, 2015 at 4.50% final maturity	14,715,000	-	(8,900,000)	5,815,000	5,815,000
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity	96,515,000	-	-	96,515,000	1,670,000
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
	337,475,000	-	(11,950,000)	325,525,000	14,210,000
Unamortized discount on bonds	(3,158,468)	-	162,494	(2,995,974)	-
Unamortized premium on bonds	638,535	-	(26,604)	611,931	-
	334,955,067	-	(11,814,110)	323,140,957	14,210,000
Loans Payable:					
Go Zone	33,687,851	-	(3,606,334)	30,081,517	1,929,616
	$ 368,642,918	$ -	$ (15,420,444)	$ 353,222,474	$ 16,139,616

Debt service requirements to maturity for all outstanding bonds are as follows:

	Interest	Principal	Total
Bonds Payable:			
December 31:			
2016	$ 45,175,275	$ 14,895,000	$ 60,070,275
2017	44,462,056	15,590,000	60,052,056
2018	43,681,700	16,320,000	60,001,700
2019	42,827,975	17,150,000	59,977,975
2020	41,862,388	18,185,000	60,047,388
2021-2025	193,146,629	95,930,000	289,076,629
2026-2030	165,955,966	115,485,000	281,440,966
2031-2035	131,421,563	148,965,000	280,386,563
2036-2040	85,883,076	204,550,000	290,433,076
2041-2045	29,594,352	229,570,000	259,164,352
	$ 824,010,980	$ 876,640,000	$ 1,700,650,980

Debt service requirements to maturity for all outstanding loans payable are as follows:

	Interest	Principal	Total
Loans Payable:			
December 31:			
2016	$ 1,120,648	$ 1,445,363	$ 2,566,011
2017	867,983	1,512,428	2,380,411
2018	797,806	1,582,605	2,380,411
2019	724,374	1,656,037	2,380,411
2020	647,533	1,732,878	2,380,411
2021-2025	2,059,878	12,222,590	14,282,468
	$ 6,218,222	$ 20,151,901	$ 26,370,123

The Board received approval for participation in the Gulf Tax Credit Bonds Program (Go Zone Tax Credit Bonds) sponsored by the State of Louisiana in an amount not exceeding $36,000,000. The Airport was approved for $35,371,990 for an interest free period of 60 months. On August 1, 2006, Hancock Bank as escrow trustee for the State of Louisiana with respect to its GO Zone Tax Credit Bonds Program transferred to the Trustee the amount of $10,242,550 to be used to pay the August 2, 2006 debt service on the bonds and related interest rate swap payments. Hancock Bank transferred an additional $25,129,440 in debt service between August 2006 and July 2008 which brought the loan to the approval amount of $35,371,990. The Trustee continues to be responsible for making all debt service payments on the bonds.

(7) Capital Contributions and Transfers

Capital contributions recorded by the Airport represent amounts received from the federal government to finance the cost of construction of airport facilities. During the year ended December 31, 2015, the FAA contributed $9,467,830 and the ATF contributed $938,415. During the year ended December 31, 2014, the FAA contributed $12,057,621 and the ATF contributed $244,601.

(8) Pension Plan

Plan Descriptions

Employees and officers of the Airport are eligible for membership in the Employees' Retirement System of the City of New Orleans (the Plan), a defined benefit contributory retirement plan. A separate financial report on the plan for the year ended December 31, 2015 and 2014 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana 70112, (504) 658-1850.

The Plan is a Defined Benefit .Pension Plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of the Board of Trustees (the Board), and also for changes in the Retirement System by council action, snbject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the parish, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state.

The Plan became operative on July 1, 1947. It is supported by joint contributions of the City and employee members and income from investments. The City makes contributions for members during active service as well as for periods of service of members employed prior to July 1, 1947. In this way, reserves are accumulated from the city and employee contributions.

The general administration and the responsibility for the proper operation of the Retirement System and for making effective the provisions of the Retirement Ordinance are vested in the Board of Trustees of the Retirement System.

Funding Policy

Employee Contributions

4% of earnable compensation over $1,200 per year. Effective June 1, 2002, $1,200 removed. Effective January 1, 2012 the rate is 5% and effective January 1, 2013 the rate is 6%.

Employer Contributions

Certain percentage of earnable compensation of each member, known as "normal contributions," determined on the basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, known as "Accrued Liability contributions," determined by actuary on basis of the amortization period adopted by the Board from time to time.

Benefits Provided

Retirement

Under the System, employees with 30 years of service, or who attain age 60 with 10 years of service, or age 65 and 5 years of service are entitled to a retirement allowance. Effective January 1, 2002, any member whose age and service total 80 may retire with no age reduction. The benefits to retirees consist of the following:

1. An annuity, which is the actuarial equivalent of the employee's accumulated contribution; plus

2. Effective for members retiring on or after January 1, 2002, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2.5% of average compensation times first 25 years, plus 4% of average compensation times creditable service over 25 years.

3. Effective for members retiring before 2002, but on or after January 1, 1983, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years.

4. Effective January 1, 1983, additional pension equal to 2% of $1,200 times first 10 years, plus 2 1/2% of $1,200 times next 10 years, plus 3% of$1,200 times next 10 years, plus 4% of $1,200 times service over 30 years. Ceases at 62 or at eligibility for Social Security, whichever comes first. Effective January 1, 2002, the $1,200 exclusion will not apply.

5. Additional pension for member who reaches age 65 with 20 or more years and the retirement allowance under (1) and (2) above is less than $1,200 per year; to produce total retirement allowance of $1,200 per year.

6. Effective January 1, 1982, for service retirement prior to age 62 with less than 30 years of Service, (3) and (4) above are reduced by 3% for each year below 62. However, effective January 1, 1996, this reduction is not made if employee has at least 30 years of service. Effective January 1, 2002, no reduction if age and service total at least 8 0.

7. Maximum Benefit: Benefit not to be greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 1978.

8. Minimum Benefit: Effective June 1, 1999, benefit of $300 per month for retirees with 10 years of service at retirement.

9. Form of Benefit: Modified cash refund annuity - If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity payments, then the lump sum balance of his contributions is paid to beneficiary.

10. Cost-of-Living: Board of Trustees retains excess over average 3 1/2% interest earnings to provide Cost-of-Living increases in benefits to retirees (past or future) not to exceed 3% of original benefit per each year of retirement. Effective January 1, 2001, additional one-time increase of 1 % times member's or beneficiary's current monthly benefit times whole calendar years from date benefit commenced.

Deferred Retirement Option Program (DROP)

Effective January 1, 1994, any member who is eligible for a service retirement under Section 114-201(a) may participate in the DROP program. A member can participate for up to five years. When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

1. Interest is earned on the DROP account at an annual rate set by the Board. Members of the DROP receive cost-of-living increases, as if they would have received such raises as a retiree.

2. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After his DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation.

3. If at the end of a members' period of DROP participation he does not terminate employment, payments into DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated

Net Pension Liability

The Airport's Net Pension Liability was measured as of December 31, 2015 and 2014. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2015 and 2014, the Airport will recognize a Pension Expense of $2,142,649 and $1,451,936, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

On December 31, 2015, the Airport reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,195,626	$ 471,905
Net difference between projected and actual earnings on pension plan investments	2,710,187	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	422,246
Total	$ 3,905,813	$ 894,151

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

2016	$ 692,501
2017	692,501
2018	692,501
2019	579,052
2020	92,153
2021	92,153
2022	170,801
	$ 3,011,662

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015 and 2014, using the following actuarial assumptions:

	Employees' Retirement System
Valuation date	December 31, 2015
Actuary cost method	Entry age normal
Actuarial assumption:	
Expected remaining service live	8 years
Investment rate of return	7.50%, net of investment expense
Inflation rate	2.5%
Mortality	RP 2000 Group Annuity Mortality Table
Salary increases	5.00%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

	2015	2014
Investment rate of return	7.50%	7.50%
Inflation	2.50%	2.00%
Salary increases including inflation	5.00%	5.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2015 are summarized in the following table:

	Employees' Retirement System	
Asset Class	Target Asset Allocation	Long-term expected portfolio real rate of return
Domestic equity	49.1%	3.69%
International equity	15.7%	1.33%
Domestic bonds	24.6%	0.61%
International bonds	5.6%	0.20%
Real estate	5.0%	0.23%
Totals	100%	6.06%
Inflation		2.50%
Expeeted arithmetic nominal rate		8.56%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Employees' Retirement System for 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rate sand the member rate. Based on those assumptions, the Employees' Retirement System pension trust funds' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2015 and 2014, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, was -3.88% and 4.17%, respectively for the Employees' Retirement System.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the Airport as of December 31, 2015, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total pension liability	$ 41,709,736	$ 37,896,597	$ 34,705,029
Fiduciary net position	22,838,094	22,838,094	22,838,094
Net pension liability	18,871,642	15,058,503	11,866,935

Payables to the Plan

The Airport recorded accrued liabilities of $112,526 and $276,865 to the Plan for the year ended December 31, 2015 and 2014, respectively, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables.

Schedule of Louis Armstrong New Orleans International Airport's Proportionate Share of the Net Pension Liability For the Year Ended December 31, 2015 (*)

	Employees' Retirement System
Employer's Proportion of the Net Pension Liability (Asset)	6.734941%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 15,058,503
Employer's Covered-Employee Payroll	$ 7,118,288
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	211.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.26%

Schedule of Louis Armstrong New Orleans International Airport's Proportionate Share of the Net Pension Liability For the Year Ended December 31, 2014 (*)

		Employees' Retirement System
Employer's Proportion of the Net Pension Liability (Asset)		6.734941%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$	11,410,715
Employer's Covered-Employee Payroll	$	6,549,317
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll		174,23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		68.64%

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

(9) Rentals under Operating Leases

The Airport leases space in its terminal to various airlines, concessionaires, and others. These leases are for varying periods ranging from one to ten years and require the payment of minimum annual rentals. On January 1, 2009, a new Airline Lease and Use Agreement went into effect with all Signatory airlines paying signatory airlines rates and charges in accordance with the new lease agreement.

The Airport parking garage facility (the "Facility") was constructed on land leased by a 501(c) 3 nonprofit corporation (the Corporation) from the Airport pursuant to a parking garage ground lease (the "ground lease") dated January 1, 2001. The commencement date as defined in the ground lease went into effect January 1, 2002, and the ground rental term began. In accordance with the ground lease, the Corporation was required to design, finance, construct, and operate the Facility. The Facility was financed by the Corporation with $39.4 million of tax-exempt bonds which was refinanced in 2012. The bonds are not an obligation of the Airport. The initial term of the ground lease is ten years with three renewal periods of ten years at the option of the Corporation. During the term of the ground lease, the Corporation will pay the Airport $10,624 a month plus percentage rent of 6.0% of gross revenues generated from the Facility in excess of $7.0 million per year plus net cash flow rent, as defined in the ground lease.

The payment of rent is subject to a minimum annual guarantee payment, as defined in the ground lease. The fixed rent shall increase by 3.0% per annum, effective on the first day of each lease year during the term. The 2015 monthly ground rent was $15,601 and 2014 monthly ground rent was $15,147.

The following is a schedule by year of aggregate future minimum rentals receivable on noncancelable operating leases as of December 31, 2015:

2016	$	5,312,496
2017		4,911,879
2018		4,267,500
2019		640,809
2020		640,809
2021-2023		941,867
	$	16,715,360

These amounts do not include contingent rentals which may be received under most of the leases; such contingent rentals, including month-to-month concession agreements, amounted to $3,872,034 in 2015 and $4,138,544 in 2014.

(10) Commitments and Contingencies

(a) Self-Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City of New Orleans' self-insurance program. The Airport pays premiums to the City of New Orleans' unemployment self-insurance program, and the Airport and its employees pay premiums to the City of New Orleans' hospitalization self-insurance program.

Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

(b) Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

(c) Federal Financial Assistance

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2015 in accordance with the Single Audit Act of 1996, these programs are still subject to financial and compliance audits by governmental agencies.

(d) Defeasance and Redemption of Parking Facilities Corporation Bonds

In the event that the Airport sponsors, permits, or participates in the relocation of the main passenger terminal from its current location, the Airport will be required to purchase the long-term parking garage at a purchase price equal to the amount necessary to defease the $39,535,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Parking Facilities Corporation – Phase I Project) Series 2012 (LCDA Bonds) bonds and to pay or to assume any other outstanding monetary obligation relating to the ownership and operation of the long-term parking garage. The outstanding balance of the LCDA Bonds is $36,880,000 at December 31, 2015. The timing of the defeasance of the LDCA Bonds depends on whether (i) the New Orleans Aviation Board as lessor of the parking garage exercises an option to purchase the garage from the lessee at any time or (ii) the lessee exercises its option to require the Airport to purchase the garage within 180 days of a written notice from the Airport. As of the date of this report, the New Orleans Aviation Board has not exercised the option to purchase the garage and the lessee has not exercised an option to require the Airport to purchase the garage.

(11) Change in Accounting Principles

The Airport has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in 2015. GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. Statement 68 and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement--determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

The Airport implemented these statements effective January 1, 2014. The impact is as follows:

Previously reported net position as of January 1, 2014	$	378,838,183
Adjustment as a result of the implementation of GASB Statement No. 68		(11,589,493)
Net position as of January 1, 2014, as restated	$	367,248,690
Previously reported net position as of December 31, 2014	$	389,721,769
Adjustment as a result of the implementation of GASB Statement No. 68		(11,507,475)
Net position as of December 31, 2014, as restated	$	378,214,294

Previously reported change in net position for the year ended December 31, 2014	$	10,883,586
Adjustment as a result of the implementation of GASB Statement No. 68		82,018
Change in net position for the year ended December 31, 2014, as restated	$	10,965,604

(12) New Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*, which prescribes how state and local governments should define and measure fair value. The Airport is currently assessing the impact of GASB 72 on the financial statements for the year ended December 31, 2016.

(13) Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 11, 2016 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
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Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability
Last 10 Years*

	2015	2014
Employer's proportion of the net pension liability	6.7349%	6.7349%
Employer's proportionate share of the net pension liability	15,058,503	11,410,715
Employer's covered-employee payroll	7,118,288	6,549,317
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.55%	174.23%
Plan fiduciary net position as a percentage of the total pension liability	60.26%	68.64%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
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Required Supplementary Information

Schedule of Contributions
Last 10 Years*

	2015	2014
Contractually required contribution	$ 1,942,962	$ 1,784,790
Contributions in related to the contractually required contributions	(1,603,282)	(1,533,954)
Contribution deficiency (excess)	$ 339,680	$ 250,836
Employers' covered employee payroll	7,118,288	6,549,317
Contributions a a percentage of covered-employee payroll	27.30%	27.25%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule 1

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
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Supplemental Schedule of Investments

Year ended December 31, 2015

Description	Year Aquired	Maturity date	Book value	Fair value
Unrestricted investments:				
Special Receipts:				
Dreyfus Treasury Prime Cash Management				
The Bank of New York Mellon	2008	N/A	$ 6,589,977	$ 6,589,977
JPM U.S. Treasury Plus Investments				
The Bank of New York Mellon	2009	N/A	1,238,666	1,238,666
			7,828,643	7,828,643
City of New Orleans:				
LAMP - Sales Tax/General Purpose	2003	N/A	59,834,828	59,834,828
LAMP - Use & Lease General Purpose	2011	N/A	9	9
			59,834,837	59,834,837
Total unrestricted investments			67,663,480	67,663,480
Restricted investments:				
City of New Orleans:				
LAMP - Rollover Coverage	2009	N/A	3,721,446	3,721,446
CIF-Parking Facility Loan:				
JPM U.S. Treasury Plus Investments				
The Bank of New York Mellon	2010	N/A	1,097,355	1,097,355
Debt Service Fund:				
Dreyfus Treasury Prime Cash Management				
The Bank of New York Mellon	2008	N/A	11,250,442	11,250,442
JPM U.S. Treasury Plus Investments				
The Bank of New York Mellon	2009	N/A	12,334,964	12,334,964
			23,585,406	23,585,406
Debt Service Reserve Fund:				
Dreyfus Treasury Prime Cash Management				
The Bank of New York Mellon	2009	N/A	68,210,285	68,210,285
JPM U.S. Treasury Plus Investments				
The Bank of New York Mellon	2009	N/A	14,435,554	14,435,554
			82,645,839	82,645,839
Capitalized Interest:				
Dreyfus Treasury Prime Cash Management				
The Bank of New York Mellon	2015	N/A	65,665,483	65,665,483

(Continued)

Schedule 1

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Investments

Year ended December 31, 2015

Description	Year Acquired	Maturity date	Book value	Fair value
Ineligible Sub-Account:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	673,679	673,679
Operations and Maintenance:				
Reserve fund: JPM U.S. Treasury Plus Investments	2009	N/A	8,136,357	8,136,357
Receipts Fund:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	930,645	930,645
CFC Restricted:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2010	N/A	9,292,409	9,292,409
Time Reimbursement:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	1,147,319	1,147,319
Project Account:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	34,094,444	34,094,444
PFC Restricted:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	44,009,844	44,009,844
GARB Restricted:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2015	N/A	466,088,746	466,088,746
Vendor Payment:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2015	N/A	71,387	71,387
Total restricted investments			741,160,359	741,160,359
Total all investments			$ 808,823,839	$ 808,823,839

See accompanying independent auditors' report.

Schedule 2

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Operating Revenues and Expenses by Area of Activity

Year ended December 31, 2015

	Landing area	Terminal buildings	Ground transportation	Total
Operating revenues	$ 13,883,993	$ 56,463,903	$ 3,225,162	$ 73,573,058
Direct expenses	2,344,571	11,090,107	1,164,503	14,599,181
Operating revenues, less direct expenses	11,539,422	45,373,796	2,060,659	58,973,877
Depreciation of cost center assets	20,942,093	16,573,186	624,382	38,139,661
Operating revenues, less direct expenses and depreciation	$ (9,402,671)	$ 28,800,610	$ 1,436,277	20,834,216
Other operating expenses:				
Depreciation of non-cost center assets				2,341,716
Administrative less transfers to work in progress				26,185,212
Total other operating expenses				28,526,928
Operating loss				$ (7,692,712)

See accompanying independent auditors' report.

Schedule 3

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Historical Debt Service Coverage Ratio as Required under the General Revenue Bond Trust Indenture Dated February 1, 2009

Year ended December 31, 2015

(Unaudited)

Revenues:		
Airline rentals and landing fees	$	39,193,955
Other operating revenues		34,379,103
Nonoperating revenues		2,028,904
Rollover coverage		3,721,446
Total revenues		79,323,408
Less reserve requirements:		
Operation and maintenance expenses		40,784,393
Net revenues	$	38,539,015
Debt service fund requirement:		
Principal payments	$	9,790,000
Interest expense		5,089,950
Total debt service fund requirement	$	14,879,950
Historical debt service coverage ratio		2.59

See accompanying independent auditors' report.

(1) Basis of Accounting

The accompanying supplemental schedule has been prepared in accordance with the General Revenue Bond Trust Indenture dated February 1, 2009. The supplemental schedule excludes certain revenues and expenses as defined in the trust indenture.

(2) Rollover Coverage

On November 6, 2009, the Board approved the Rollover Coverage for fiscal years 2010-2015 in the amounts of $3,719,527, $3,720,107, $3,719,960, $3,720,332, $3,719,082, and $3,721,446 respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the airport operating account, held by the City of New Orleans.

Schedule 4

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Schedule of Compensation, Benefits, and Other Payments to the Director of Aviation

Year ended December 31, 2015

Iftikhar Ahmad, Director of Aviation

Purpose	Amount
Salary	$ 333,368
Benefits-insurance contribution	9,000
Benefits-retirement contribution	75,607
Benefits-Medicare, Social Security, Workman's Compensation	12,345
Travel*	5,035
Conference registration fees*	2,785
Reimbursements*	340

* All Director of Aviation travel, including per diem, lodging, and registration fees associated therewith, are approved at New Orleans Aviation Board public meetings. All reimbursements were for parking charges to attend off-airport meetings. The Director of Aviation charges to the Airport credit card are approved at New Orleans Aviation Board public meetings and the expense report is publically posted on the Airport website at http://flymsy.com/transparentMSY/Directors-Expense-Report--CY-2014?&Sort=&Cat=351&SubCat=78 with detail for each expense.

See accompanying independent auditors' report.

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louis Armstrong New Orleans International Airport (the Airport), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated July 11, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs, indexed as 2015-001, to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-002.

Airport's Response to Findings

The Airport's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Airport's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
July 11, 2016

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Schedule of Findings and Questioned Costs

December 31, 2015

2015-001 Accounting and Financial Reporting

Criteria:	The Aviation Board should have systems of internal accounting control which ensures the basic financial statements are presented in accordance with U.S. generally accepted accounting principles on a timely basis.
Condition:	The Aviation Board did not have internal controls in place to ensure that cash, investments, and debt were properly recorded on a timely basis.
Context:	During our audit, we noted that significant adjustments to the financial statements were required to properly state cash, investments, and debt.
Cause:	The Aviation Board's trustee bank changed its electronic reporting system. In addition, the trustee bank changed banking codes due to a merger. As a result, manual adjustments were required for transactions that were previously captured electronically.
Effect:	Significant adjustments were required during the audit for cash, investments, and debt to properly present the financial statements in accordance with U.S. generally accepted accounting principles.
Recommendation:	The Aviation Board should evaluate its accounting and financial reporting function to ensure that the cash, investment, and debt accounts are properly recorded and that entries to net position are reviewed and properly classified on a timely basis.
Management's Response:	In 2013, Airport management retained a third party experienced in financial procedures to review and update our financial policies and procedures, which were implemented for Airport's financial compliance with GAAP. The comprehensive financial policies and procedures implemented were (1) Standard Operating Procedures for Management of Design and Construction Projects; and (2) Standard Operating Accounting Policies and Procedures. The financial policies and procedures were evaluated and updated in January 2015, as part of our commitment to financial compliance. The updates implemented as a result of this review included, enhanced protocols for inter-departmental project document control, refinement of funding source controls, and updated finance department personnel roles and responsibilities.

2015-001 Accounting and Financial Reporting (continued)

This finding in particular is pointing to an anomaly caused by the Airport's designated trustee bank, Bank of New York Mellon, changing bank codes due to a merger, and changing its electronic reporting system from Inform Reporting to BNY Mellon Connect. These two issues combined compelled the Airport to make manual entries for accounts that were previous captured electronically. The financial software used by the Airport is the Ross ERP System and its Financial Management module. Aptean is the third party Ross ERP System customizations and interface specialist. The banking merger involving Bank of New York Mellon resulted in the creation of mapping new bank codes for all of its clients. The Ross ERP System did not fully recognize the new mapping codes, which required manual financial entry for accounts that were previously captured electronically. The Airport immediately contacted Aptean, and tasked them to update the Ross ERP System. The solution at that time was to create a formula that translated the mapping of the new bank codes into the Ross ERP System. The solution only recognized some of the bank codes so manual entries were still required. Then Bank of New York Mellon created new bank accounts for all of their clients; and along with this change, the verbiage on their bank statements created a new mapping bank code issue.

We agree with the recommendation to evaluate our internal controls, and implement any changes that may be needed to align the Ross ERP system to accept the new electronic reporting, and account codes by our trustee bank, Bank of New York Mellon. Due to NOAB having policies and procedures in place, this enabled us to identify that cash, investments, and debt needed to be properly reconciled. The Airport, Aptean, and the Bank of New York Mellon representatives have been actively working to correct the technical issues in mapping its new reporting account codes and accounts to the Ross ERP System. The Airport has tasked Aptean, to develop a solution to resolve all technical issues as soon as possible. The solution that Aptean has been tasked with will reduce manual entries and increase timely reconciliation of the accounts that were experienced this annual audit period. It will allow electronic entries and reconciliation in a more expeditious manner, and consistent with U.S. generally accepted accounting principles.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Schedule of Findings and Questioned Costs

December 31, 2015

2015-002 Timely Submission of Audit Report to Legislative Auditor

Criteria:	Under Louisiana statute (LA R.S. 24:513), the Airport is required to have an annual audit of its financial statements prepared in accordance with U.S. generally accepted accounting principles and to complete the audit and file it with the Legislative Auditor of the State of Louisiana by June 30 of each year.
Condition:	The Airport did not meet the June 30, 2016 deadline for reporting to the State of Louisiana.
Cause:	Complex audit and compliance matters outside of the Airport's control.
Effect:	The Airport is non-compliant with the state audit law with respect to timeliness of submission.
Management's Response:	The delay in submission of the Airport's audit report did not result from an untimely submission of data or financial reports by the Airport. The Airport and the City will continue to work closely with its auditors to identify potentially complex, unique, and unusual reporting requirements and challenges, early in the audit process, in order to ensure compliance with the state law.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Summary Schedule of Prior Audit Findings

Year ended December 31, 2015

None.

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Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program, on Internal Control over Compliance, and on the Schedule of Revenues and Expenditures of Passenger Facility Charges

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

Report on Compliance

We have audited the compliance of Louis Armstrong International Airport (the Airport), a component unit of the City of New Orleans, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, for its passenger facility charge program for the year ended December 31, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on the Airport's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the Airport's compliance with those requirements.

Opinion

In our opinion, the Airport complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year December 31, 2015.

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Report on Internal Control over Compliance

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program. In planning and performing our audit of compliance, we considered the Airport's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the Guide on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with the compliance of the Guide will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose describes in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the Airport as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements. We have issued our report thereon dated July 11, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for the purposes of additional analysis as required in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Netterville

Metairie, Louisiana
July 11, 2016

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Schedule of Revenues and Expenditures of Passenger Facility Charges

For the year ended December 31, 2015

	Program Total December 31, 2014	Quarter 1 January - March 2015	Quarter 2 April - June 2015	Quarter 3 July - September 2015	Quarter 4 October - December 2015	Quarters 1-4 January - December 2015	Program Total December 31, 2015
Revenues:							
Collections	$ 319,385,009	$ 5,137,519	$ 4,796,198	$ 5,867,117	$ 5,125,306	$ 20,926,140	$ 340,311,149
Interest	14,297,450	4	5	5	5	19	14,297,469
Total Revenues	333,682,459	5,137,523	4,796,203	5,867,122	5,125,311	20,926,159	354,608,618
Expenditures:							
Application 02-05:							
Project 05-001 - ARFF Perimeter Road, Stage I (1)	1,691,435	46,450	-	6,014	40	52,504	1,743,939
Project 05-002 - ARFF Perimeter Road, Stage II (1)	656,947	-	-	-	-	-	656,947
Project 05-003 - ARFF Perimeter Road, Stage III (1)	896,580	-	-	-	-	-	896,580
Project 05-004 - Airfield Lighting Control System (1)	716,013	19,275	-	2,496	17	21,788	737,801
Project 05-005 - Asbestos Removal Program	4,218,822	112,916	-	14,620	98	127,634	4,346,456
Project 05-006 - Concourse D Reconstruction (1)	20,359,496	612,834	-	79,346	530	692,710	21,052,206
Project 05-007 - East Air Cargo Access Roads	2,655,403	65,707	-	8,507	57	74,271	2,729,674
Project 05-008 - East Air Cargo Apron, Stage I	2,602,727	49,452	-	6,403	43	55,898	2,658,625
Project 05-010 - East/West Taxiway (VFR Runway) (1)	6,182,866	110,679	-	14,330	96	125,105	6,307,971
Project 05-011 - Fire Code Compliance Program	5,074,541	140,775	-	18,227	122	159,124	5,233,665
Project 05-013 - North GA Access Road	1,396,147	38,618	-	5,000	33	43,651	1,439,798
Project 05-014 - North General Aviation Apron, Stage I	6,328,927	99,480	-	12,880	86	112,446	6,441,373
Project 05-015 - Rehabilitate Runways and Taxiways (1)	2,735,580	17,580	-	2,276	15	19,871	2,755,451
Project 05-016 - Terminal Improvements	4,908,680	-	-	-	-	-	4,908,680
Project 05-017 - Update Airfield Guidance Sign System (1)	124,897	3,334	-	432	3	3,769	128,666
Project 05-018 - Upper Level Roadway Canopy	5,351,871	-	-	-	-	-	5,351,871
Project 05-019 - West Terminal Expansion (1)	26,794,820	704,895	-	91,265	609	796,769	27,591,589
Project 05-020 - West Terminal Utilities Expansion (1)	8,469,813	233,959	-	30,291	202	264,452	8,734,265
Total Application - 02-05	101,165,565	2,255,954	-	292,087	1,951	2,549,992	103,715,557
Application 02-06							
Project 06-001 - Aircraft Loading Bridges	10,950,291	1,196,395	649,326	268,400	7,292	2,121,413	13,071,704
Project 06-002 - Airfield Lighting Control Vault Alternative Power Source (2)	588,086	-	-	-	-	-	588,086
Project 06-004 - Airport Trench Drains (2)	1,886,917	-	-	-	-	-	1,886,917
Project 06-006 - Concourse C Reconstruction (2)	23,689,436	-	-	-	-	-	23,689,436
Project 06-007 - Environmental Impact Study for New Air Carrier Runway (2)	756,632	-	-	-	-	-	756,632
Project 06-008 - Expansion of Concourse D (2)	12,925,167	719,284	-	722,030	4,833	1,446,147	14,371,314
Project 06-010 - New Aircraft Rescue and Fire Fighting (ARFF) Station (2)	8,806,910	86,321	-	86,650	581	173,552	8,980,462
Project 06-011 - Rehabilitate Rotating Beacon (2)	348,560	-	-	-	-	-	348,560
Project 06-012 - Rehabilitate Runway 1/19 (2)	4,247,324	-	-	-	-	-	4,247,324
Project 06-013 - Rehabilitate Runway 10/28 (2)	31,044,397	2,348,042	-	1,254,731	8,304	3,611,077	34,655,474
Project 06-014 - Rehabilitate Taxiway Sierra (2)	1,405,541	-	-	-	-	-	1,405,541
Project 06-015 - South Lafon Airpark Land Purchase	5,062,117	-	-	-	-	-	5,062,117
Project 06-017 - Terminal HVAC Rehabilitation	1,278,665	-	-	-	-	-	1,278,665
Project 06-018 - West Air Cargo Complex Land Acquisition Program	1,050,244	-	-	-	-	-	1,050,244
Total Application - 02-06	104,040,287	4,350,042	649,326	2,331,811	21,010	7,352,189	111,392,476

(Continued)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Schedule of Revenues and Expenditures of Passenger Facility Charges

For the year ended December 31, 2015

	Program Total December 31, 2014	Quarter 1 January - March 2015	Quarter 2 April - June 2015	Quarter 3 July - September 2015	Quarter 4 October - December 2015	Quarters 1-4 January - December 2015	Program Total December 31, 2015
Application 04-07							
Project 07-001 - Airport Master Plan	1,303,829	-	-	-	-	-	1,303,829
Project 07-002 - Airport Interior Signage	1,298,209	-	-	-	-	-	1,298,209
Project 07-004 - Concourse C Checkpoint Expansion	1,230,667	-	-	-	-	-	1,230,667
Project 07-005 - Construct Connector Taxiway - Taxiway Uniform	4,651,018	-	-	-	-	-	4,651,018
Project 07-006 - Construct Holding Bay - Runway End 19	1,067,802	-	-	-	-	-	1,067,802
Project 07-007 - Exterior Terminal Renovations - Lower Roadway	4,995,000	-	-	-	-	-	4,995,000
Project 07-008 - FIS Facility	8,083,512	-	-	-	-	-	8,083,512
Project 07-009 - Gate Utilization Study	455,662	-	-	-	-	-	455,662
Project 07-011 - Part 1542 Security System	11,403,949	-	-	-	-	-	11,403,949
Project 07-013 - Residential Sound Insulation Program /Land Acquisition	3,307,734	-	-	-	-	-	3,307,734
Project 07-014 - TSA - Related Terminal Modification and Airline Relocations	5,918,809	-	-	-	-	-	5,918,809
Project 07-016 - Terminal HVAC Rehabilitation - Phase II	2,101,018	-	-	-	-	-	2,101,018
Project 07-017 - Terminal HVAC Rehabilitation - Phase III	1,449,000	-	-	-	-	-	1,449,000
Project 07-018 - Terminal Interior and Exterior Improvements	21,953,973	287,824	-	288,923	1,933	578,680	22,532,653
Project 07-019 - Terminal Pedestrian Access Enhancements	1,381,705	-	-	-	-	-	1,381,705
Total Application - 04-07	70,601,887	287,824	-	288,923	1,933	578,680	71,180,567
Application 06-08							
Project 08-004 - Acquire 3,000 Gallon ARFF Vehicle	742,165	-	-	-	-	-	742,165
Total Application - 06-08	742,165	-	-	-	-	-	742,165
Application 09-09							
Project 09-001 - Hazardous Wildlife Study	28,652	-	-	-	-	-	28,652
Project 09-004 - Taxiway G Extension - East	418,234	-	-	-	-	-	418,234
Total Application - 09-09	446,886	-	-	-	-	-	446,886
Application 09-10							
Project 10-001 - Terminal Apron Rehabilitation	7,306,732	-	-	(70,130)	-	(70,130)	7,236,602
Project 10-002 - Northwest Service (Perimeter) Road	687,167	-	-	-	-	-	687,167
Project 10-005 - Baggage Handling System	2,399,639	287,684	-	288,783	1,931	578,398	2,978,037
Project 10-007 - Airfield Lighting Vault	1,132,533	-	-	-	-	-	1,132,533
Project 10-008 - Runway 06/24 Downgrade	1	-	-	-	-	-	1
Total Application - 09-10	11,526,072	287,684	-	218,653	1,931	508,268	12,034,340
Application 14-11							
Project 11-001 - Airfield Pavement Condition Study (reimbursement)	-	-	-	-	74,628	74,628	74,628
Project 11-002 - Long Term Planning Study (reimbursement)	-	-	-	15,616	104,569	120,185	120,185
Project 11-003 - Airfield Electrical Design and Construction	-	49,466	134,907	207	1,927,438	2,112,018	2,112,018
Project 11-004 - Land Use and Development Study (reimbursement)	-	-	-	-	685,836	685,836	685,836
Project 11-005 - Long Term Development Feasibility Study (reimbursement)	-	-	-	-	-	-	-
Project 11-006 - Perimeter Fencing Replacement Construction (reimbursement)	-	-	-	-	323,743	323,743	323,743
Project 11-010 - Drainage Pumping Station Design and Construction	-	-	-	-	-	-	-
Project 11-011 - Long Term Development Program- Terminal Design and Construction	-	-	-	-	404,436	404,436	404,436
Project 11-012 - Long Term Development Program- Airside Design and Construction	-	-	-	-	-	-	-
Total Application - 14-11	-	49,466	134,907	15,823	3,520,650	3,720,846	3,720,846
Total Expenditures	288,522,862	7,230,970	784,233	3,147,297	3,547,475	14,709,975	303,232,837
PFC revenues in excess of (under) expenditures	$ 45,159,597	$ (2,093,447)	$ 4,011,970	$ 2,719,825	$ 1,577,836	$ 6,216,184	$ 51,375,781

See accompanying notes to schedule of revenues and expenditures of passenger facility charges.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

Note to Schedule of Revenues and Expenditures of Passenger Facility Charges

Year ended December 31, 2015

(1) Schedule of Revenues and Expenditures of Passenger Facility Charges

The accompanying Schedule of Revenues and Expenditures of Passenger Facility Charges (PFC) presents the revenues received from the PFC and expenditures incurred on approved projects. The Schedule has been prepared on the cash basis of accounting under which revenues are recognized when received and expenditures are recognized when paid.

PFC revenue collections represent cash collected through the end of the month subsequent to the quarter-end as reported to the Federal Aviation Administration (FAA) in accordance with 14 CFR Part 158. The interest recognized represents the actual interest collected on the unexpended PFC cash collected during the periods reported.

The approved collection rate for the 10 projects denoted by (1) was increased by the FAA from $3.00 per enplaned passenger to $4.50 per enplaned passenger, effective April 1, 2002 upon the Airport's submission of Application 02-05 in order to amend the collection level for projects within the PFC program. The collection level for the remaining projects within Application 02-05 remained at $3.00 per enplaned passenger.

The approved collection level for the 9 projects denoted by (2) was increased by the FAA from $3.00 per enplaned passenger to $4.50 enplaned passenger, effective April 1, 2002, upon the Airport's submission of Application 02-06. The collection level for the remaining projects was approved by the FAA at $3.00 per enplaned passenger, effective April 1, 2002.

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017A (Non-AMT)	$219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017B (AMT)	$46,995,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017C (Taxable)

$4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-1 (Non-AMT)	$50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-2 (AMT)

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is executed and delivered by the New Orleans Aviation Board (the "**Issuer**"), in connection with the issuance of the above-captioned bonds (the "**Bonds**"). The Bonds are being issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**"), among the Issuer, The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") and the City of New Orleans, Louisiana (the "**City**"), as supplemented and amended by a Second Supplemental Trust Indenture dated as of March 1, 2015 (the "**Second Supplemental Indenture**") and a Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**" and, together with the General Indenture, and the Second Supplemental Indenture, the "**Indenture**"), each among the Issuer, the Trustee and the City, and are described in that certain Official Statement dated May 11, 2017 which contains certain information concerning the Issuer, the security for the Bonds and certain financial and other information relating thereto. The Issuer covenants and agrees as follows:

SECTION 1. ***Purpose of the Disclosure Certificate.***

(a) This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. ***Definitions.*** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Audited Financial Report**" shall mean the Issuer's Comprehensive Annual Financial Report (CAFR).

"**Beneficial Owner**" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"**Bondholders**" when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

"**Dissemination Agent**" shall mean the Deputy Director and Chief Financial Officer of the Issuer, or Dissemination Agent designated by the Issuer.

"**EMMA**" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is http://www.emma.msrb.org.

"**GAAP**" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"**Issuer**" shall mean the New Orleans Aviation Board.

"**Listed Events**" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purpose of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board

Electronic Municipal Market Access Center

www.emma.msrb.org

"**1934 Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Official Statement**" shall mean the Official Statement with respect to the Bonds dated May 11, 2017.

"**Participating Underwriter**" shall mean any of the original Underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"**SEC**" shall mean the Securities and Exchange Commission.

"**Securities Counsel**" shall mean legal counsel expert in federal securities law.

SECTION 3. ***Provision of Annual Reports.***

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than August 31 of each year, commencing August 31, 2018, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice, in a timely manner, to the MSRB, in substantially the form attached as Exhibit A.

(c) If the Issuer's fiscal year changes, the Issuer shall send written notice of such change to the MSRB, in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Issuer) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

SECTION 4. ***Content of Annual Reports.*** The Annual Report shall contain or incorporate by reference the following:

(a) The Audited Financial Statements of the Issuer for its fiscal year immediately preceding the due date of the Annual Report. The audited financial statements of the Issuer shall not include any supplemental financial statements of the Issuer. Any supplemental financial statements of the Issuer shall be filed by the Issuer pursuant to Section 10 hereof, upon receipt by the Issuer of such supplemental financial statements, if any.

(b) Basis of accounting used by the Issuer in reporting its financial statements. The Issuer follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

(c) Updates of the following tables in the Official Statement which are under the following captions (such tables will be presented in the same format presented in the Official Statement):

Historical Enplanements
Historical Enplanements by Carrier
Commercial Aircraft Landed Weight at Airport
Total Aircraft Landed Weight by Fiscal Year
Historic Airport Revenues and Expenses
Summary of Operating Revenues and Expenses
Outstanding Debt
Future Debt

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been submitted to the MSRB. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with the laws of the State of Louisiana.

The Issuer reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Issuer reserves the right to modify, from time to time, the specific types of information provided or the format of the presentations of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided however, that the Issuer agrees that any modifications will be made consistent with Section 9.

SECTION 5. ***Reporting of Significant Events*****.**

(a) The Issuer covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership, or similar event of the Issuer[(1)];

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and/or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Issuer), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(c) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness issued under the General Indenture.

(d) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(e) As of the date of this Disclosure Certificate, the Listed Events described in subsections (a)(5) and (a)(10) is not applicable to the Bonds.

SECTION 6. ***Mandatory Electronic Filing with EMMA.*** All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at http://www.emma.msrb.org as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. ***Termination of Reporting Obligation.***

(a) The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Bonds or the prior redemption or payment in full of all of the Bonds.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Securities Counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) files notice to such effect with the MSRB.

SECTION 8. ***Dissemination Agent.*** The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Deputy Director and Chief Financial Officer. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 9. ***Amendment; Waiver.***

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer or the type of business conducted by the Issuer;

(2) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Issuer, or the Dissemination Agent (if other than the Issuer) at the written direction of the Issuer with the MSRB.

SECTION 10. ***Additional Information.*** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. ***Failure to Comply.*** In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Issuer or the Dissemination Agent (if other than the Issuer) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Indenture authorizing the issuance of the Bonds.

SECTION 12. ***Duties of Dissemination Agent.*** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. ***Transmission of Information and Notices.*** Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the Issuer or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Issuer or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. ***Additional Disclosure Obligations.*** The Issuer acknowledges and understands that other state and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Issuer, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 16. ***Governing Law.*** This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State of Louisiana, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State of Louisiana. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN FAITH WHEREOF, the undersigned has executed this Continuing Disclosure Certificate on this, the 25th day of May, 2017.

NEW ORLEANS AVIATION BOARD

By: _____
Cheryl Teamer, Chairwoman

EXHIBIT A

NOTICE TO REPOSITORIES OF

FAILURE TO FILE ANNUAL REPORT

$100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017A (Non-AMT)	$219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2017B (AMT)	$46,995,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017C (Taxable)
$4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-1 (Non-AMT)	$50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds Series 2017D-2 (AMT)	

NOTICE IS HEREBY GIVEN that the New Orleans Aviation Board (the "**Issuer**"), has not provided an Annual Report as required by Section 3 of the Continuing Disclosure Certificate with respect to the above captioned bonds. The Issuer anticipates that its Annual Report will be filed by _____.

Date: _____

NEW ORLEANS AVIATION BOARD

By: _____
Name: _____
Title: _____

EXHIBIT B

NOTICE OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Obligated Person: New Orleans Aviation Board

Name of Bond Issue:

1) $100,010,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT) (the "**Series 2017A Bonds**"); and

2) $219,390,000 New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT) (the "**Series 2017A Bonds**"); and

3) $46,995,000 New Orleans Aviation Board General Airport Revenue Bonds Series 2017C (Taxable) (the "**Series 2017C Bonds**"); and

4) $4,150,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) (the "**Series 2017D-1 Bonds**"); and

5) $50,145,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT) (the "**Series 2017D-2 Bonds**")

Date of Bonds: May 25, 2017 with respect to the Series 2017A Bonds, Series 2017B Bonds, and Series 2017C Bonds

October 4, 2017 with respect to the Series 2017D-1 Bonds and Series 2017D-2 Bonds

NOTICE IS HEREBY GIVEN that the fiscal year of the New Orleans Aviation Board (the "**Issuer**") changed. Previously, the Issuer's fiscal year ended on _____. It now ends on _____.

NEW ORLEANS AVIATION BOARD

By: _____
Name: _____
Title: _____

NEW ORLEANS AVIATION BOARD • GENERAL AIRPORT REVENUE BONDS (NORTH TERMINAL PROJECT) SERIES 2017A (NON-AMT) AND SERIES 2017B (AMT)
AND GENERAL AIRPORT REVENUE REFUNDING BONDS SERIES 2017C (TAXABLE), SERIES 2017D-1 (NON-AMT) AND SERIES 2017D-2 (AMT)

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