PRELIMINARY OFFICIAL STATEMENT DATED ____________, 2012

NEW ISSUE — BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

In the respective opinions of Bond Counsel to the City to be delivered upon the issuance of the Series 2012A-C Bonds, under existing law and assuming compliance by the City and County of Denver, Colorado (the "City"), with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Series 2012A-C Bonds, with which the City has certified, represented and covenanted its compliance, (1) interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2012A Bonds are held by a person who is a "substantial user" of the Airport System or a "related person," as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts, estates and corporations, and (2) interest on the Series 2012B Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, subject to certain exceptions, corporations. Also, in the respective opinions of Bond Counsel to the City to be delivered upon the issuance of the Series 2012A-B Bonds, under existing law and to the extent interest on the Series 2012A-B Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State of Colorado. Interest on the Series 2012C Bonds is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS" for a more detailed discussion.

CITY AND COUNTY OF DENVER, COLORADO

FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

AIRPORT SYSTEM REVENUE BONDS

$____________* SERIES 2012A (AMT) **$__________* SERIES 2012B (NON-AMT)** **$__________* SERIES 2012C (TAXABLE)**

Dated: Date of Delivery **Due: November 15, as shown on the inside cover page**

The Series 2012A-C Bonds are being issued by authority of the City's home rule charter and ordinances adopted pursuant thereto in order to (i) pay for and finance a portion of the costs of the Airport's 2013-2018 Capital Program, (ii) pay, refund, redeem and defease certain outstanding Airport System revenue bonds and subordinate commercial paper notes, (iii) make a deposit to the Bond Reserve Fund, (iv) make a deposit to the Capitalized Interest Account, and (v) pay the costs of issuing the Series 2012A-C Bonds, all as further described herein. Capitalized terms used on this cover page are defined herein.

The Series 2012A-C Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC") which will serve as securities depository for the Series 2012A-C Bonds. Beneficial Ownership Interests in the Series 2012A-C Bonds, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to the receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2012A-C Bonds by the rules and operating procedures applicable to the DTC book-entry system as described herein.

The Series 2012A-C Bonds bear interest at the rates per annum set forth on the inside cover page hereof payable beginning on ___ 15, 201_, and semiannually thereafter on each May 15 and November 15, and mature on the dates set forth on the inside cover page hereof, subject to redemption prior to maturity as described herein.

The Series 2012A-C Bonds are special obligations of the City, for and on behalf of its Department of Aviation, payable solely from and secured by a pledge of the Net Revenues of the Airport System and certain Airport System Funds and accounts as described herein. None of the properties of the Airport System is subject to any mortgage or other lien for the benefit of the Owners or Beneficial Owners of the Series 2012A-C Bonds, and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2012A-C Bonds. The Series 2012A-C Bonds do not constitute general obligations of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, home rule charter or statutory limitation of the City or the State.

The purchase and ownership of Beneficial Ownership Interests in the Series 2012A-C Bonds involve investment risks. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters discussed under "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

Purchasers of Beneficial Ownership Interests in the Series 2012A-C Bonds will be deemed to have consented to certain proposed amendments to the City's General Bond Ordinance as discussed herein.

The Series 2012A-C Bonds are offered when, as and if issued, subject to the approval of their validity and enforceability by Hogan Lovells US LLP, Denver, Colorado, Bond Counsel to the City, and Bookhardt & O'Toole, Denver, Colorado, Bond Counsel to the City. Certain legal matters will be passed upon for the City by Douglas J. Friednash, Esq., City Attorney, and Brownstein Hyatt Farber Schreck, LLP, Denver, Colorado, Special Counsel to the City; and for the Underwriters by Greenberg Traurig, LLP, Denver, Colorado. It is expected that delivery of the Series 2012A-C Bonds will be made through the facilities of DTC on or about October ___, 2012.

BARCLAYS **CITIGROUP**

D.A. DAVIDSON & CO.
GOLDMAN, SACHS & CO.
RBC CAPITAL MARKETS

GEORGE K. BAUM & COMPANY
LOOP CAPITAL MARKETS
US BANCORP

WELLS FARGO SECURITIES

---

* Preliminary, subject to change.

MATURITY SCHEDULE

CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

$__________*
AIRPORT SYSTEM REVENUE BONDS, SERIES 2012A
(AMT)

Maturity* (November 15)	Principal Amount*	Interest Rate	Yield	Price	CUSIP© No. [1]

$__________*
AIRPORT SYSTEM REVENUE BONDS, SERIES 2012B
(NON-AMT)

Maturity* (November 15)	Principal Amount*	Interest Rate	Yield	Price	CUSIP© No. [1]

$__________*
AIRPORT SYSTEM REVENUE BONDS, SERIES 2012C
(TAXABLE)

Maturity* (November 15)	Principal Amount*	Interest Rate	Yield	Price	CUSIP© No. [1]

1 Copyright 2012, American Bankers Association. The CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers are provided solely for the convenience of the purchasers of the Series 2012A-C Bonds and only as of the issuance of the Series 2012A-C Bonds, and none of the City, the Department or the Underwriters takes responsibility for the accuracy of such CUSIP numbers now or at any time in the future. The CUSIP number for any maturity of the Series 2012A-C Bonds may be changed after the issuance of the Series 2012A-C Bonds as the result of various subsequent actions, including, without limitation, a refunding of all or a portion of such maturity or 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 2012A-C Bonds.

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* Preliminary, subject to change.

SELECTED CITY OFFICIALS AND CONSULTANTS

Mayor

Michael B. Hancock

City Council

Mary Beth Susman, President

Albus Brooks	Paul López
Charles V. Brown, Jr.	Judy H. Montero
Jeanne Faatz	Chris Nevitt
Christopher Herndon	Deborah Ortega
Robin Kniech	Jeanne Robb
Peggy A. Lehmann	Susan Shepherd

Auditor

Dennis J. Gallagher

Cabinet Officials

Cary Kennedy	Deputy Mayor, Manager of Finance/Chief Financial Officer/*Ex-Officio* Treasurer
Adrienne Benavidez	Manager of the Department of General Services
Kim Day	Manager of the Department of Aviation
Jose Cornejo	Manager of the Department of Public Works
Lauri Dannemiller	Manager of the Department of Parks and Recreation
Alex J. Martinez	Manager of the Department of Safety
Doug Linkhart	Manager of the Department of Environmental Health
Penny May	Manager of the Department of Human Services
Molly Urbina	Manager of Community Planning and Development
Douglas J. Friednash, Esq.	City Attorney

Clerk and Recorder, *Ex-Officio* Clerk

Debra Johnson

Department of Aviation

Patrick Heck	Deputy Manager of Aviation/Finance and Administration
Eric Hiraga	Deputy Manager of Aviation/Chief of Staff
Kenric G. Greene	Deputy Manager of Aviation/Operations
Dave LaPorte	Deputy Manager of Aviation/Maintenance
David Rhodes, P.E.	Deputy Manager of Aviation/Planning and Development
Robert W. Kastelitz	Deputy Manager of Aviation/Technologies
John Ackerman	Deputy Manager of Aviation/Commercial
Jeff Green	Acting Director of Communications & Marketing
Xavier S.L. DuRán, Esq.	Director of Airport Legal Services

Airport Consultant

LeighFisher
Burlingame, California

Financial Consultant

Jefferies & Company, Inc.
New York, NY

Bond Counsel

Hogan Lovells US LLP Denver, Colorado	Bookhardt & O'Toole Denver, Colorado

Special Counsel

Brownstein Hyatt Farber Schreck, LLP
Denver, Colorado

PRELIMINARY NOTICES

This Official Statement does not constitute an offer to sell the Series 2012A-C Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the City, the Financial Consultant or the Underwriters to give any information or to make any representation other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. The information contained in this Official Statement has been obtained from the City and other sources that are deemed reliable.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2012A-C Bonds is made only by means of this entire Official Statement.

This Official Statement is submitted in connection with the initial offering and sale of the Series 2012A-C Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Neither the Securities and Exchange Commission nor any state securities regulatory authority has approved or disapproved of the Series 2012A-C Bonds or passed upon the adequacy or accuracy of this Official Statement. Any representation to the contrary is a criminal offense.

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

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, ITS RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

* * *

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DENVER INTERNATIONAL AIRPORT

OFFICIAL STATEMENT

RELATING TO

CITY AND COUNTY OF DENVER, COLORADO
FOR AND ON BEHALF OF ITS DEPARTMENT OF AVIATION

AIRPORT SYSTEM REVENUE BONDS

$_________* SERIES 2012A (AMT)	**$___________* SERIES 2012B (NON-AMT)**	**$________* SERIES 2012C (TAXABLE)**

INTRODUCTION

This Official Statement, which includes the cover page, prefatory information and the appendices, furnishes information in connection with the issuance and sale by the City and County of Denver, Colorado (the "City"), for and on behalf of its Department of Aviation (the "Department") of its Airport System Revenue Bonds, Series 2012A, in the principal amount of $___________ (the "Series 2012A Bonds"), its Airport System Revenue Bonds, Series 2012B, in the principal amount of $__________ (the "Series 2012B Bonds"), and its Taxable Airport System Revenue Bonds, Series 2012C, in the principal amount of $__________ (the "Series 2012C Bonds") referred to herein collectively as the "Series 2012A-C Bonds" and individually as a "Series." Unless otherwise defined herein, capitalized terms used herein are defined in "APPENDIX B — GLOSSARY OF TERMS."

The Issuer

The City is a political subdivision of the State of Colorado (the "State"). The Denver Municipal Airport System (the "Airport System") is owned by the City and the power to operate, maintain and control the Airport System is vested in the Department. The City by ordinance has designated the Department as an "enterprise" within the meaning of the State constitution with the authority to issue its own revenue bonds or other financial obligations in the name of the City. Denver International Airport (the "Airport") is the primary asset of the Airport System.

Denver International Airport

General. The Airport is the primary air carrier airport for the Denver air service region. According to statistics compiled by Airports Council International for 2011, the Airport was ranked as the 5th busiest airport in the nation and the 11th busiest airport in the world based on total passengers in 2011. The Airport was also named the "Best Airport in North America" in 2011 for the seventh consecutive year by *Business Traveler* magazine. See "THE AIRPORT SYSTEM," "DENVER INTERNATIONAL AIRPORT" and "AVIATION ACTIVITY AND AIRLINES."

Passenger Traffic and Airport System Revenues. As of August 2012 there were 24 passenger airlines providing scheduled service at the Airport, including ten major/national passenger airlines, five foreign flag passenger airlines and nine regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines provide service at the Airport. The Airport served approximately 26.46 million enplaned passengers (passengers embarking on airplanes) in 2011, constituting an approximately 1.7% increase over 2010, and approximately 12.83 million enplaned passengers in the first six months of 2012, constituting a 0.07% decrease over the same period in 2011. Approximately 55% were passengers

* Preliminary, subject to change.

originating their travel at the Airport in both 2011 and in the first six months of 2012, and approximately 45% were passengers making connecting flights at the Airport in both 2011 and in the first six months of 2012.

With a few exceptions, the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport experienced declines in passenger traffic and associated revenues in 2001 and 2002 in the aftermath of the terrorist incidents of September 11, 2001. The Airport was also negatively impacted by the global economic recession that began in late 2007 and the associated weakened demand for air travel and reduced airline passenger capacity. In 2008, although the number of enplaned passengers at the Airport continued to increase, the rate of growth declined from that experienced in previous years, and in 2009 the number of enplaned passengers at the Airport declined by 2.0%, the first decline since 2002. However, in 2010 the number of enplaned passengers at the Airport rebounded, with an increase of 3.6% over 2009 and in 2011 the number of enplaned passengers increased 1.66% over 2010, resulting in the highest number of enplaned passengers at the Airport since it opened in 1995.

Operating revenues at the Airport, consisting primarily of facility rentals, concession revenues, parking revenues, car rentals, landing fees and aviation fuel tax, have shown continual growth since the downturns in 2001 and 2002, largely as the result of increases in passenger traffic. In 2011, operating revenues at the Airport increased 0.2% compared to 2010, and for the first six months of 2012, operating revenues at the Airport increased 4.1% compared to the same period in 2011. Operating expenses at the Airport decreased by 4.1% in 2011 compared to 2010, and decreased during the first six months of 2012 by 2.2% when compared to the same period in 2011. In response to global economic conditions and the financial condition of the airline industry, as well as to meet certain cost reduction obligations in the airlines' Airport Use and Lease Agreements, Airport management has implemented several cost containment measures over the past several years.

The amounts paid by airlines operating at the Airport for terminal and other facility rentals, landing fees and other use charges constituted approximately 54.6% and 56.4% of the Airport System's operating revenues in 2011 and in the first six months of 2012, respectively, and approximately 50% of the Gross Revenues of the Airport System in 2011 (see "The Series 2012A-C Bonds — *Security and Sources of Payment*" below in this Section and "SECURITY AND SOURCES OF PAYMENT — Pledge of Net Revenues — Historical Debt Service Coverage"). Nonairline revenues, including concession, car rental, parking and other revenues at the Airport, constituted approximately 45.4% and 43.6% of the Airport System's operating revenues in 2011 and in the first six months of 2012, respectively, and approximately 50% of the Gross Revenues of the Airport System in 2011.

Future levels of aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors, including economic and political conditions, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers, alliances and consolidations, availability and price of aviation and other fuel, employee cost and availability and labor relations within the airline industry and capacity of the national air traffic control system and of the Airport.

For further information regarding passenger traffic at the Airport and financial information concerning the Airport System, see generally "SECURITY AND SOURCES OF PAYMENT — Historical Debt Service Coverage," "RISKS AND OTHER INVESTMENT CONSIDERATIONS," "AVIATION ACTIVITY AND AIRLINES," "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements" and "FINANCIAL INFORMATION — Historical

Operations — Management's Discussion and Analysis of Financial Performance — Passenger Facility Charges."

Major Air Carriers Operating at the Airport. The principal air carrier operating at the Airport is United Airlines ("United"). The Airport is a primary connecting hub in United's route system both in terms of passengers and flight operations. Under a Use and Lease Agreement with the City (the "United Use and Lease Agreement"), United currently leases 36 of the existing 90 full service jet gates at the Airport, as well as a 16-gate regional jet facility on Concourse B.

United and Continental Airlines merged ("United/Continental Merger") effective October 1, 2010, under a plan in which United and Continental became wholly-owned subsidiaries of UAL Corporation, which then changed its name to United Continental Holdings, Inc. ("United Continental Holdings"). United Continental Holdings has integrated the two airlines under the United brand effective as of November 30, 2011 and is operating under a single Federal Aviation Administration ("FAA") operating certificate. United, together with its United Express regional commuter affiliates, including Continental Airlines and its Continental Express affiliates (collectively, the "United Group") accounted for approximately 42.9% of passenger enplanements at the Airport in 2011 (39.6% for United/United Express and 3.3% for Continental). In the first six months of 2012, the United Group accounted for 41.2% of passenger enplanements at the Airport. In addition, the Airport would rank as the 4th busiest airport in the combined route network of United and Continental based on enplaned passenger data for 2011.

Frontier Airlines Inc. ("Frontier") and its affiliates had the second largest market share at the Airport in 2011, and the third largest market share during the first six months of 2012. The Airport is presently Frontier's only hub and in 2011 was the busiest airport in the Frontier system. Frontier currently leases 18 gates at the Airport under a Use and Lease Agreement with the City. Frontier and Lynx Aviation, Inc. ("Lynx"), which ceased operations in March 2011, are both wholly-owned subsidiaries of Frontier Airlines Holdings Inc. ("Frontier Holdings"), which in turn is a wholly-owned subsidiary of Republic Airways Holdings, Inc. ("Republic Holdings"). Frontier, Republic Airlines (also a Republic Holdings subsidiary) operating as Frontier ("Frontier/Republic"), together with Lynx and Frontier JetExpress commuter affiliates (collectively, the "Frontier Group") accounted for approximately 22.3% of passenger enplanements at the Airport in 2011 and approximately 21.9% of passenger enplanements at the Airport in the first six months of 2012.

On October 1, 2009, Frontier Holdings (Frontier and Lynx), following its bankruptcy, was acquired by and became a wholly-owned subsidiary of Republic Holdings. Republic Holdings has integrated the operations of its Midwest Airlines brand under the Frontier brand. In March 2011, Republic Holdings discontinued the operations of Lynx and transitioned its Q400 turboprop service to Frontier Express ("Frontier Express"), a new brand operated by Frontier/Republic and Chautauqua Airlines (also a Republic Holdings subsidiary).

Southwest Airlines ("Southwest") had the third largest market share at the Airport in 2011 and the second largest market share in the first six months of 2012. Southwest commenced service at the Airport in January 2006 and since that time has experienced strong and continued growth in airline service at the Airport. Based on scheduled departing seats, the Airport is estimated to be the sixth busiest airport in the Southwest system in 2012. Southwest currently leases 17 gates at the Airport under a Use and Lease Agreement with the City, however, a new Use and Lease Agreement has been forwarded to it and upon execution thereof by Southwest and the City, it will lease 19 gates at the Airport. Southwest accounted for approximately 21.8% of passenger enplanements at the Airport in 2011 and approximately 22.7% of passenger enplanements at the Airport in the first six months of 2012. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest is integrating AirTran

Airways into the Southwest brand, and is now operating Southwest and AirTran Airways under a single FAA operating certificate.

Except for the United Group, the Frontier Group and Southwest, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2011 or more than 5% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2011.

For further information regarding the major air carriers operating at the Airport, see "RISKS AND OTHER INVESTMENT CONSIDERATIONS," "AVIATION ACTIVITY AND AIRLINES," "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements" "AIRLINE BANKRUPTCY MATTERS" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

The Airport Capital Program. The City has established a capital program for the Airport System that represents the City's expectations of Airport System capital needs in order to maintain, reconstruct and expand Airport facilities through 2018 (the "2013-2018 Capital Program"). The 2013-2018 Capital Program, summarized in "CAPITAL PROGRAM," is estimated to have an aggregate cost of approximately $1.06 billion and is planned to be financed primarily with a combination of Airport System revenue bonds, Airport equity, and federal grants. See also "FINANCIAL INFORMATION — Plan of Financing." Included in the 2013-2018 Capital Program is the South Terminal Redevelopment Program, which is the single largest component of the 2013-2018 Capital Program. See "CAPITAL PROGRAM — South Terminal Redevelopment Program" herein. A significant project within the South Terminal Redevelopment Program is the construction of a new 519 room airport hotel ("Airport Hotel") to be operated by Starwood Hotels and Resorts under the Westin brand pursuant to a qualified management agreement. For a further description of the Airport Hotel and the Market Demand and Financial Analysis dated September 18, 2012 ("Airport Hotel Analysis") with respect thereto prepared by PKF Consulting USA ("PKF"), a third-party hotel expert, for the Airport, see "CAPITAL PROGRAM — South Terminal Redevelopment Program — *Airport Hotel*" and "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Airport Hotel Risks" herein.

The Series 2012A-C Bonds

Authorization. The Series 2012A-C Bonds are being issued by authority of the City's home rule charter (the "City Charter"), the State's Supplemental Public Securities Act and the General Bond Ordinance effective in November 1984, as amended and supplemented (the "General Bond Ordinance"), and two supplemental ordinances (the "Series 2012A-B Supplemental Ordinance" and the "Series 2012C Supplemental Ordinance"), each of which was approved by the Denver City Council (the "City Council") prior to the delivery of the Series 2012A Bonds, the Series 2012B Bonds and Series 2012C Bonds, respectively. The Series 2012A-B Supplemental Ordinance and the Series 2012C Supplemental Ordinance are referred to herein together as the "Series 2012A-C Supplemental Ordinances." The General Bond Ordinance, the Series 2012A-C Supplemental Ordinances and any Supplemental Ordinances adopted by the City Council after the adoption of the Series 2012A-C Supplemental Ordinances are referred to herein collectively as the "Senior Bond Ordinance." The covenants and undertakings of the City with respect to the Senior Bond Ordinance and the Series 2012A-C Bonds are covenants and undertakings of the City, for and on behalf of the Department. Certain amendments to the Senior Bond Ordinance have been proposed by the City but have not been adopted by the City Council (the "Proposed Amendments"). See "Consent to Proposed Amendments to the Senior Bond Ordinance" below, "THE SERIES 2012A-C BONDS — Authorization," "SECURITY AND SOURCES OF PAYMENT — Proposed Amendments to the Senior Bond Ordinance," "APPENDIX C — SUMMARY

OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE" and "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE."

Purpose. The proceeds of the Series 2012A-C Bonds, together with other available Airport System moneys, will be used to (i) pay the costs of issuing the Series 2012A-C Bonds, (ii) finance a portion of the 2013-2018 Capital Program as further described herein under the Section entitled "CAPITAL PROGRAM", (iii) reimburse the Airport for moneys it paid in connection with certain costs related to projects in the 2013-2018 Capital Program, (iv) pay, refund, redeem and defease (a) certain selected Senior Bonds in order to achieve debt service savings, and (b) all of the outstanding Subordinate Commercial Paper Notes Series A (AMT) ("Series A Commercial Paper Notes") in the approximate aggregate principal amount of $56,000,000, collectively referred to herein collectively as the "Refunded Bonds," (v) make a deposit to the Bond Reserve Fund, and (vi) make a deposit to the Capitalized Interest Account. See also "Plan of Financing" below, "APPLICATION OF PROCEEDS" and "FINANCIAL INFORMATION — Senior Bonds — Plan of Financing."

General Provisions. The Series 2012A-C Bonds will be issued in the aggregate principal amounts, bear interest at the rates per annum (computed on the basis of a 360-day year of twelve 30-day months) and mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Series 2012A-C Bonds will accrue from the date of delivery thereof to the Underwriters and will be payable beginning on ___ 15, 201_, and semiannually thereafter on each May 15 and November 15 (each an "Interest Payment Date"). The Series 2012A-C Bonds are subject to redemption prior to maturity as described in "THE SERIES 2012A-C BONDS — Redemption Prior to Maturity."

Book-Entry Only System. The Series 2012A-C Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC"), which will serve as securities depository for the Series 2012A-C Bonds. Ownership interests in the Series 2012A-C Bonds ("Beneficial Ownership Interests"), in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system ("DTC Participants"). Such Beneficial Ownership Interests will be recorded in the name of the purchasers thereof ("Beneficial Owners") on the books of the DTC Participants from whom they are acquired, and will be governed as to payment of principal and interest, the receipt of notices and other communications, transfers and various other matters with respect to the Series 2012A-C Bonds by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2012A-C BONDS — General Provisions" and "APPENDIX E — DTC BOOK-ENTRY SYSTEM."

Security and Sources of Payment. The Series 2012A-C Bonds are special obligations of the City, for and on behalf of the Department, payable solely from and secured by a pledge of Net Revenues (as defined herein) of the Airport System and certain Airport System funds and accounts held under the Senior Bond Ordinance, on a parity with all other bonds that may be issued and outstanding from time to time under the Senior Bond Ordinance, referred to herein collectively as the "Senior Bonds." The aggregate principal amount of Senior Bonds currently outstanding is approximately $____ billion, and the aggregate principal amount of Senior Bonds expected to be outstanding upon issuance of the Series 2012A-C Bonds is approximately $____ billion. See "FINANCIAL INFORMATION — Senior Bonds — *Outstanding Senior Bonds*." None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the registered owners (the "Owners") or Beneficial Owners of the Series 2012A-C Bonds. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2012A-C Bonds. The Series 2012A-C Bonds do not constitute general obligations of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, home rule charter or statutory limitation of the City or the State. See "SECURITY AND SOURCES OF PAYMENT — Pledge of Net Revenues."

Further Information. For further information regarding the Series 2012A-C Bonds, see generally "THE SERIES 2012A-C BONDS," "FINANCIAL INFORMATION — Senior Bonds," "APPENDIX B GLOSSARY OF TERMS," "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE" and "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE."

Plan of Financing

Jefferies & Company, Inc. (the "Financial Consultant"), as the Financial Consultant to the City, has prepared the plan of financing (the "Plan of Financing") in anticipation of the issuance of the Series 2012A-C Bonds. The Series 2012A-C Bonds are being issued, among other things, to fund a portion of the Airport's 2013-2018 Capital Program and refund the Refunded Bonds. See generally "Denver International Airport — *The Airport Capital Program*" above in this section, "APPLICATION OF PROCEEDS," "CAPITAL PROGRAM" and "FINANCIAL INFORMATION — Senior Bonds — Subordinate Bonds and Other Subordinate Obligations — Plan of Financing."

Tax Matters

Upon issuance of the Series 2012A-C Bonds, Hogan Lovells US LLP, Bond Counsel to the City, and Bookhardt & O'Toole, Bond Counsel to the City, will each deliver opinions, substantially in the form appended to this Official Statement, to the effect that, under existing law and assuming compliance by the City with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Series 2012A-C Bonds, with which the City has certified, represented and covenanted its compliance, (1) interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2012A Bonds are held by a person who is a "substantial user" of the Airport System or a "related person," as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts, estates and corporations, and (2) interest on the Series 2012B Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, subject to certain exceptions, corporations. Also, in the respective opinions of Bond Counsel to the City to be delivered upon the issuance of the Series 2012A-B Bonds, under existing law and to the extent interest on the Series 2012A-B Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State of Colorado. Interest on the Series 2012C Bonds is included in gross income for federal and State of Colorado income tax purposes. See "TAX MATTERS" for a more detailed discussion.

Report of the Airport Consultant

LeighFisher (the "Airport Consultant") has been retained by the City as its Airport Consultant and in such capacity has prepared the Report of the Airport Consultant dated September __, 2012 (the "Report of the Airport Consultant"), included herein as "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT." WJ Advisors LLC served as a subconsultant to LeighFisher in connection with the preparation of the Report of the Airport Consultant. The Report of the Airport Consultant presents certain airline traffic and financial forecasts for calendar years 2012 through 2020 (each a "Fiscal Year"), including the assumptions upon which the forecasts are based, and also incorporates certain elements of the Plan of Financing. Also presented in the Report of the Airport Consultant is a sensitivity analysis of the (i) Airport's forecast enplaned passengers and financial results based on a hypothetical set of assumptions, including a reduction in forecast passenger levels which could occur under conditions of slow economic growth, restricted seat capacity, higher airfares resulting from a spike in oil prices, an unexpected geopolitical event and reduced overall airline service; and (ii) financial performance of the

Airport Hotel assuming zero net operating income during each year of the forecast period presented in the Report of the Airport Consultant. For a discussion of the Airport Hotel Analysis, see "CAPITAL PROGRAM – South Terminal Redevelopment Program – *Airport Hotel*" herein. The Report of the Airport Consultant should be read in its entirety for an understanding of the assumptions and rationale underlying the financial forecasts contained therein.

The Report of the Airport Consultant was prepared in connection with, but prior to the actual offering and sale of, the Series 2012A-C Bonds, and consequently makes various assumptions as to the principal amounts and Debt Service Requirements (as defined in "APPENDIX B – GLOSSARY OF TERMS") of the Series 2012A-C Bonds. The Report of the Airport Consultant will not be revised to reflect differences between the principal amounts and Debt Service Requirements of the Series 2012A-C Bonds as estimated therein and the actual principal amounts and Debt Service Requirements of the Series 2012A-C Bonds as marketed.

See also "RISKS AND OTHER INVESTMENT CONSIDERATIONS – Forward Looking Statements; Report of the Airport Consultant," "AVIATION ACTIVITY AND AIRLINES – Airline Information," "CAPITAL PROGRAM," "FINANCIAL INFORMATION – Plan of Financing" and "REPORT OF THE AIRPORT CONSULTANT."

Consent to Proposed Amendments to the Senior Bond Ordinance

Purchasers of Beneficial Ownership Interests in the Series 2012A-C Bonds will be deemed to have consented to the Proposed Amendments to the Senior Bond Ordinance proposed by the City as discussed in "SECURITY AND SOURCES OF PAYMENT — Proposed Amendments to the Senior Bond Ordinance." The Proposed Amendments are set forth in "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE."

Continuing Disclosure

The Senior Bond Ordinance requires the City to prepare and mail to Owners of Senior Bonds requesting such information, certain financial reports and an annual audit related to the Airport System prepared in accordance with U.S. generally accepted accounting principles, a copy of which is also required to be filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system. In addition, pursuant to Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"), which prohibits underwriters from purchasing or selling certain municipal securities unless the issuers of those securities agree to provide continuing disclosure information for the benefit of the owners of those securities, the City will deliver a Continuing Disclosure Undertaking in respect of the Series 2012A-C Bonds in which it will agree to provide or cause to be provided annually via EMMA certain additional financial information and operating data concerning the Airport System and other obligated persons and to provide contemporaneous notice of certain specified events. See "CONTINUING DISCLOSURE" and "APPENDIX H — FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the annual information and the events for which notice is to be provided and other terms of the Continuing Disclosure Undertaking.

The City has delivered continuing disclosure undertakings in connection with the issuance of various series of its outstanding Senior Bonds, and believes that it has continually complied with the requirements set forth in Rule 15c2-12 and its previous continuing disclosure undertakings.

Additional Information

Brief descriptions of the Series 2012A-C Bonds, the City, the Department, the Airport, the Airport System, the Senior Bond Ordinance and certain other documents are included in this Official Statement and the appendices hereto. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2012A-C Bonds, a copy of the Senior Bond Ordinance may be obtained from the City and the Department.

Inquiries regarding information about the Airport System contained in this Official Statement may be directed to the Airport Department of Finance and Administration at (303) 342-2200. Inquiries regarding other City financial matters contained in this Official Statement may be directed to R. O. Gibson, Director of Financial Management, Department of Finance, at (720) 913-9383.

Investment Considerations

The purchase and ownership of Beneficial Ownership Interests in the Series 2012A-C Bonds involve certain investment risks. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters discussed under "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

Forward Looking Statements

This Official Statement contains statements relating to future results that are "forward looking statements" as defined in the Federal Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," "assume" and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Forward Looking Statements."

Miscellaneous

The cover page, inside cover pages, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement.

Information contained in this Official Statement has been obtained from officers, employees and records of the City and the Department and from other sources believed to be reliable. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the City, the Department or the Airport System since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement is not to be construed as a contract or agreement between the City, for and on behalf of the Department, or the Underwriters and the purchasers, Owners or Beneficial Owners of any of the Series 2012A-C Bonds.

APPLICATION OF PROCEEDS

Purpose of the Series 2012A-C Bonds

The proceeds of the Series 2012A-C Bonds, together with other available Airport System moneys, will be used to (1) pay the costs of issuing the Series 2012A-C Bonds, (2) fund a portion of the 2013-2018 Capital Program, (3) pay, refund, redeem and defease (i) the Series A Commercial Paper Notes currently outstanding in the approximate aggregate principal amount of $56,000,000, and (ii) certain selected Senior Bonds in order to achieve debt service savings, (4) make a deposit to the Bond Reserve Fund, and (5) make a deposit to the Capitalized Interest Account. See also "FINANCIAL INFORMATION — Senior Bonds — Plan of Financing."

The selection of the Senior Bonds to be refunded and specific Series 2012A-C Bonds to be used for such refunding will depend upon market conditions and certain tax considerations. Subject to market conditions, the City may currently refund, defease and redeem all or a portion of the outstanding Airport System Revenue Bonds Series 1998A, Series 1998B, Series 2002E, Series 2003A or any combination thereof. Subject to market conditions and certain tax considerations, the City may advance refund, defease and redeem all or a portion of the Airport System Revenue Bonds Series 2003A and Series 2003B. Certain of these Senior Bonds, if refunded, can only be advance refunded with proceeds of the taxable Series 2012C Bonds.

A portion of the proceeds of the Series 2012A Bonds, together with other available Airport System moneys, will be deposited in irrevocable escrow accounts to refund, redeem and defease the following Senior Bonds at par on November 15, 2012, in order to achieve debt service savings:

Series	**Maturity Date (November 15)**	**Principal Amount Refunded**

A portion of the proceeds of the Series 2012B Bonds, together with other available Airport System moneys, will be deposited in irrevocable escrow accounts to refund, redeem and defease the following Senior Bonds at par on November 15, 2012, in order to achieve debt service savings:

Series	**Maturity Date (November 15)**	**Principal Amount Refunded**

A portion of the proceeds of the Series 2012C Bonds, together with other available Airport System moneys, will be deposited in irrevocable escrow accounts to refund, redeem and defease the following Senior Bonds at par on November 15, in the following years, in order to achieve debt service savings:

Series	**Maturity Date (November 15)**	**Redemption Date (November 15)**	**Principal Amount Refunded**

The irrevocable escrow accounts (the "Escrow Accounts") described above in connection with the Series 2012A-C Bonds will be established pursuant to escrow agreements to be entered into by the City, for and on behalf of the Department, and Zions First National Bank, Denver, Colorado, as escrow agent, and utilized to redeem and pay all of the Refunded Bonds in accordance with the schedules set forth in such agreements.

Monies in the Escrow Accounts will be invested in Federal Securities in accordance with the General Bond Ordinance. Federal Securities is defined in the General Bond Ordinance as "bills, certificates, notes, bonds or similar securities which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by the United States." For a description of the requirements with respect to the defeasance of the Refunded Bonds, see APPENDICES C and D, attached hereto.

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Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2012A-C Bonds.

	Series 2012A Bonds	Series 2012B Bonds	Series 2012C Bonds	Total
Sources:				
Principal amount of the Series 2012A-C Bonds	$	$	$	$
Original Issue Premium [1]				
Other available Airport System moneys [2]				
	$	$	$	$
Uses:				
Deposit to Project Fund	$	$	$	$
Deposit to the Escrow Accounts [3]				
Deposit to the Bond Reserve Fund				
Deposit to the Capitalized Interest Account				
Costs of Issuance [4]				
	$	$	$	$

1 See "UNDERWRITING" and "TAX MATTERS."

2 Includes transfers from the Refunded Bonds accounts of the "City and County of Denver, Airport System Revenue Bonds, Interest and Principal Retirement Fund" (the "Bond Fund") and from the "City and County of Denver, Airport System Revenue Bonds, Bond Reserve Fund" (the "Bond Reserve Fund").

3 To be used to refund, redeem and defease the Refunded Bonds.

4 Includes Underwriters' discount, legal and other costs of issuance for the Series 2012A-C Bonds. See also "UNDERWRITING."

THE SERIES 2012A-C BONDS

The following is a summary of certain provisions of the Series 2012A-C Bonds during such time as the Series 2012A-C Bonds are subject to the DTC book-entry system. Reference is hereby made to the Senior Bond Ordinance in its entirety for the detailed provisions pertaining to the Series 2012A-C Bonds, including provisions applicable upon discontinuance of participation in the DTC book-entry system. See also "APPENDIX B — GLOSSARY OF TERMS," "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE" and "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE" for a summary of certain provisions of the Senior Bond Ordinance and the Proposed Amendments, including, without limitation, certain covenants of the City, the rights and remedies of the Owners of the Series 2012A-C Bonds upon an Event of Default (as defined herein) under the Senior Bond Ordinance, provisions relating to amendments of the Senior Bond Ordinance and procedures for defeasance of the Series 2012A-C Bonds.

Authorization

Pursuant to the home rule article of the State constitution, the State's Supplemental Public Securities Act and the City Charter, the City, for and on behalf of the Department, may issue bonds payable solely from Net Revenues to defray the cost of acquiring, improving and equipping municipal airport facilities. Such revenue bonds constitute special obligations, do not evidence a debt or indebtedness of the City, the State or any political subdivision or agency of the State within the meaning of any constitutional, charter or statutory provision or limitation and may be issued without prior voter approval.

Pursuant to the City Charter, the City by ordinance has designated the Department as an "enterprise" within the meaning of the State constitution. The Department is owned by the City, and the Manager of the Department of Aviation (the "Manager") is the governing body of the Department. See "THE AIRPORT SYSTEM — Management." The Department has the authority to issue its own bonds or other financial obligations in the name of the City payable solely from revenues of the Airport System, as authorized by ordinance after approval and authorization by the Manager. The assets of the Airport System are owned by the City and operated by the Department as a self-sustaining business activity. The Department is not authorized to levy any taxes in connection with the Airport System.

The Series 2012A-C Bonds will be issued pursuant to the Senior Bond Ordinance, including any Proposed Amendments that may be adopted after issuance of the Series 2012A-C Bonds. See "SECURITY AND SOURCES OF PAYMENT — Proposed Amendments to the Senior Bond Ordinance," "APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE" and "APPENDIX D PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE."

The City has appointed Zions First National Bank, Denver, Colorado, to serve as paying agent (the "Paying Agent") and registrar (the "Registrar") for the Series 2012A-C Bonds.

DTC Book-Entry System

The Series 2012A-C Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2012A-C Bonds. Beneficial Ownership Interests in the Series 2012A-C Bonds, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through DTC Participants. Such Beneficial Ownership Interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired. Transfers of Beneficial Ownership Interests will be effected by entries made on the books of the DTC Participants acting on behalf of the Beneficial Owners. References herein to the Owners of the Series 2012A-C Bonds mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners. For a more detailed description of the DTC book-entry system, see "APPENDIX E — DTC BOOK-ENTRY SYSTEM."

Principal and interest payments with respect to the Series 2012A-C Bonds will be made by the Paying Agent to Cede & Co., as the Owner of the Series 2012A-C Bonds, for subsequent credit to the accounts of the Beneficial Owners as discussed in "APPENDIX E — DTC BOOK-ENTRY SYSTEM."

None of the City, the Department, the Underwriters, the Paying Agent or the Registrar for the Series 2012A-C Bonds has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2012A-C Bonds under the Senior Bond Ordinance, (3) the payment by DTC or any DTC Participant of any amount received under the Senior Bond Ordinance with respect to the Series 2012A-C Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2012A-C Bonds or (5) any other related matter.

General Provisions

The Series 2012A-C Bonds will be issued in the aggregate principal amount, bear interest at the rates per annum (computed on the basis of a 360-day year of twelve 30-day months) and mature on the dates and in the principal amounts set forth on the inside cover page hereof. The Series 2012A-C Bonds are subject to optional and mandatory redemption prior to maturity as described below in "Redemption

Prior to Maturity." Interest on the Series 2012A-C Bonds will accrue from the date of delivery thereof to the Underwriters and will be payable beginning on May 15, 2013, and semiannually on each Interest Payment Date thereafter.

Principal and interest payments with respect to the Series 2012A-C Bonds will be payable by check or wire transfer by the Paying Agent to Cede & Co., as the Owner of the Series 2012A-C Bonds, for subsequent credit to the accounts of the Beneficial Owners as discussed in "APPENDIX E — DTC BOOK-ENTRY SYSTEM."

Redemption Prior to Maturity

Optional Redemption. The Series 2012A and Series 2012B Bonds maturing on and after November 15, ____, are subject to redemption prior to maturity at the option of the City, on any date on and after November 15, ____, in whole or in part, in principal amounts equal to authorized denominations, at a price (the "Redemption Price") equal to 100% of the principal amount of the Series 2012A and the Series 2012B Bonds to be redeemed plus accrued interest to the date of redemption (the "Redemption Date"). The Series 2012C Bonds will be subject to optional redemption as determined at the time of the pricing of the Series 2012C Bonds.

Mandatory Sinking Fund Redemption. The Series 2012A-C Bonds will be subject to mandatory sinking fund redemption prior to maturity if any maturities of the Series 2012A-C Bonds are sold as Term Bonds.

Notice of Redemption. Notice of redemption is to be given no more than 45 days nor fewer than 30 days prior to the Redemption Date (1) by publication at least once in a newspaper of general circulation in the City and in a financial newspaper published in New York, New York, and (2) by first class mail or by telegram, telex, telecopy, overnight delivery or other telecommunication device capable of creating written notice, to the Paying Agent and the registered owner of any Series 2012A Bond and Series 2012B Bond to be redeemed (initially DTC or its nominee) at the address appearing on the registration books or records in the custody of the Registrar. The actual receipt by DTC or its nominee of written notice of redemption of Series 2012A Bonds and Series 2012B Bonds is not a condition precedent to such redemption if the notice has in fact been duly given, and failure of DTC or its nominee to receive such notice will not affect the validity of the proceedings for such redemption or the cessation of interest on the Redemption Date.

If at the time any notice for the redemption of any Series 2012A Bonds and Series 2012B Bonds is required to be given, moneys sufficient to redeem all of such Series 2012A Bonds and Series 2012B Bonds have not been deposited as required, the notice is required to state that redemption is conditional upon the required deposit of such moneys.

Redemption of Beneficial Ownership Interests. The Registrar will be required to send notice of redemption of the Series 2012A Bonds and the Series 2012B Bonds only to Cede & Co. (or subsequent nominee of DTC) as the registered owner thereof. Receipt of such notice initiates DTC' s standard call. In the event of a partial call, the Beneficial Ownership Interests to be redeemed will be determined in accordance with the rules and procedures of the DTC book-entry system as described in "APPENDIX E — DTC BOOK-ENTRY SYSTEM." DTC Participants are responsible for notifying the Beneficial Owners of the redemption of their Beneficial Ownership Interests, and for remitting the Redemption Price thereof to such Beneficial Owners. Any failure by DTC or DTC Participants to notify a Beneficial Owner of any such notice of redemption and its content or effect will not affect the validity of the redemption of the Series 2012A Bonds and the Series 2012B Bonds properly called for redemption or any other action premised on that notice.

SECURITY AND SOURCES OF PAYMENT

Pledge of Net Revenues

The Series 2012A-C Bonds are special obligations of the City, for and on behalf of the Department, payable solely from the Net Revenues on a parity with all other outstanding Senior Bonds. The Series 2012A-C Bonds also are payable under certain circumstances from the Bond Reserve Fund as discussed in "Bond Reserve Fund" below. The City has irrevocably pledged the Net Revenues and funds on deposit in the Bond Fund and the Bond Reserve Fund to the payment of the Senior Bonds. The Series 2012A-C Bonds do not constitute general obligations of the City, the State or any other political subdivision or agency of the State, and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the Series 2012A-C Bonds. None of the properties of the Airport System has been pledged or mortgaged to secure payment of the Series 2012A-C Bonds.

"Net Revenues" is defined in the Senior Bond Ordinance to mean Gross Revenues of the Airport System remaining after the deduction of Operation and Maintenance Expenses. "Gross Revenues" generally constitutes any income and revenue lawfully derived directly or indirectly by the City from the operation and use of, or otherwise relating to, the Airport System, whether resulting from an Improvement Project or otherwise, and includes primarily the rentals, rates, fees, and other charges for the use of the Airport System, or for any service rendered by the City in the operation thereof. Gross Revenues do not include, among other things, any passenger taxes or other passenger charges, including passenger facility charges ("PFCs"), imposed for the use of the Airport System, except to the extent included as Gross Revenues by the terms of any Supplemental Ordinance. Prior to the adoption by the City Council of the Supplemental Ordinance approving the issuance of the Series 2009A-B Bonds (the "Series 2009A-B Supplemental Ordinance"), no Supplemental Ordinance had included revenue from any passenger taxes or charges, including PFCs, in the definition of Gross Revenues. Under the Series 2009A-B Supplemental Ordinance and under the Series 2012A-B Supplemental Ordinance, the City has included certain revenue derived from the PFCs in the Gross Revenues as further described under "FINANCIAL INFORMATION — Passenger Facility Charges — *Designated Passenger Facility Charges*." "Operation and Maintenance Expenses" means, generally, all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the Airport System. For the complete definitions of Gross Revenues and Operation and Maintenance Expenses, see "APPENDIX B — GLOSSARY OF TERMS."

Flow of Funds; Revenue Fund

The application of Gross Revenues is governed by the provisions of the Senior Bond Ordinance, which creates the "City and County of Denver, Airport System Fund" (the "Airport System Fund"), and within the Airport System Fund a special fund designated the "City and County of Denver, Airport System Gross Revenue Fund" (the "Revenue Fund"). See "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — Airport System Fund." The City is required to set aside in the Revenue Fund all Gross Revenues upon receipt. Moneys held in the Revenue Fund are then to be applied and deposited to various other funds and accounts established pursuant to the Senior Bond Ordinance. Gross Revenues in the Revenue Fund are to be applied first to Operation and Maintenance Expenses and then to the Debt Service Requirements on the Senior Bonds. See "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — Application of Revenues" for a further description of the application of Gross Revenues. The flow of funds under the Senior Bond Ordinance is illustrated in the following diagram.

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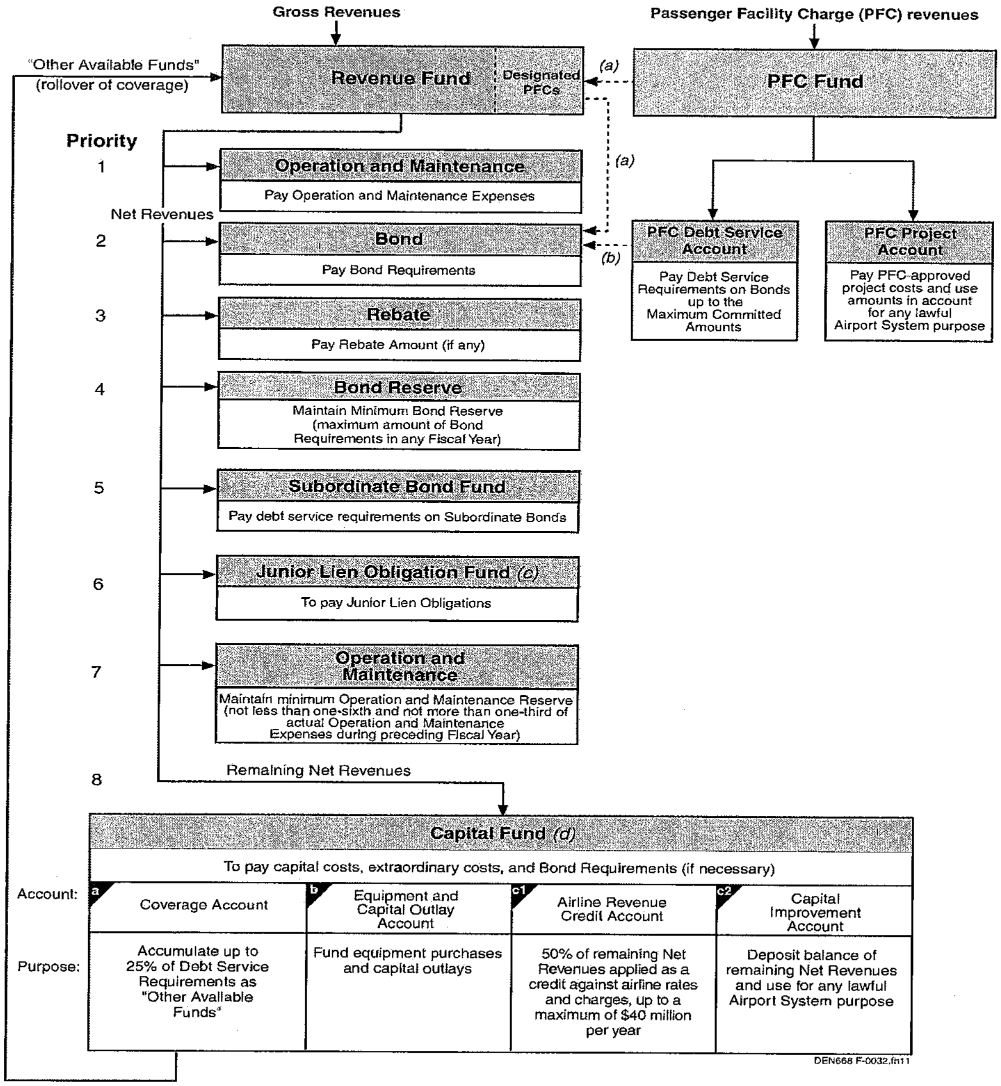
Flow of Funds Under the Senior Bond Ordinance and the Subordinate Ordinance



(a) Designated Passenger Facility Charges: Represents one-third of the PFCs received by the City (currently $1.50 of the $4.50 PFC) that will be considered Gross Revenues under the Senior Bond Ordinance through 2018, and may continue to be defined as Gross Revenues as determined by the City. See "FINANCIAL INFORMATION — Passenger Facility Charges — *Designated Passenger Facility Charges*."

(b) Committed Passenger Facility Charges: Two-thirds of the PFCs received by the City (currently $3.00 of the $4.50 PFC) are irrevocably committed through 2018 to the payment of Debt Service Requirements on Senior Bonds. See "FINANCIAL INFORMATION — Passenger Facility Charges — *Irrevocable Commitment of Certain PFCs to Debt Service Requirements.*"

(c) Prior to the opening of the Airport Hotel, the City expects to create the Junior Lien Obligation Fund in a future supplemental subordinate bond ordinance to pay Junior Lien Obligations.

(d) The account structure for the Capital Fund (defined below) may be established by the City as necessary for accounting purposes. The accounts are not required by the Senior Bond Ordinance.

PFC Fund and PFC Debt Service Account

The Senior Bond Ordinance creates within the Airport System Fund the "City and County of Denver, Colorado, Airport System Revenue Bonds, PFC Fund" (the "PFC Fund"), including therein the PFC Debt Service Account and the PFC Project Account. Pursuant to two Supplemental Ordinances (the "PFC Supplemental Ordinances") approved by the City Council, the City has agreed to deposit a portion of the PFC revenues (generally two-thirds of the PFC received by the City from time to time) in the PFC Debt Service Account and has irrevocably committed a maximum amount of PFCs, to the extent credited to the PFC Debt Service Account, to the payment of Debt Service Requirements on Senior Bonds through Fiscal Year 2018, as further discussed in "Rate Maintenance Covenant" below in this section and "FINANCIAL INFORMATION Passenger Facility Charges — *Irrevocable Commitment of Certain PFCs to Debt Service Requirements*." See also "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — PFC Fund."

Capital Fund

The Senior Bond Ordinance also creates within the Airport System Fund the "City and County of Denver, Airport System Capital Improvement and Replacement Fund" (the "Capital Fund"), which may be used to pay: the costs of acquiring, improving or equipping any Airport Facilities (as defined in "APPENDIX B GLOSSARY OF TERMS"), to the extent such costs are not Operation and Maintenance Expenses; the costs of extraordinary and major repairs, renewals, replacements or maintenance items relating to any Airport Facilities of a type not properly defrayed as Operation and Maintenance Expenses; and the Bond Requirements (as defined in "APPENDIX B — GLOSSARY OF TERMS") of any Senior Bonds (or payments due for Subordinate Bonds) if such payment is necessary to prevent any default in such payment. The Capital Fund is to be funded from Gross Revenues and certain other amounts as provided in the Senior Bond Ordinance.

The account structure for the Capital Fund is not mandated by the Senior Bond Ordinance but rather may be established by the City as necessary for accounting purposes. The City currently maintains the following accounts of the Capital Fund: the Coverage Account, the Equipment and Capital Outlay Account, the Airline Revenue Credit Account and the Capital Improvement Account for the purposes described in the flow of funds diagram above. See also "FINANCIAL INFORMATION — Capital Fund" and "APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — Application of Revenues — Insurance — Disposal of Airport Property."

Rate Maintenance Covenant

The City has covenanted in the Senior Bond Ordinance (the "Rate Maintenance Covenant") to fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport System in order that in each calendar year (each a "Fiscal Year") the Gross Revenues, together with Other Available Funds (consisting of transfers from the Capital Fund to the Revenue Fund), will be at least sufficient to provide for the payment of Operation and Maintenance Expenses and for the larger of either (1) the amounts needed for making the required cash deposits to the credit of the several subaccounts of the Bond Fund (except the Redemption Account) and to the credit of the Bond Reserve Fund, the Subordinate Bond Fund and the Operation and Maintenance Reserve Account, or (2) an amount equal to not less than 125% of the aggregate Debt Service Requirements on the Senior Bonds for the Fiscal Year. See "Flow of Funds; Revenue Fund" and "Historical Debt Service Coverage" below, as well as "FINANCIAL INFORMATION — Capital Fund."

If Gross Revenues in any Fiscal Year, together with Other Available Funds, are less than the amounts specified above, upon receipt of the audit report for the Fiscal Year, the Manager is to direct the

Airport Consultant to make recommendations as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving these recommendations or giving reasonable opportunity for them to be made, the Manager, on the basis of the recommendations and other available information, is to revise the schedule of rentals, rates, fees and charges for the use of the Airport as may be necessary to produce the required Gross Revenues. The Senior Bond Ordinance provides that if the Manager complies with this requirement, no Event of Default under the Senior Bond Ordinance will be deemed to have occurred even though the Gross Revenues, together with Other Available Funds, are not actually sufficient to provide funds in the amount required for such Fiscal Year.

If the City anticipates that it will not be able to meet the Rate Maintenance Covenant, the City also has the option, in addition to or in lieu of the foregoing, to reduce Operation and Maintenance Expenses or Debt Service Requirements, including irrevocably committing additional amounts to pay Debt Service Requirements. Increasing rentals, rates, fees and charges for the use of the Airport or reducing Operating and Maintenance Expenses would be subject to contractual, statutory and regulatory restrictions as discussed in "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Regulations and Restrictions Affecting the Airport," and could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport less attractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport. However, the Use and Lease Agreements that have been executed between the City and various airlines operating at the Airport (the "Signatory Airlines"), and the new Use and Lease Agreements to be executed, acknowledge the existence of the Rate Maintenance Covenant and require such Signatory Airlines to pay any such increased rentals, rates, fees and charges. See also "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements" and "AIRLINE BANKRUPTCY MATTERS — Assumption or Rejection of Agreements."

The term "Debt Service Requirements" in the Senior Bond Ordinance provides that, in any computation required by the Rate Maintenance Covenant, there is to be excluded from Debt Service Requirements amounts that have been irrevocably committed to make such payments. See "APPENDIX B — GLOSSARY OF TERMS." As described in "PFC Fund and PFC Debt Service Account" above, the City has irrevocably committed a portion of the moneys (currently the revenues derived from \$3.00 of the \$4.50 PFC and defined herein as the "\$3.00 PFC") collected from PFCs to the payment of Debt Service Requirements on the Senior Bonds through Fiscal Year 2018. This irrevocable commitment means that for purposes of determining compliance with the Rate Maintenance Covenant, the debt service to be paid from irrevocably committed PFCs is treated as a reduction in the Debt Service Requirements of Senior Bonds in each Fiscal Year through 2018. See also "RISKS AND OTHER INVESTMENT CONSIDERATIONS," "FINANCIAL INFORMATION Senior Bonds — Passenger Facility Charges" and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE."

Bond Reserve Fund

The Senior Bond Ordinance also creates within the Airport System Fund the Bond Reserve Fund. Amounts on deposit in the Bond Reserve Fund are available to pay debt service on all the Senior Bonds. Pursuant to the Senior Bond Ordinance, the City is required, after making required monthly deposits to the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account of the Bond Fund, to credit Net Revenues to the Bond Reserve Fund in substantially equal monthly installments so as to accumulate the Minimum Bond Reserve, being the maximum annual Debt Service Requirements on outstanding Senior Bonds, within 60 months. The Proposed Amendments would amend the definition of "Minimum Bond Reserve" in certain regards. See "APPENDIX B — GLOSSARY OF TERMS" and "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE."

Upon the issuance of the Series 2012A-C Bonds, the amount on deposit in the Bond Reserve Fund will be at least equal to the Minimum Bond Reserve. The Minimum Bond Reserve with respect to any future series of Senior Bonds may, in the discretion of the City, be accumulated over a period as long as 60 months. Subject to certain limitations, any Supplemental Ordinance may provide for the deposit of a Credit Facility in the Bond Reserve Fund in full or partial satisfaction of the Minimum Bond Reserve, provided that any such Credit Facility is required to be payable on any date on which moneys are required to be withdrawn from the Bond Reserve Fund. To date, the City has funded the Bond Reserve Fund solely with cash from bond proceeds and available Airport System moneys, and thus there is no Credit Facility on deposit in the Bond Reserve Fund.

Additional Parity Bonds

The City may issue additional Senior Bonds under the Senior Bond Ordinance ("Additional Parity Bonds") to pay the cost of acquiring, improving or equipping Airport Facilities and to refund, pay and discharge any Senior Bonds, Credit Facility Obligations (as defined herein), Subordinate Bonds (being bonds or other securities or obligations relating to the Airport System payable from Net Revenues and having a lien thereon subordinate and junior to the lien thereon of Senior Bonds) or other securities or obligations. In order to issue Additional Parity Bonds, other than for a refunding of Senior Bonds, the City is required to satisfy certain requirements (the "Additional Bonds Test"), including obtaining various certificates, opinions and a report of an Airport Consultant regarding, among other things, projected compliance with the Rate Maintenance Covenant as described in "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — Additional Parity Bonds."

The Senior Bond Ordinance provides that Debt Service Requirements on Senior Bonds that are payable from irrevocably committed amounts are excluded from the calculation of Debt Service Requirements for determining compliance with the requirements for the issuance of Additional Parity Bonds. For purposes of the Additional Bonds Test, the Committed Passenger Facility Charges are considered to be irrevocably committed to the payment of Debt Service Requirements on Senior Bonds. See "PFC Fund and PFC Debt Service Account" and "Rate Maintenance Covenant" above, "Historical Debt Service Coverage" below and "FINANCIAL INFORMATION — Senior Bonds — Passenger Facility Charges."

To the extent the Series 2012A-C Bonds are being issued to pay for the costs of Improvement Projects and to refund the Series A Commercial Paper Notes, the Additional Bonds Test will be required to be satisfied with respect to such portion of the Series 2012A-C Bonds proceeds. See "APPLICATION OF PROCEEDS" and "FINANCIAL INFORMATION — Plan of Financing."

Subordinate Bonds and Other Subordinate Obligations

The City, for and on behalf of the Department, has issued various series of Subordinate Bonds and the Series A Commercial Paper Notes and authorized the issuance of Series B Subordinate Commercial Paper Notes (defined herein), and has also entered into various Subordinate Contract Obligations, Subordinate Credit Facility Obligations and Subordinate Hedge Facility Obligations (all as defined herein), that are secured by a pledge of the Net Revenues on a basis subordinate to the pledge of Net Revenues that secures the Senior Bonds. See "FINANCIAL INFORMATION — Subordinate Bonds and Other Subordinate Obligations — Plan of Financing — Master Derivatives Policy." The City plans to issue Subordinate Bonds in late 2012 or early 2013 pursuant to a supplement to the Subordinate Bond Ordinance in order to finance, among other things, a portion of the costs of the 2013-2018 Capital Program. See "FINANCIAL INFORMATION — Plan of Financing".

Historical Debt Service Coverage

Set forth in the following table is a calculation of Net Revenues and debt service coverage of the outstanding Senior Bonds from 2007 through 2011 in accordance with the Rate Maintenance Covenant discussed in "Rate Maintenance Covenant" above and the Additional Bonds Test discussed in "Additional Parity Bonds" above. PFCs set forth in the following table reflect amounts actually received in the applicable Fiscal Year, plus investment earnings thereon, and will differ from the PFCs appearing in the financial statements of the Airport System and elsewhere in this Official Statement that are reported on an accrual basis. No representation, warranty or other assurance is made or given that historical debt service coverage levels will be experienced in the future.

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Historical Net Revenues and Debt Service Coverage of the Senior Bonds
(Amounts in thousands, except coverage ratios, and rounded)

	Fiscal Year Ended December 31				
	2007	2008	2009[1]	2010	2011
Gross Revenues, not including Designated Passenger Facility Charges [2]	$616,106	$635,607	$616,506	$651,318	$670,753
Designated Passenger Facility Charges [3]	0	0	31,563	34,021	34,950
Gross Revenues	616,106	635,607	648,069	685,339	705,703
Operation and Maintenance Expenses [2]	282,746	305,382	309,270	302,881	312,278
Net Revenues	333,360	330,225	338,799	382,458	393,425
Other Available Funds [4]	53,251	53,575	49,288	47,975	48,045
Total Amount Available for Debt Service	$386,611	$383,800	$388,087	$430,434	$441,469
Senior Bond Debt Service [5]	$278,302	$286,161	$264,748	$265,391	$267,321
Irrevocably Committed Passenger Facility Charges [6]	63,089	68,953	63,125	68,043	69,899
Debt Service Requirements for the Senior Bonds [7]	$215,213	$217,208	$201,623	$197,349	197,421
Debt Service Coverage [7]	180%	177%	192%	218%	224%

1 Reflects the restatement of the Fiscal Year 2009 financial statements as described in "FINANCIAL INFORMATION — Historical Financial Operations."

2 Gross Revenues and Operation and Maintenance Expenses in this table are determined in accordance with the definitions of such terms in the Senior Bond Ordinance, and are not directly comparable to the information provided in "FINANCIAL INFORMATION — Historical Financial Operations." See also "Pledge of Net Revenues" above in this section and "APPENDIX B — GLOSSARY OF TERMS."

3 Reflects that portion of PFC revenues included in the Airport System's Gross Revenues for Fiscal Years 2009, 2010 and 2011. See "FINANCIAL INFORMATION — Passenger Facility Charges — *Designated Passenger Facility Charges*."

4 Other Available Funds is defined in the Senior Bond Ordinance to mean for any Fiscal Year the amount determined by the Manager to be transferred from the Capital Fund to the Revenue Fund; but in no event is such amount to exceed 25% of the aggregate Debt Service Requirements for such Fiscal Year. See "APPENDIX B — GLOSSARY OF TERMS."

5 Senior Bond debt service not reduced by the irrevocably committed PFCs but net of capitalized interest and certain other available funds irrevocably committed to the payment of Debt Service Requirements, including the debt service on certain Senior Bonds that have been economically defeased. See "FINANCIAL INFORMATION — Senior Bonds — *Outstanding Senior Bonds* — Passenger Facility Charges."

6 Reflects that portion of PFC revenues irrevocably committed to the payment of Debt Service Requirements. See "FINANCIAL INFORMATION Passenger Facility Charges — *Irrevocable Commitment of Certain PFCs to Debt Service Charges*."

7 The calculation of debt service coverage appearing in the financial statements of the Airport System appended to this Official Statement is based upon the combined debt service on both Senior Bonds and subordinate obligations and therefore differs from the coverage of debt service on Senior Bonds only as shown in the table.

Sources: Audited financial statements of the Airport System for Fiscal Years 2007-2011, and Airport management and Department of Aviation management records.

Proposed Amendments to the Senior Bond Ordinance

Various amendments to the Senior Bond Ordinance have been proposed by the City. Certain of these amendments required the consent of the registered owners of a majority in aggregate principal amount of all Senior Bonds then outstanding under the Senior Bond Ordinance. In July 2005, the City Council adopted a Supplemental Ordinance that approved several, but not all, of the amendments that had been consented to by the requisite amount of the registered owners of the Senior Bonds and those amendments are in effect and have been incorporated in "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE."

Certain amendments to the Senior Bond Ordinance that were proposed and consented to by the requisite amount of the registered owners of the Senior Bonds, but not adopted by the City Council, are set forth in "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE." These Proposed Amendments may become effective only upon adoption of a Supplemental Ordinance by the City Council. The City Council is under no obligation to adopt any of these Proposed Amendments, and no representation is made herein regarding which of the Proposed Amendments, if any, may eventually be adopted. By purchase and acceptance of the Series 2012A-C Bonds, the Owners and Beneficial Owners thereof are deemed to have consented to the adoption of the Proposed Amendments, either in whole or in part, substantially in the form set forth in "APPENDIX D — PROPOSED AMENDMENTS TO THE SENIOR BOND ORDINANCE," and to the appointment of UMB Bank, n.a. (as successor to American National Bank) as their agent with irrevocable instructions to file a written consent to that effect at the time and place and in the manner provided by the Senior Bond Ordinance.

RISKS AND OTHER INVESTMENT CONSIDERATIONS

The purchase and ownership of Beneficial Ownership Interests in the Series 2012A-C Bonds involve investment risks and considerations. Prospective investors should read this Official Statement in its entirety. The factors set forth below, among others, may affect the security for the Series 2012A-C Bonds.

Dependence on Levels of Airline Traffic and Activity

The Series 2012A-C Bonds are payable solely from and secured by a pledge of the Net Revenues of the Airport System and certain Airport System funds and accounts held under the Senior Bond Ordinance. The City also has irrevocably committed a portion of its PFC revenues to the payment of Debt Service Requirements on the outstanding Senior Bonds, including the Series 2012A-C Bonds, through 2018, and has included a portion of its PFC revenues in Gross Revenues. Both Gross Revenues and PFCs are dependent primarily on the level of aviation activity and enplaned passenger traffic at the Airport. Several factors, including (1) the global and national economic recession that began in late 2007, (2) weakened demand for air travel and (3) reduced airline passenger capacity, negatively impacted levels of passenger traffic and associated revenues at the Airport in 2008 and 2009. The number of enplaned passengers at the Airport increased in 2008 although at a lower rate than in 2006 and 2007. This was followed by a decline of 2.0% in 2009. However, the number of enplaned passengers at the Airport rebounded in 2010, with an increase of 3.6% over 2009, and an increase of 1.66% in 2011. There was a slight decrease, however, in enplaned passengers of 0.07% in the first six months of 2012 compared to the same period in 2011. Future levels of aviation activity and enplaned passenger traffic at the Airport will be dependent upon many local, regional, national and international factors, including the national and local unemployment rate, the prolonged weak global and national economic conditions, political conditions, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers, alliances and consolidations, availability and price of aviation and other fuel, employee cost and availability and labor relations within the airline industry and capacity of the national air traffic control system and of the Airport, some of which are discussed in further detail hereafter in this section. See also "AVIATION ACTIVITY AND AIRLINES" below, and "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic" in the Report of the Airport Consultant.

Concentration of Airline Market Share

The major air carriers operating at the Airport, by local market share, are United, Frontier and Southwest, as discussed below. These airlines have also been involved in recently completed or pending mergers and consolidations that could affect their future market shares at the Airport to an extent that cannot currently be predicted.

United is the principal air carrier operating at the Airport. United currently leases 36 of the 38 full service jet gates on Concourse B, as well as the regional jet facility on the east end of Concourse B.

In 2011 the United Group accounted for 42.9% of passenger enplanements at the Airport and approximately 52.2% of the airline rentals, fees and charges component of the Airport System's operating revenues, as well as approximately 26.1% of Airport System's Gross Revenues. Effective October 1, 2010, as the result of the merger of United and Continental, Continental has become a subsidiary of United Continental Holdings, which has integrated the two airlines under the United brand to operate under a single FAA operating certificate. In addition, the Airport would rank as the 4th busiest airport in the route network of the United Group based on enplaned passenger data for 2011. See "AVIATION ACTIVITY AND AIRLINES — Airline Information — *The United Group*" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements — *United Use and Lease Agreement.*"

Southwest is currently the second largest air carrier operating at the Airport, but in 2011 was the third largest air carrier. Southwest currently leases 17 of the 22 full service jet gates on Concourse C, and upon execution of a new Use and Lease Agreement, as described below, is expected to lease an additional 2 full service gates on Concourse A. In 2011 Southwest accounted for 21.8% of passenger enplanements at the Airport and approximately 14.1% of the airline rentals, fees and charges component of the Airport System's operating revenues, as well as approximately 7.1% of the Airport System's Gross Revenues. In May 2011, Southwest acquired AirTran Holdings, Inc. and is integrating AirTran Airways into the Southwest brand, however, Southwest and AirTran Airways operate under a single FAA operating certificate. See "AVIATION ACTIVITY AND AIRLINES — Airline Information — *Southwest*" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements — *Generally.*"

Frontier (together with its affiliates) is currently the third largest air carrier operating at the Airport, but in 2011 was the second largest air carrier. Frontier currently leases 18 of the 30 full service jet gates on Concourse A, however, under its new Use and Lease Agreement, it is expected that Frontier will reduce the number of gates it leases to 14. In 2011, the Frontier Group accounted for 22.3% of passenger enplanements at the Airport and approximately 14.7% of the airline rentals, fees and charges component of the Airport System's operating revenues, as well as approximately 7.3% of the Airport System's Gross Revenues. Republic Holdings has integrated the operations of its Midwest Airlines brand, under the Frontier brand. In March 2011, Republic Holdings discontinued the operations of Lynx and transitioned its Q400 turboprop service to its Frontier Express brand. See "AVIATION ACTIVITY AND AIRLINES — Airline Information — *The Frontier Group*" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements — *Generally.*"

Except for the United Group, the Frontier Group and Southwest, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2011 or more than 5% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2011. No assurances can be given with regard to the future level of activity of the United Group, the Frontier Group or Southwest at the Airport, or that, in the event that the operations of these airlines at the Airport are reduced or discontinued, for whatever reason, such operations would be replaced by other carriers. See "Risk of Airline Bankruptcies" below, as well as "AVIATION ACTIVITY AND AIRLINES" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements." See also "AIRLINE TRAFFIC ANALYSIS — Airport Role — Hub for United and Frontier Airlines — Fifth Busiest Southwest Airlines Airport" in the Report of the Airport Consultant.

Current Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Prior recessions and stagnant economic conditions in the

U.S., Colorado and Denver contributed to reduced passenger numbers at the Airport, and the 2008-2009 recession and associated high unemployment, reduced discretionary income and contributed to reduced airline travel demand at the Airport in those years.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at U.S. airports, including the Airport. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth. See also "Dependence on Levels of Airline Traffic and Activity" above and "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic" in the Report of the Airport Consultant.

Financial Condition of the Airlines; Industry Consolidation

The recent global recession, sluggish recovery from the 2008-2009 recession and record fuel prices, among other things, have caused most airlines to raise fares, add new fees and surcharges and reduce capacity and the size of their fleets, as well as personnel. In addition, several airlines have merged or consolidated, and others have either reorganized under applicable bankruptcy laws or ceased operations. The City is not able to predict whether any future airline mergers, consolidations, reorganizations or liquidations will occur or the impact that any such events may have on the operations of the Airport. See also "Dependence on Levels of Airline Traffic and Activity — Current Economic Conditions — Cost and Availability of Aviation Fuel — Risk of Airline Bankruptcies" in this section and "AVIATION ACTIVITY AND AIRLINES" below, as well as "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic" in the Report of the Airport Consultant.

Cost and Availability of Aviation Fuel

The price of fuel is one of the most significant and uncertain factors impacting the airline industry. In 2008, according to the Air Transport Association, fuel overtook labor as the industry's largest operating expense. During the first quarter of 2011, fuel prices increased as a result of rising global demand and political instability in oil producing countries in the Middle East and North Africa. In recent years, some airlines have attempted to pass the higher fuel costs to consumers by increasing the fuel surcharge or increasing the price of airfares and associated services, and have reduced capacity, fleet and personnel.

Despite these types of efforts, the significant and prolonged increases in the cost of aviation fuel have had, and are likely to continue to have, an adverse impact on the air transportation industry by increasing airline operating costs, hampering airline financial recovery plans and reducing airline profitability. The City is not able to predict how continued uncertainty with respect to the cost of aviation fuel will impact the Airport or the airlines operating at the Airport. See "Dependence on Levels of Airline Traffic and Activity — Current Economic Conditions — Financial Condition of the Airlines; Industry Consolidation" above and "AVIATION ACTIVITY AND AIRLINES" below, as well as "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic — Availability and Price of Aviation Fuel" in the Report of the Airport Consultant.

Air Travel Security, Public Health and Natural Disasters Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and are currently occurring in the Middle East and North Africa) and terrorist attacks, as well as public health and natural disaster concerns, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying, the inconveniences and delays associated with more stringent security screening procedures, the potential exposure to severe illnesses and natural disasters (such as volcano eruptions, earthquakes and tsunamis), all of which could lead to the avoidance of airline travel or the use of alternate modes of transportation. See also "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic — Aviation Safety, Security, and Public Health Concerns" in the Report of the Airport Consultant.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Use and Lease Agreements, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all domestic airports. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the City or whether such restrictions or legislation or regulations would adversely affect Gross Revenues. See also "AGREEMENTS FOR USE OF AIRPORT FACILITIES" and "FINANCIAL INFORMATION — Passenger Facility Charges Federal Grants and Other Funding."

Airport Use and Lease Agreements

A significant portion of Gross Revenues is derived from the Use and Lease Agreements. Pursuant to the Use and Lease Agreements, each Signatory Airline has agreed to pay the rates and charges for its use of the Airport. The United Use and Lease Agreement expires in February 2025, and the other existing Use and Lease Agreements expired in December 2011, however, such airlines are operating on a month-to-month holdover basis. New five-year Use and Lease Agreements expiring in December 2016 have been finalized and are in the process of being executed, with substantially the same terms and conditions as the existing Use and Lease Agreements. Any of such Use and Lease Agreements may be terminated by the City or by a Signatory Airline, including United, under certain circumstances. No representations are made herein regarding whether additional Use and Lease Agreements will be executed or with respect to extensions or terminations thereof or that challenges will not be made by airlines to the rates and charges established by the City or its method of allocating particular costs. See "Risk of Airline Bankruptcies" below and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements."

Risk of Airline Bankruptcies

Since 2001, several airlines with operations at the Airport, including, among others, United, Frontier and Lynx, have filed for bankruptcy protection. However, with limited exceptions, these airlines have successfully reorganized and emerged from bankruptcy protection. The exceptions include Midway Airlines and Vanguard Airlines, which eventually ceased operations; Mesa Air Group, Inc. and its Mesa Airlines subsidiary, which filed for bankruptcy protection in January 2010 and emerged from bankruptcy protection in March 2011, is continuing operations but currently is not serving the Airport; Mexicana Airlines, which initiated insolvency proceedings under the laws of Mexico in August 2010 and has suspended operations; and Lynx, which ended operations in early 2012 after Frontier terminated the Lynx flights. American Airlines and certain of its affiliates filed for bankruptcy protection in November 2011 and are continuing operations. American is expected to sign a new Use and Lease Agreement at the Airport as part of its plan of reorganization due by the end of 2012; however, while an agreement with American has been finalized, it has not been executed and no assurances can be given with regard to

American's future level of activity at the Airport. Furthermore, additional bankruptcies, liquidations or major restructurings of airlines with operations at the Airport could occur in the future. The City cannot predict the extent to which any such events would impact the ability of the Airport to pay the outstanding Senior Bonds, including the Series 2012A-C Bonds. See "AIRLINE BANKRUPTCY MATTERS" for a discussion of various impacts to the Airport of an airline bankruptcy.

Access to Credit Markets; Availability of Funding for the 2013-2018 Capital Program

The national and international credit markets have experienced substantial disruptions for over four years, and it is not possible to predict the timing or extent of the recovery that may be made by the credit markets. The City plans to access the credit markets for the remainder of this year and in future years in order to issue additional Airport System revenue bonds to finance the 2013-2018 Capital Program and to extend or replace certain expiring letters of credit and standby bond purchase agreements constituting Credit Facilities under the Senior Bond Ordinance that secure certain series of Senior Bonds that are outstanding as variable rate obligations. In order to extend or replace these Credit Facilities the City may be required to pay higher fees or may determine that it is necessary to convert to a fixed rate and remarket such series of Senior Bonds, potentially resulting in increased Debt Service Requirements of the Senior Bonds. In addition, disruptions in the credit markets may cause the City to reduce or delay portions of the 2013-2018 Capital Program.

The funding plan for the 2013-2018 Capital Program as described herein assumes that a combination of the proceeds of Airport System revenue bonds, Airport equity, various federal grants and other moneys will be received in amounts and at times necessary to pay the costs of the 2013-2018 Capital Program. No assurance can be given that these sources of funding will actually be available in the amounts or on the schedule assumed.

See "CAPITAL PROGRAM," "FINANCIAL INFORMATION — Senior Bonds — Subordinate Bonds and Other Subordinate Obligations — Installment Purchase Agreements — Plan of Financing — Capital Fund Federal Grants and Other Funding."

Airport Hotel Risks

The failure to complete, or a delay in the completion of the Airport Hotel may adversely affect the receipt of Gross Revenues and, thus, the payment of Debt Service on the Series 2012A-C Bonds. Contingencies generally involved in the construction of any major facility, such as fire, labor difficulties, and the cost of and problems in obtaining materials, may cause the actual cost of completion to exceed the established budget. Furthermore, delay in completion of the Airport Hotel for any reason beyond the anticipated completion date may result in a delay in receipt of Gross Revenues projected from the Airport Hotel.

Although the Department has significant prior experience in the construction of many projects, and intends to set a guaranteed maximum price under the contract for the construction of the Airport Hotel, there can be no assurance that the construction of the Airport Hotel (as well as the DIA Rail Station (defined in "CAPITAL PROGRAM – South Terminal Redevelopment Program" below) and the Plaza (defined in "CAPITAL PROGRAM – South Terminal Redevelopment Program" below)) can be completed within budget. In addition, the construction contractor for the Airport Hotel will be responsible for obtaining, furnishing, paying the cost of and maintaining in full force and effect the various regulatory permits, approvals and reviews required for the timely construction of the Airport Hotel and for complying with and paying the cost of complying with all environmental laws applicable to the construction of the Airport Hotel. There can be no assurance that any or all of the required permits, approvals and reviews will be obtained at all or in a timely manner that will permit the Airport Hotel to be constructed on schedule.

There can also be no assurances that the amounts budgeted for furniture, fixtures and equipment for the Airport Hotel will be sufficient to pay for such costs or that delays will not occur in completion of the Airport Hotel related to the provision of such items in order to open the Airport Hotel on time. See "CAPITAL PROGRAM — South Terminal Development Program — *Airport Hotel*" and "REPORT OF THE AIRPORT CONSULTANT," attached hereto as APPENDIX A.

The principal source of revenues from the Airport Hotel will be room rentals, food sales to guests and other related charges and fees. The primary risk associated with the receipt of room rentals and food sales is the occupancy level of the Airport Hotel. A number of factors that may impact the occupancy level which are beyond the control of the Airport or Westin include adverse changes in the national economy and levels of tourism, competition from other hotels, sales taxes, energy costs, governmental rules and policies, gasoline and other fuel prices, airline fares and the national economy. In addition, because hotel rooms are rented for a relatively short period of time compared to most commercial properties, hotels respond more quickly to adverse economic conditions and competition than do other commercial properties that are rented for longer periods of time, which could impact, among other things, the average daily room rate ("ADR").

In addition, the occupancy rates and ADR of the Airport Hotel are dependent in part on the national brand name recognition of Westin. PKF assumes in the Airport Hotel Analysis that Westin, with its national brand name recognition, will competently manage and market the Airport Hotel. If Westin's premium brand market power and position were to be reduced, or if Westin were to discontinue its services as the manager or fail to renew any of the management agreements in the future, these factors could adversely impact the occupancy rates and ADR of the Airport Hotel unless Westin were replaced by a comparable operator with national brand name recognition.

Another risk factor with respect to the Airport Hotel is an insufficiency of revenues to pay operating and maintenance costs of the Airport Hotel. In the event gross operating revenues of the Airport Hotel are not sufficient in a particular month to pay Airport Hotel operating and maintenance expenses then due, amounts in the Revenue Fund not related to the Airport Hotel are to be applied to pay any such Airport Hotel expenses prior to the payment of debt service on any Bonds. See "CAPITAL PROGRAM – South Terminal Redevelopment Program - *Airport Hotel*" herein and "APPENDIX J – DESCRIPTION OF AIRPORT HOTEL AGREEMENTS," attached hereto.

See "CAPITAL PROGRAM — South Terminal Development Program — *Airport Hotel*" and "REPORT OF THE AIRPORT CONSULTANT," attached hereto as APPENDIX A.

Forward Looking Statements; Report of the Airport Consultant

This Official Statement, including particularly the Report of the Airport Consultant and the Airport Hotel Analysis prepared by PKF, as such terms are defined and described below under "CAPITAL PROGRAM — South Terminal Redevelopment Program," contain statements relating to future results 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," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," "assume" and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See "REPORT OF THE AIRPORT CONSULTANT" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT," and "CAPITAL PROGRAM — South Terminal Redevelopment Program — *Airport Hotel*."

THE AIRPORT SYSTEM

General

The Airport System is owned by the City, and the power to operate, maintain and control the Airport System is vested in the Department. The City by ordinance has designated the Department as an "enterprise" within the meaning of the State constitution, with the authority to issue its own revenue bonds or other financial obligations in the name of the City.

The primary asset of the Airport System is the Airport, which opened on February 28, 1995, and replaced Stapleton International Airport ("Stapleton"). The Airport System also includes certain land still owned by the City at the Stapleton site. See "FINANCIAL INFORMATION — Stapleton."

The Airport serves as the primary air carrier airport for the Rocky Mountain region, and according to statistics compiled by Airports Council International for 2011, the Airport was ranked as the 5th busiest airport in the nation and the 11th busiest airport in the world based on total passengers in 2011. The Airport was also named the "Best Airport in North America" in 2011 for the seventh consecutive year by *Business Traveler* magazine. See "DENVER INTERNATIONAL AIRPORT" and "AVIATION ACTIVITY AND AIRLINES."

Management

Under the City Charter, the management, operation and control of the Airport System are delegated to the Department of Aviation under the direction of a Manager appointed by and responsible directly to the Mayor. The Manager of Finance, appointed by the Mayor, currently is the Chief Financial Officer and *ex-officio* Treasurer of the City and is responsible for the issuance of Airport System debt and for the investment of Airport System funds.

Kim Day was originally appointed Manager of the Department of Aviation in March 2008 and was reappointed to this position by Michael B. Hancock, Mayor of the City, in July 2011. Ms. Day has more than 31 years of experience in the aviation industry, including eight years in the public sector. She is also a registered architect in California. Prior to joining the City, Ms. Day was an aviation consultant with LeighFisher (formerly known as Jacobs Consultancy Inc.), which currently serves as the Airport Consultant. She had previously served as the Executive Director of Los Angeles World Airports ("LAWA"), which is the largest airport authority in the world and the agency that manages the four airports owned and operated by the City of Los Angeles, California, including Los Angeles International Airport, after having served as Deputy Director of Project and Facilities Development for LAWA. Prior to joining LAWA, Ms. Day worked for over 20 years as an architect, specializing in the planning and design of aviation projects.

Cary Kennedy was appointed the City's Chief Financial Officer and Manager of Finance in July 2011 and Deputy Mayor in August 2011. Ms. Kennedy has over 15 years of experience in financial management of public funds, and most recently served as Treasurer for the State of Colorado where she oversaw the State's $6 billion investment portfolio. As State Treasurer, Ms. Kennedy supervised the delivery by the State of over $500 million in lease purchase obligations to provide capital improvements for the State and was involved in developing various legislative policies essential to the State's financial objectives.

Eric Hiraga was appointed by Mayor Michael B. Hancock to the position of Deputy Manager of Aviation/Chief of Staff on January 1, 2012, after serving as Strategic Advisor in the Manager's Office since 2009. In this capacity, he coordinates all of the agencies' priority initiatives, serves as a liaison for the Airport with partner agencies, and oversees the Executive Office of Administration, Strategic Planning, and Air Service sections. Prior to joining the Airport, Mr. Hiraga worked as Vice President of Development and Finance for a local real estate development firm and held several positions for the City and County of Denver including Debt Administrator for the Department of Finance and Economic Development Specialist for the Mayor's Office of Economic Development and International Trade.

Patrick Heck became Deputy Manager of Aviation/Finance and Administration on July 16, 2010, after serving as Acting Deputy Manager of Aviation/Finance and Administration since October 2009. Mr. Heck most recently served as Deputy Manager of Aviation/Revenue Management and Business Development, a position he held since October 2007, after having served as Acting Deputy Manager of Aviation/Revenue Management and Business Development since June 2007, and Strategic Advisor for the Airport since August 2006. Prior to joining the City, Mr. Heck held various positions with United Airlines at the Flight Training Center in Denver, including Senior Financial Analyst, Manager of Scheduling and Director of Sales and Marketing.

Kenric G. Greene became Manager of Aviation/Operations on November 7, 2012, after serving as Deputy Manager of Aviation/Maintenance and Senior Advisor to the Manager of Aviation beginning in 2009. Prior to joining the City, Mr. Greene worked for the Port Authority of New York and New Jersey beginning in 1981 where he managed internal management consulting services that were provided to the Aviation and Tunnels, Bridges and Terminals Departments of the agency. In his last assignment with the Port Authority, Mr. Greene served as Assistant Director — Operations in the Aviation Department for John F. Kennedy International Airport, Newark Liberty International Airport and LaGuardia Airport. He has also served as Distribution Director for the Pittsburgh Division of Supervalu, Inc., a Fortune 500 company in the food wholesale and retail industry.

Dave LaPorte became Deputy Manager of Aviation/Facilities Management in July 2012. The Facilities Management Division is the largest Airport work group and is responsible for the care and stewardship of the terminal and concourse complex, as well as the upkeep of the airfield and Peña Boulevard. Mr. LaPorte oversees all functions of the Facilities Management Division and its contract services. His responsibilities include Airport operating areas, critical systems and infrastructure, as well as the vehicular fleet and equipment at the Airport. Prior to coming to work for the Airport, Mr. LaPorte spent 19 years with Southwest Airlines and has held leadership and planning positions at airports in Chicago (Midway), Tampa and Manchester, New Hampshire. He most recently served as Southwest's station manager and head of airport operations in Denver, overseeing all ground operation functions for the airline. Mr. LaPorte studied Aviation Technology at Western Michigan University.

David Rhodes, P.E., became Deputy Manager of Aviation/Planning and Development in August 2009, after having served as Acting Deputy Manager of Aviation/Planning and Development since August 2008 and Assistant Deputy Manager/Director of Engineering since May 2006. Prior to joining the City, Mr. Rhodes was a Regional Manager of Properties and Facilities with United Airlines in Denver from 2000 to 2006, and held various positions with the Aviation and Industrial Division of Burns & McDonnell Engineering from 1977 to 2000, including Project Manager, Branch Office Manager and Associate.

Robert W. Kastelitz became Deputy Manager of Aviation/Technologies in September 2009. Mr. Kastelitz has over 20 years of senior IT management experience, including three years as the Assistant Deputy Manager of Aviation for Information Technologies at the Airport and two years as the Deputy Manager for Information Technologies for the Supreme Court of the State of Nevada. Prior to joining the Airport, Mr. Kastelitz served as a Senior IT Manager for Avaya Inc. and held various IT management positions with Lucent Technologies Inc. and AT&T Inc.

John Ackerman became Deputy Manager of Aviation/Commercial in September 2010 after having served as the Managing Director of Asset Development for the Airport since 2008. In his current position, he leads commercial activity at the Airport, including existing airline and rental car relationships, concessions and parking operations. The Commercial Division of the Airport is also charged with developing and monetizing all other airport assets, including land and minerals. Prior to joining the Airport, Mr. Ackerman worked for United Airlines in the roles of managing director in the airline's Customer Experience group, pilot, operations manager for Ted and instructor pilot at the airline's Flight Training Center. Mr. Ackerman has also led the global financial data feed business of Standard & Poor's in Denver.

Jeff Green became Assistant Deputy Manager of Aviation and Acting Director of Communications and Marketing in September 2011. In his role, Mr. Green is responsible for all marketing efforts, as well as internal and external communications at the Airport. He also oversees the airport's Creative Services group, which includes in-house video development and still photography, graphic design and management/administration of the airport's web site, www.flydenver.com. Mr. Green joined the airport in 2007. Prior to joining the airport team, Jeff spent two years as a Vice President with CKPR in Chicago and nearly eight years working in the Corporate Communications group at United Airlines. He is a graduate of Illinois State University in Normal, Ill., and holds a bachelor's degree in Journalism and Mass Communications.

Xavier S. L. DuRán, Esq., became Director of the Airport Legal Services section of the City Attorney's Office in July 2009. In this capacity, Mr. DuRán is responsible for managing the legal staff and representing the Airport in various matters related to aviation, airport finance, real estate and concessions. Mr. DuRán has been with the City since July of 1990, as a staff attorney for the Prosecution and Code Enforcement section of the City Attorney's office until 1992, as a staff attorney for the Employment Law section until 2000, as the Practice Group Manager for the Employment Law section until 2004, and as the Director of the Litigation section until July of 2009.

DENVER INTERNATIONAL AIRPORT

The Airport site encompasses approximately 53 square miles located about 24 miles northeast of Denver's central business district. The passenger terminal complex is reached via Peña Boulevard, a 12 mile dedicated access road from Interstate 70.

Airfield

The Airport's airfield includes six runways and related aircraft parking ramps, taxiways and perimeter taxiways. Five of the Airport's runways are 12,000 feet long by 150 feet wide, and the sixth runway is 16,000 feet long by 200 feet wide, making it the longest commercial service precision-instrument runway in North America. The airfield can accommodate fully loaded jumbo jets and large airliners, including the Airbus A-380, and can provide unrestricted global access for any airline using the Airport. Four of the Airport's runways have north/south alignments and two have east/west alignments, and are able to accommodate simultaneous parallel arrivals during poor weather conditions when instrument flight rules are in effect. The runway/taxiway lighting system, with lights embedded in the concrete pavement to form centerlines and stopbars at intersections, also allows air traffic controllers to guide pilots and direct them through the airfield during periods of poor visibility. The airfield has substantial expansion capabilities, having been designed to accommodate up to 12 runways. See also "CAPITAL PROGRAM" for a discussion of the airfield maintenance and improvements planned for the Airport.

Airfield facilities also include a FAA air traffic control tower and base building structures, an airport maintenance complex, four "rapid response" aircraft rescue and firefighting stations, de-icing pads, glycol storage/distribution/collection/recycling facilities and a hydrant fueling system. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Systems Leases."

Terminal Complex

The passenger terminal complex consists of (1) a landside terminal, (2) three airside concourses currently having a total of 90 full service jet gates and 64 commuter aircraft parking positions consisting of 34 regional jet positions, including the Concourse B commuter jet facility described below and 30 positions on Concourse A currently being used by Great Lakes Aviation and (3) the Airport Office Building. The terminal and concourses are connected by an underground automated guideway transit system, or "AGTS," and an elevated walkway connects the terminal with the Airport Office Building and Concourse A. A shuttle bus system also is available for the emergency transportation of passengers between the landside terminal and Concourses B and C.

The landside terminal encompasses approximately 1.2 million square feet (exclusive of international customs facilities, terminal support area and mechanical/electrical space), and includes ticketing, baggage system facilities, including federal explosive detection systems installed "in-line" for the screening of checked baggage, passenger drop off/pick up, ground transportation, concessions and other general passenger support services. Concourse A, nearest the terminal, encompasses approximately 1 million square feet and includes 30 full service jet gates, of which eight gates are configured for international flights, as well as facilities dedicated to commuter airline operations. Concourse B encompasses approximately 1.7 million square feet and includes 38 full service jet gates plus facilities dedicated for commuter airline operations. The commuter aircraft facilities on Concourse B were recently improved in order to accommodate larger regional jet aircraft and provide various enhancements for passengers. Concourse C encompasses approximately 690,000 square feet and currently includes 22 full service jet gates and commuter aircraft facilities. The Airport was designed to facilitate expansion to more than 200 full service jet gates either through lengthening of the existing concourses or the construction of two additional concourses. The Airport currently has 54 concessionaires operating at approximately 147 locations in the terminal complex. For a discussion of the airline leases for gates on the concourses and space in the terminal, see "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements — Other Agreements — *Terminal Complex Concessions*."

Two multi-level parking structures adjacent to the landside terminal provide in excess of 14,000 public parking spaces, and both close-in and remote surface parking lots provide in excess of 27,000 additional parking spaces.

The 2013-2018 Capital Program includes an addition to the landside terminal, known as the South Terminal Redevelopment Program, which is currently under construction. See "CAPITAL PROGRAM — The 2013-2018 Capital Program — South Terminal Redevelopment Program — Other Projects in the 2013-2018 Capital Program" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Other Agreements — *Public Parking*," as well as "FINANCIAL ANALYSIS — Airport Capital Program" in the Report of the Airport Consultant, for a discussion of the improvements planned for the terminal complex.

Other Facilities

Various other facilities at the Airport include general aviation facilities, remote facilities for the customer service and vehicle maintenance operations of rental car companies, facilities constructed and used by cargo carriers, a U.S. Postal Service sorting and distribution facility and other Airport warehousing, office and distribution facilities and related infrastructure. Also located at the Airport are support facilities for United, including aircraft and ground support equipment maintenance and air freight facilities, and a flight kitchen built by United and subleased to LSG Sky Chefs (the brand name of LSG Lufthansa Service Holding AG) and support facilities originally built for Continental and financed in part from a portion of the proceeds of the Series 1992C Bonds, including aircraft and ground support equipment maintenance, air freight and flight kitchen facilities, portions of which are currently being subleased to other users by Continental. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Other Building and Ground Leases" and "FINANCIAL INFORMATION — Senior Bonds — Special Facilities Bonds."

In April 2006, the City awarded a contract to CMCB Development Co. of Denver to develop a 17-acre retail development along Peña Boulevard, the major access highway to the Airport, near the on-site automobile service station. The City entered into a ground lease agreement with DIA Landings, LLC, for this project in May 2007. Grading and site development were completed in August 2008, but due to the continuing adverse economic conditions the project and lease were terminated. However, in April 2012 the Airport entered into an amendment to the existing Conoco service station lease, under which Convenience Retailers LLC (the corporate entity holding the Conoco lease) is developing a food court plaza and new 45-minute waiting area along Peña Boulevard next to the Conoco station.

CAPITAL PROGRAM

It is the City's practice to develop a capital program for the Airport System and reevaluate the capital needs of the Airport System on a regular basis.

The 2013-2018 Capital Program

The current capital program for the Airport represents the City's expectations of future Airport System capital needs in order to maintain, reconstruct and expand Airport facilities in 2012 and in the six-year period from 2013 through 2018 (the "2013-2018 Capital Program"), which is described in the table below. The Airport System's capital needs between 2012 and 2018 have an estimated total cost of approximately $1.06 billion (in 2012 dollars) and are expected to be financed with a combination of Airport System Senior Bonds and Subordinate Bonds, federal grants, Airport System moneys, subordinate contract obligations and subordinate commercial paper notes.

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2013-2018 Capital Program
(Amounts expressed in 000's; totals may not add due to rounding)

	2013 [1]	2014	2015	2016	2017	2018	Total[2]
Airfield	115,760	$ 23,940	$ 28,200	$24,100	$12,100	$12,100	$ 216,200
Baggage/AGTS	26,275	11,400	0	0	0	0	37,675
Commercial	17,121	14,550	14,000	0	0	0	45,671
Environmental/Utilities	17,549	0	0	0	0	0	17,549
Other CIP	58,596	12,041	4,500	0	0	0	75,137
Roads	12,953	13,250	5,100	8,000	2,100	1,000	42,403
Technologies	31,907	6,035	2,277	2,835	2,415	1,242	46,710
Terminal Complex	49,348	16,000	9,000	4,000	2,000	1,000	81,348
South Terminal Redevelopment Program	349,626	135,000	15,000	0	0	0	499,626
TOTAL	**679,135**	**$232,216**	**$78,077**	**$38,935**	**$18,615**	**$15,342**	**$1,062,319**

South Terminal Redevelopment Program Components:							
Hotel	98,000	70,000	12,000	0	0	0	180,000
Non-Hotel	251,626	65,000	3,000	0	0	0	319,626
TOTAL	**349,626**	**135,000**	**15,000**	**0**	**0**	**0**	**499,626**

(1) Payment of certain of these project costs in the total approximate amount of $283 million is budgeted for 2012.
(2) Expressed in 2012 dollars.

Source: Department of Aviation management records.

South Terminal Redevelopment Program

General. The single largest component of the 2013-2018 Capital Program is an addition to the landside terminal, known as the South Terminal Redevelopment Program, consisting of a variety of projects described below, which are in part under construction.

The Regional Transportation District ("RTD") is in the process of expanding commuter and light rail service throughout the greater Denver metropolitan area, known as the "FasTracks Program." RTD has entered into a Concession Agreement with Denver Transit Partners ("DTP"), under which DTP will design, construct, finance, operate and maintain the Eagle P3 Project, including the "East Corridor" of the program, to consist of a commuter rail line connecting Denver Union Station, located in downtown Denver, with the Airport. The East Corridor rail service currently is planned by RTD to commence in January 2016. Neither the City nor the Department has any obligation in respect of the design, construction, operation or maintenance of the rail line, nor will they receive any revenue from the use of the commuter rail service.

In March 2010, the City, for and on behalf of the Department, and RTD entered into the Intergovernmental Agreement for the FasTracks East Corridor Project (the "FasTracks East Corridor IGA"), pursuant to which RTD agreed to lease property at the Airport and construct the rail lines and supporting infrastructure for the East Corridor project, and the Department, among other things, is required to finance and build a train station and a train station and a "terminal-to-station" interface at the Airport (the "DIA Rail Station"). The Department is obligated under the FasTracks East Corridor IGA to have the DIA Rail Station substantially completed by January 1, 2014, allowing RTD complete and uninterrupted access in order that RTD may complete the installation and begin operational testing of the commuter rail line. The Department will be responsible for operating and maintaining only certain portions of the DIA Rail Station. The term of the FasTracks East Corridor IGA extends through 2056, unless earlier terminated in writing by mutual consent of the parties, or by court order. The FasTracks East Corridor IGA provides that the Department will grant a lease of certain property at the Airport to RTD with an initial term of 50 years, and up to three renewal periods of 15 years each, with each renewal being subject to FAA approval.

The Department hired a planning and engineering firm (the "Program Manager") to manage the construction of the South Terminal Redevelopment Program, and contracted with M. Arthur Gensler and Associates to design the Program. The final design of the South Terminal Redevelopment Program is underway and currently includes the following integrated project elements:

- The construction of the DIA Rail Station with public circulation space and two RTD tracks to meet the obligations of the Department under the FasTracks East Corridor IGA regarding the construction and opening of the DIA Rail Station. The Department is planning the DIA Rail Station to provide additional capacity for future transportation modes.

- The expansion of Airport baggage systems to allow passengers using the RTD train service to check-in bags at the DIA Rail Station.

- The expansion of the AGTS to provide needed additional service capacity to the existing concourses.

- The construction of the DIA Rail Station roof, which will also form a plaza (the "Plaza") that would provide public access between the landside terminal, the DIA Rail Station and the planned Airport Hotel discussed below. The Plaza area may also include future concessions for Airport passengers.

- The construction of the Airport Hotel, a proposed 519-room, full service hotel above the DIA Rail Station and plaza, which is planned to be accessible from the landside terminal, the plaza and the DIA Rail Station. The Department has selected Starwood Hotels and Resorts to operate the Airport Hotel under the "Westin" brand. The various agreements relating to the Airport Hotel, between the City, for and on behalf of the Department, and Westin DIA Hotel Operator, LLC, a Delaware limited liability company ("Westin") whose sole member is Starwood Hotels & Resorts Worldwide, Inc., were executed in April of 2011. For a further description of the agreements with Westin, see "CAPITAL PROGRAM — South Terminal Redevelopment Program — *Airport Hotel*", "APPENDIX J – DESCRIPTION OF AIRPORT HOTEL AGREEMENTS," attached hereto and "FINANCIAL ANALYSIS — Nonairline Revenues — Other Terminal Revenues — *Airport Hotel*" in the Report of the Airport Consultant, attached hereto as APPENDIX A. Completion and commencement of operations of the Airport Hotel are currently projected to occur in August 2015.

- The realignment of certain existing on-Airport roadways that serve the landside terminal to accommodate the rail lines and the relocation of certain utilities.

The Department has established a budget for the South Terminal Redevelopment Program of approximately $500 million (in 2012 dollars). The Department currently expects that, if any reduction in the currently planned size or scope of the South Terminal Redevelopment Program becomes necessary due to cost constraints, it would likely occur in non-revenue producing portions of the proposed facilities. Accordingly, material changes to the size and scope of the Airport Hotel are not currently anticipated given that it is expected to be financially self-sustaining when it opens, according to the Airport Hotel Analysis prepared by PKF for the Airport. See "FINANCIAL INFORMATION — Plan of Financing." In addition, the Department expects that the South Terminal Redevelopment Program will be completed within the established budget.

Airport Hotel. In June 2012, the Airport retained PKF, a national hotel consulting firm located in San Francisco, California, to perform a study of the potential market demand, and an estimate of the ten-year annual operating results, for the Airport Hotel. In accordance with such engagement, PKF prepared the Airport Hotel Analysis which can be viewed in its entirety at http://business.flydenver.com/stats/financials/reports.asp#hotel . PKF estimates in the Airport Hotel Analysis that (i) the Airport Hotel would achieve a stabilized occupancy of 74% in the third full-year of operation with an ADR of $180 (in 2012 dollars), and (ii) based on the projected occupancy and ADR, the net operating income prior to the payment of Debt Service for the Airport Hotel (A) in the stub year period from August 1, 2015 through December 31, 2015, would be approximately $5.8 million, and (B) for the full calendar year of 2016 would be approximately $17.3 million. Such projected net operating income in 2016 would represent approximately 4.0% of the Airport's projected net revenues in that year. For a sensitivity analysis of the financial performance of the Airport Hotel, see "FINANCIAL ANALYSIS – SENSITIVITY ANALYSIS – FINANCIAL RESULTS" in the Report of the Airport Consultant, attached hereto as APPENDIX A. All summaries herein of the Airport Hotel Analysis are qualified in their entirety by the provisions set forth in the Airport Hotel Analysis available at the website identified above, and investors should read the Airport Hotel Analysis in its entirety, for an understanding of the assumptions and rationale underlying the estimates and forecasts set forth therein.

The financial forecast contained in the Airport Hotel Analysis is based solely upon assumptions made by PKF, and not the Airport or the Airport Consultant. Inevitably, some assumptions used to develop the forecast may not be realized and unanticipated events and circumstances will occur. There will usually be differences between forecast and actual results, since events and circumstances frequently do not occur as expected, and those differences may be material. In particular, any substantial decrease in occupancy or ADR from that projected will reduce net revenues of the Airport Hotel. No assurance can be given that the Airport Hotel will maintain projected occupancy at projected room rates as assumed in the PKF Airport Hotel Analysis. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS – Airport Hotel Risks."

The Airport Hotel is to be constructed pursuant to a construction management and general contractor ("CM/GC") contract between the Airport and Mortenson/Hunt/Saunders, a joint venture formed under Colorado law (consisting of M.A. Mortenson Company, Hunt Construction Group, Inc., and Saunders Construction, Inc.). This contract includes construction of the buildings' foundations, the Airport Hotel, DIA Rail Station, the Airport's terminal interface, and Plaza as part of an integrated project scope, with site work and enabling work already underway under a separate contract with Kiewit Building Group, Inc. The hotel configuration is for a building block positioned in the east-west direction mid-point over the Plaza and spanning the Plaza, train hall and lower roadways. The Airport Hotel includes public areas, administration areas, back of house areas and mechanical/electrical rooms. Design is approximately 60% complete and the Airport currently expects to negotiate and finalize a guaranteed maximum price for the project by December 2012.

The Airport and Westin have entered into a Hotel Management Agreement dated April 11, 2011 (the "HMA") for the operation of the Airport Hotel. The HMA constitutes a "Qualified Management Agreement" for purposes of the Tax Code. Under the HMA, the Airport has engaged Westin to manage the Airport Hotel as the exclusive operator for fifteen years following the opening date of the Airport Hotel unless the HMA is terminated earlier pursuant to the provisions thereof. Westin has the right and the duty under the HMA to operate the Airport Hotel as a "first class" hotel in accordance with certain standards, policies and programs and in a manner reasonably calculated to optimize the financial performance of the Airport Hotel.

The Airport expects to work with Westin to update the HMA to provide for, among other things, a later opening date than that provided for in the HMA. The City expects the HMA to be appropriately updated by amendment and does not expect such amendment to change any material terms of the current business arrangements in the HMA.

Pursuant to the HMA, the Airport and Westin will enter into a Cash Management Agreement (the "CMA"), and the Airport will adopt a supplemental ordinance under which a Hotel Operating Account is established to be held by a depository bank subject to the CMA (the "Hotel Operating Account"). The Hotel Operating Account shall be deemed to be an account within the Airport Revenue Fund.

The HMA and the CMA provide that all Gross Operating Revenues of the Airport Hotel will initially be deposited to the Hotel Operating Account and amounts on deposit in the Hotel Operating Account of the Revenue Fund shall constitute Gross Revenues as defined in the General Bond Ordinance and, in accordance with the terms of the CMA and the HMA, such amounts shall be applied in accordance with the provisions of the General Bond Ordinance.

According to the CMA, Westin is to pay Hotel O&M Expenses, a subset of Airport expenses from the Hotel Operating Account and to retain amounts in the Hotel Operating Account needed for Hotel O&M Expenses reasonably expected to be payable during the current month and following month. Remaining amounts in the Hotel Operating Account (referred to as "Available Revenues") are to be transferred by Westin on the first business day of each month to the Revenue Fund held under the General Bond Ordinance.

The supplemental ordinance will also create a Junior Lien Obligations Fund with the following subaccounts to facilitate payment obligations under the HMA: the Senior Hotel FF&E Reserve Fund, the Senior Hotel CapEx Reserve Fund, the Hotel Operating Reserve Fund, and the Subordinate Hotel CapEx Reserve Fund. These subaccounts will be subordinate to the payment of debt service on the Senior Bonds, Subordinate Bonds and subordinate obligations under the General Bond Ordinance.

For a description of certain other agreements by and between the Airport and Westin, and a further description of the HMA and the CMA, as well as the flow of Airport Hotel revenues and payment of operating and maintenance costs and expenses of the Airport Hotel, and the creation of various funds and accounts with respect thereto, see "APPENDIX J – DESCRIPTION OF AIRPORT HOTEL AGREEMENTS," attached hereto.

Other Projects in the 2013-2018 Capital Program

In addition to the South Terminal Redevelopment Program, projects in the 2013-2018 Capital Program include, among others, the following, some of which will be undertaken only if they are determined to be financially viable and/or self-sustaining or certain sources of funding become available:

Airfield. Rehabilitation of taxiways and runways as part of the City's pavement management plan, construction of a high speed taxiway to improve airfield efficiency, installation of taxiway lights to improve operations in the airfield during snow conditions and planning and programming for a seventh runway.

Terminal Complex and AGTS. Improvements to existing concourses, including replacement of loading bridges and escalators and other improvements; relocation of baggage system security screening to the landside terminal; improvements to building systems, including the fire protection system, electrical and mechanical systems, heating and cooling systems and the central utility plant; and upgrades to the AGTS computer hardware.

Roadways, Public Parking and Ground Transportation. Rehabilitation of Peña Boulevard and pavement in targeted roadway and parking areas, replacement of access bridges to the public parking garages and construction of a new public parking garage.

Other. Improvements to wastewater systems and improvements to the Airport information technology infrastructure.

Sources of Funding of the 2013-2018 Capital Program

The City currently expects to fund the 2013-2018 Capital Program primarily with a combination of Airport System revenue bonds (including Senior Bonds, Subordinate Bonds and Junior Lien Obligations), Airport equity, federal grants and various other moneys. To the extent that the City cannot obtain the necessary funding from these sources, the City intends to either defer certain projects or reduce project scopes, as appropriate. For a more detailed description of the various sources of funds the City expects to use for the various components of the 2013-2018 Capital Program, see "FINANCIAL INFORMATION — Plan of Financing" herein and "FINANCIAL ANALYSIS — PLAN OF FINANCING" in the Report of the Airport Consultant, attached hereto as APPENDIX A.

AVIATION ACTIVITY AND AIRLINES

Denver Air Service Region

The primary region served by the Airport is the Denver metropolitan area, encompassing the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. The secondary region served by the Airport is defined by the location of (and the airline service provided from) other large-hub and medium-hub air carrier airports. The nearest such airports, by road miles, are in Salt Lake City (530 miles to the northwest), Kansas City (590 miles to the east), Oklahoma City (620 miles to the southeast), Albuquerque (440 miles to the south), Phoenix (810 miles to the southwest) and Las Vegas (760 miles to the southwest).

Aviation Activity

Passenger Traffic. Denver's central geographic location makes it a major destination point for communities throughout the Rocky Mountain region and a major transportation hub for airline flights connecting between the east and west coasts and other major metropolitan centers. According to statistics compiled by Airports Council International for 2011, the Airport was ranked as the 5th busiest airport in the nation and the 11th busiest airport in the world based on total passengers in 2011. The tables set forth below under "*Passenger and Revenue Information*" and "*Summary of Aviation Activity*" present total enplanements at the Airport since it opened and enplaned passengers by airline type and market share of individual airlines serving the Airport for the past five years.

Passenger and Revenue Information. As of August 2012 there were 24 passenger airlines providing scheduled service at the Airport, including ten major/national passenger airlines, five foreign flag passenger airlines and nine regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines provide service at the Airport. See "Airlines Serving the Airport" below. In 2011, the Airport served approximately 26.46 million enplaned passengers (passengers embarking on airplanes), which is the highest number of enplaned passengers at the Airport since it opened in 1995.

Approximately 55% of the passengers enplaned in 2011 were passengers originating their travel at the Airport and 45% were passengers making connecting flights at the Airport.

With a few exceptions, the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport experienced declines in passenger traffic and associated revenues in 2001 and 2002 in the aftermath of the terrorist incidents of September 11, 2001. The Airport was also negatively impacted by the global economic recession that began in late 2007 and the associated weakened demand for air travel and reduced airline passenger capacity. In 2008, although the number of enplaned passengers at the Airport continued to increase, the rate of growth declined from that experienced in previous years, and in 2009 the number of enplaned passengers at the Airport declined by 2.0%, the first decline since 2002. However, in 2010 the number of enplaned passengers at the Airport rebounded, with an increase of 3.6% over 2009, and in 2011 the number of enplaned passengers increased by 1.66% over 2010, resulting in the highest number of enplaned passengers at the Airport since it opened in 1995. In the first six months of 2012, the number of enplaned passengers has decreased by 0.07% over the same six months of 2011. The following table sets forth the history of enplaned passengers for the Airport.

History of Enplaned Passengers at the Airport

Year	Enplaned Passengers (millions)	Percent Change	Year	Enplaned Passengers (millions)	Percent Change
1995	15.618	--	2003	18.761	5.2%
1996	16.179	3.6%	2004	21.144	12.7
1997	17.530	8.4	2005	21.702	2.6
1998	18.445	5.2	2006[1]	23.665	9.0
1999	19.031	3.2	2007	24.941	5.4
2000	19.393	1.9	2008	25.650	2.8
2001	18.046	(6.9)	2009	25.128	(2.0)
2002	17.830	(1.2)	2010	26.025	3.6
			2011	26.455	1.7

1 Southwest commenced service at the Airport in January 2006.

Source: Department of Aviation management records.

Future aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors, including economic and political conditions, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers and alliances, availability and price of aviation and other fuel and capacity of the national air traffic control system and of the Airport. See particularly "RISKS AND OTHER INVESTMENT CONSIDERATIONS" above and "AIRLINE TRAFFIC ANALYSIS — Key Factors Affecting Future Airline Traffic" in the Report of the Airport Consultant.

The following table sets forth the number of enplaned passengers at the Airport by type of airline for the past five years and the first six months of 2011 and 2012.

Enplaned Passengers by Airline Type[1]

Major/National Airlines[2]	Regional/Commuter Airlines	Charter/Miscellaneous Airlines	Total Airlines

Year[3]	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change
2007	20,774,889	5.6%	3,945,388	4.1%	220,676	10.8%	24,940,953	5.4%
2008	21,514,216	3.6	3,945,641	0.0	190,386	(13.7)	25,650,243	2.8
2009	20,646,529	(4.0)	4,239,139	7.4	242,365	27.3	25,128,033	(2.0)
2010	21,032,064	1.87	4,666,047	10.1	326,811	34.8	26,024,922	3.6
2011	21,709,457	3.2	4,439,844	(4.8)	306,494	(6.2)	26,455,795	1.7
Jan.-June[3]								
2011[4]	10,462,617	3.7	2,215,675	(1.9)	157,973	(8.0)	12,836,265	2.5
2012	10,642,950	1.7	2,058,603	(7.1)	125,761	(20.4)	12,827,314	(0.1)

1 Includes revenue and nonrevenue enplaned passengers.

2 Includes Ted from 2007 through 2008 and Lynx from 2007 through March 2011.

3 See above for a discussion of factors affecting enplanements during this period.

4 Percentage changes are from the same period in 2010.

Source: Department of Aviation management records.

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The following table sets forth the percentage of enplaned passengers at the Airport by airline for the past five years and the first six months of 2011 and 2012.

Percentage of Enplaned Passengers by Airline
(Totals may not add due to rounding)

	Calendar Year					January-June	
Airline	**2007**	**2008**	**2009**	**2010**	**2011**	**2011**	**2012**
United	33.4%	32.6%	32.5%	28.4%	24.2%	25.7%	23.6%
Ted[1]	7.8	4.3	--	--	--	--	--
United Express[2]	12.1	11.3	13.7	16.0	15.4	15.8	14.7
Continental	2.2	2.0	2.0	2.1	3.3	2.9	2.9
Total United Group[3]	55.5	50.3	48.2	46.4	42.9	44.3	41.2
Frontier and Frontier/Republic	20.5	22.7	20.6	20.2	22.1	21.2	21.9
Lynx[4]	0.1	2.0	2.4	1.2	0.1	0.2	--
Frontier JetExpress[5]	2.1	0.8	--	0.1	--	--	--
Total Frontier Group	22.7	25.5	23.0	21.5	22.3	21.5	21.9
Southwest[6]	5.3	9.3	14.4	18.2	21.8	21.3	23.2
American Airlines[7]	3.5	3.3	2.8	2.7	2.3	2.3	2.5
Delta[7,9]	4.4	4.1	4.2	3.9	3.8	3.8	3.7
US Airways[8]	2.2	1.8	2.2	2.3	2.4	2.4	2.7
Other[5]	6.4	5.7	5.2	5.0	4.5	4.5	4.9
Total Other	16.5	15.0	14.4	13.9	13.1	12.9	13.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1 Ted commenced service at the Airport in February 2004; however, United discontinued Ted in 2008 and ceased reporting separate enplanement data for Ted commencing with August 2008.

2 Several airlines have operated as United Express during this period.

3 Because Continental was integrated with United, and effective as of November 30, 2011, the two carriers operated under a single FAA operating certificate, the enplaned passengers figures for the United Group include the Continental enplaned passenger figures.

4 Lynx commenced service at the Airport in December 2007; however, Republic Holdings discontinued Lynx in March 2011.

5 Several airlines have operated as Frontier JetExpress during this period, the most recent of which was Midwest Express, which ceased operating as such in the fall of 2010.

6 Includes the activity of AirTran Airways for the years 2011 and 2012 only, which merged with Southwest Airlines in May 2011.

7 Does not include commuter affiliates.

8 The parent companies of America West Airlines and US Airways, Inc. merged in 2005. The two airlines were subsequently consolidated under the US Airways brand, and since October of 2008 have operated under a single FAA operating certificate.

9 Includes the activity of Northwest Airlines, Inc. ("Northwest") which merged with Delta on October 29, 2008, with Northwest becoming a wholly owned subsidiary of Delta. Since January 1, 2010, the two airlines have operated under a single FAA operating certificate.

Source: Department of Aviation management records.

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Summary of Aviation Activity. The following table sets forth a summary of selected aviation activity at the Airport for the past five years and the first six months of 2011 and 2012. Totals may not add due to rounding.

	Calendar Year[1]					January - June	
	2007	2008	2009	2010	2011	2011	2012
Enplaned Passengers (millions):							
United	8.324	8.361	8.165	7.386	6.400	3.293	3.026
Ted[2]	1.955	1.105	--	--	--	--	--
United Express	3.018	2.906	3.438	4.152	4.087	2.030	1.884
Continental	0.550	0.520	0.510	0.542	0.863	0.367	0.371
Total United Group	13.846	12.892	12.113	12.079	11.351	5.690	5.281
Frontier[3]	5.118	5.812	5.181	5.259	5.859	2.725	2.803
Lynx[4]	0.017	0.504	0.602	0.311	0.031	0.031	--
Frontier JetExpress[5]	0.533	0.216	--	0.025	--	--	--
Total Frontier Group	5.668	6.531	5.782	5.595	5.890	2.756	2.803
Southwest	1.322	2.379	3.614	4.726	5.756	2.728	2.978
Other	4.104	3.849	3.619	3.624	3.459	1.662	1.765
Total	24.941	25.650	25.128	26.025	26.456	12.836	12.827
Percent Change from Prior Year	5.39%	2.84%	(2.04)%	3.57%	1.66%	2.51%	(0.07)%
Originating Passengers (millions):	14.243	14.335	13.656	14.101	14.595	7.014	7.094
Percent of Total Enplaned	57.1%	55.9%	54.3%	54.2%	55.2%	54.6%	55.3%
Connecting Passengers (millions)	10.698	11.315	11.472	11.923	11.861	5.822	5.734
Percent Connecting of Total Enplaned	42.9%	44.1%	45.7%	45.8%	44.8%	45.4%	44.7%
United Group Passengers: [2]							
Percent Originating	43.8%	42.7%	39.2%	38.2%	39.5%	38.6%	40.5%
Percent Connecting	56.2%	57.3%	60.8%	61.8%	60.5%	61.4%	59.5%
Frontier Passengers:							
Percent Originating	57.1%	50.5%	49.5%	50.4%	50.0%	50.8%	46.8%
Percent Connecting	42.9%	49.5%	50.5%	49.6%	50.0%	49.2%	53.2%
Southwest Passengers:							
Percent Originating	95.2%	84.4%	75.5%	71.4%	70.5%	70.4%	69.4%
Percent Connecting	4.8%	15.6%	24.5%	28.6%	29.5%	29.6%	30.6%
Average Daily Departures:							
Passenger Airlines:							
United and Ted[2]	229	207	171	149	130	136	137
United Express	194	192	216	246	246	249	228
Frontier	138	167	158	158	152	153	136
Frontier JetExpress	29	10	--	1	--	--	--
Southwest	39	78	108	124	147	144	156
Other	177	160	149	156	157	155	138
Total Passenger Airlines	806	814	802	833	832	837	795
All-Cargo Airlines	27	26	25	25	25	25	24
Total	833	840	827	858	856	862	819
Percent Change from Prior Year	4.11%	0.76%	(1.56)%	3.75%	(0.15)%	2.24%	(4.94)%
Landed Weight (billion pounds):							
Passenger Airlines:							
United and Ted[2]	12.808	11.790	10.499	9.568	7.925	4.143	4.086
United Express	3.636	3.616	4.200	4.999	4.826	2.451	2.202
Frontier	6.716	7.342	6.768	6.714	6.679	3.247	3.106
Frontier JetExpress	0.698	0.263	--	0.030	--	--	--
Southwest	1.781	3.508	4.817	5.611	6.656	3.246	3.533
Other	5.831	5.406	5.165	5.131	5.218	2.513	2.142
Total Passenger Airlines	31.471	31.925	31.449	32.054	31.304	15.600	15.069
All-Cargo Airlines	1.363	1.325	1.250	1.222	1.207	0.597	0.577
Total	32.834	33.250	32.699	33.275	32.512	16.198	15.646
Percent Change from Prior Year	3.11%	1.27%	(1.66)%	1.76%	(2.29)%	(0.76)%	(3.41)%
Enplaned Cargo (million pounds)[6]	262.724	248.122	221.444	241.710	242.491	125.504	113.692
Percent Change from Prior Year	(6.35)%	(5.56)%	(10.75)%	9.15%	0.32%	5.93%	(9.41)%
Total Aircraft Operations (Landings/Take-Offs):							
Air Carriers	451,228	460,311	456,675	468,962	452,223	228,076	214,912
Air Taxi/Commuter/Military/General Aviation	168,086	165,533	155,302	166,483	182,457	88,464	89,036
Total	619,314	625,844	611,977	635,445	634,680	316,540	303,948
Percent Change from Prior Year	1.61%	1.05%	(2.22)%	3.83%	(0.12)%	2.19%	(3.98)%

[Footnotes on next page]

1 See "Aviation Activity — *Passengers and Revenue Information*" above for a discussion of factors affecting enplanements.

2 Ted commenced service at the Airport in February 2004; however, United discontinued Ted in 2008 and ceased reporting separate enplanement data for Ted commencing with August 2008.

3 Includes Frontier and Frontier/Republic.

4 Lynx commenced service at the Airport in December 2007. In March 2011, however, Republic Holdings discontinued Lynx and transitioned its Q400 turboprop service to the Frontier Express brand. See "Airline Information — *The Frontier Group*" hereafter.

5 Several airlines operated as Frontier JetExpress during this period, the most recent of which was Midwest Express, which ceased operating as such in the fall of 2010.

6 The weight of enplaned cargo does not impact the Airport's Gross Revenues. Revenue is received from cargo carriers only from landing fees and space rentals, which historically have constituted less than 2% of Gross Revenues.

Source: Department of Aviation management records.

Originating and Connecting Passengers

Originating passengers are those enplaned passengers whose flights originate at the Airport (residents and visitors) and who are not connecting from another flight. Historically, originating passengers have accounted for over 50% of total enplaned passengers at the Airport. See "Aviation Activity — *Summary of Aviation Activity*" above.

Most major airlines have developed their current route systems around connecting passenger hubs at particular airports. The Airport serves as an important connecting hub in the route systems of both United and Frontier, making it one of the few dual-hub airports in the nation. The Airport is presently Frontier's only hub. Following the merger of United and Continental, the Airport is now the fourth busiest connecting hub in United's route system, in terms of passengers (based on information provided by individual airports), and the third busiest connecting hub in terms of daily nonstop departures (according to August 2012 data published by Official Airline Guides, Inc.).

In 2011, approximately 11.86 million passengers (44.8%) of the approximately 26.46 million passengers enplaned at the Airport connected from one flight to another. Nearly all of the passengers using the Airport as a connecting hub connected either between the flights of United and its regional airline affiliates operating as United Express, or between the flights of the Frontier Group or of Southwest, which accounted for approximately 57.9%, 24.7% and 14.3% of the connecting passengers at the Airport in 2011, respectively. See "Aviation Activity — *Summary of Aviation Activity*" above.

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Airlines Serving the Airport

The following airlines provided scheduled passenger service at the Airport as of August 2012:

Major/National	Regional/Commuter	Foreign Flag[1]
AirTran Airways[2]	American Eagle Airlines	AeroMéxico
Alaska Airlines	ExpressJet (operating as United Express)	Air Canada
American Airlines	Frontier/Republic	British Airways
Delta[4]	GoJet Airline (operating as United Express)	Lufthansa German Airlines
Frontier	Great Lakes Aviation	Icelandair [5]
JetBlue Airways	Mesa Airlines (operating as US Air Express)	
Southwest[2]	Pinnacle (operating as Delta Connection)	
Spirit Airlines[6]	Shuttle America (operating as United Express)	
United[3]	SkyWest Airlines (operating as United Express and Delta Connection)	
US Airways		

1 Volaris Airlines, owned by Concesionaria Vuela Compañía de Aviación, S.A. de C.V., announced on August 16, 2012 that it plans to begin nonstop flights on weekends between Mexico City, Mexico and the Airport beginning in December 2012.

2 In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest is integrating AirTran Airways into the Southwest brand, and the two airlines are operating under a single FAA operating certificate.

3 Continental became a subsidiary of United Continental Holdings (formerly known as UAL Corporation) effective October 1, 2010. Since November 30, 2011, the two airlines operate under a single FAA operating certificate.

4 Delta and Northwest merged on October 29, 2008, with Northwest becoming a wholly owned subsidiary of Delta. Since January 1, 2010, the two airlines operate under a single FAA operating certificate.

5 Icelandair commenced nonstop service from the Airport to Reykjavik, Iceland, in May 2012.

6 Spirit Airlines operates at the Airport as a non-signatory airline, using a Frontier gate, however, it has recently made a request of the Airport to obtain signatory status.

Source: Department of Aviation management records.

In addition to the passenger airlines listed in the preceding table, several passenger charter airlines, as well as several all-cargo airlines, including, among others, ABX Air, Alpine Aviation, Ameriflight, BAX Global, Capital Cargo International Airlines, DHL Express (USA), Federal Express Corporation, Key Lime Air Corporation, and United Parcel Service provide service at the Airport.

Airline Information

The United Group. United is the principal air carrier operating at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.). Under the United Use and Lease Agreement, United currently leases 36 of the existing 90 full service jet gates at the Airport, as well as a 16-gate regional jet facility described in "DENVER INTERNATIONAL AIRPORT Terminal Complex."

The United Group, now consisting of United, and its United Express commuter affiliates, as well as Continental (following the merger as described above), has accounted for the percentages set forth in the table below of passenger enplanements, originating passengers and connecting passengers at the Airport for the past five years and the first six months of 2011 and 2012, as well as airline rentals, fees and charges component of the Airport System's operating revenues and the Airport System's Gross Revenues for the years 2007 through 2011. See also "Aviation Activity — Originating and Connecting Passengers" in this section.

United Group Percent of Airport Operations

	Fiscal Year					January-June	
	2007	2008	2009	2010	2011	2011	2012
Percent of Total Enplanements at the Airport							
United	33.4%	32.6%	32.5%	28.4%	24.2%	25.7%	23.6%
Ted	7.8	4.3	0.0	0.0	0.0	0.0	0.0
United Express	12.1	11.3	13.7	16.0	15.4	15.8	14.7
Continental	2.2	2.0	2.0	2.1	3.3	2.9	2.9
Total United Group	55.5%	50.3%	48.2%	46.4%	42.9%	44.3%	41.2%
Percent of Originating Passengers							
United	33.4%	32.2%	27.5%	24.8%	23.9%	24.1%	26.6%
United Express	6.6	6.6	7.7	9.6	10.3	10.2	10.1
Continental	3.8	3.9	4.0	3.9	5.3	4.3	3.9
Total United Group	43.8%	42.7%	39.2%	38.2%	39.5%	38.6%	40.5%
Percent of Connecting Passengers							
United	40.8%	41.3%	39.9%	36.3%	32.5%	33.8%	30.7%
United Express	15.2	15.9	20.7	24.8	25.7	25.5	25.6
Continental	0.1	0.1	0.2	0.6	2.3	2.1	3.1
Total United Group	56.2%	57.3%	60.8%	61.8%	60.5%	61.4%	59.5%
Percent of Airport Originating Passengers							
United	32.5%	28.9%	24.4%	21.2%	18.6%	19.6%	19.8%
United Express	6.4	5.9	6.9	8.2	8.0	8.3	7.5
Continental	3.7	3.5	3.6	3.3	4.1	3.5	2.9
Total United Group	42.6%	38.4%	34.8%	32.7%	30.7%	31.3%	30.2%
Percent of Airport Connecting Passengers							
United	52.8%	47.0%	42.2%	36.8%	31.1%	33.0%	28.3%
United Express	19.7	18.1	21.8	25.1	24.6	24.9	23.6
Continental	0.2	0.2	0.2	0.6	2.2	2.1	2.9
Total United Group	72.7%	65.3%	64.2%	62.6%	57.9%	60.0%	54.8%
Percent of Airline Rentals, Fees and Charges United Group Component of Operating Revenues	58.3%	56.9%	56.1%	53.7%	52.2%	Not Available	
Percent of Airport System Gross Revenues	30.1%	29.0%	30.1%	27.8%	26.1%	Not Available	

Source: Department of Aviation management records.

United discontinued Ted in 2008 and ceased reporting separate enplanement data for Ted commencing with August 2008. Also in 2008, United began to significantly reduce its consolidated domestic capacity, its consolidated overall capacity and its workforce. Such reductions continued in 2009, 2010 and 2011. On October 1, 2010, United Continental Holdings (formerly known as UAL Corporation), the parent company of United, completed the merger of United and Continental, and integrated the two airlines under the United brand to operate under a single FAA operating certificate as of November 30, 2011. The United Group (United, United Express and Continental) accounted for approximately 42.9% and 41.2% of passenger enplanements at the Airport in 2011 and in the first six months of 2012, respectively. In addition, the Airport would rank as the 4th busiest airport in the combined route network of United and Continental based on enplaned passenger data for 2011. The advance schedules of the United Group for flights for the remainder of 2012 reflect a capacity reduction which will likely result in decreased enplanements for the United Group for 2012. The City makes no representations regarding the financial conditions of United Continental Holdings, United or Continental or their future plans generally or with regard to the Airport in particular.

See also "Aviation Activity — Originating and Connecting Passengers" in this section, as well as "INTRODUCTION — Denver International Airport — *Major Air Carriers Operating at the Airport*," "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Financial Condition of the Airlines; Industry Consolidation — Risk of Airline Bankruptcies," "AGREEMENTS FOR USE OF AIRPORT FACILITIES Passenger Airlines Use and Lease Agreements — *United Use and Lease Agreement*" and "FINANCIAL INFORMATION — Special Facilities Bonds."

The Frontier Group. Frontier and its affiliates had the second largest market share at the Airport in 2011 and the third largest market share for the first six months of 2012. The Airport is one of Frontier's three hubs and in 2011 was the busiest airport in the Frontier system. Prior to consolidation with Midwest Airlines as described below, the Airport was Frontier's only hub. In December 2007, Frontier's hubbing operations at the Airport were expanded with the introduction of a sister airline, Lynx, which served smaller airports in the region. In March 2011, Republic Holdings discontinued the operations of Lynx and transitioned its Q400 turboprop service to Frontier Express, a new brand operated by Frontier/Republic and Chautauqua Airlines (also a Republic Holdings subsidiary).

Under an existing Use and Lease Agreement with the City, Frontier currently leases 18 gates at the Airport, however, a new five-year Use and Lease Agreement is being finalized between the parties and it is expected that Frontier will reduce the number of gates it leases under such agreement to 14. In addition, the Frontier Group, consisting of Frontier, Frontier/Republic, Lynx and Frontier JetExpress commuter affiliates, also has accounted for the percentages set forth in the table below of passenger enplanements, originating passengers and connecting passengers at the Airport for the past five years and the first six months of 2011 and 2012, as well as airline rentals, fees and charges component of the Airport System's operating revenues and the Airport System's Gross Revenues for the years 2007 through 2011. See also "Aviation Activity — Originating and Connecting Passengers" in this section.

Frontier Group Percent of Airport Operations

	Fiscal Year					January-June	
	2007	**2008**	**2009**	**2010**	**2011**	**2011**	**2012**
Percent of Total Enplanements at the Airport	22.7%	25.5%	23.0%	21.5%	22.3%	21.5%	21.9%
Frontier Group Percent Originating Passengers	57.1	50.5	49.5	50.4	50.0	50.8	46.8
Frontier Group Percent Connecting Passengers	42.9	49.5	50.5	49.6	50.0	49.2	53.2
Percent of Airport Originating Passengers	22.7	23.0	21.0	20.0	20.2	20.0	18.5
Percent of Airport Connecting Passengers	22.7	28.6	25.4	23.3	24.8	23.3	26.0
Percent of Airline Rentals, Fees and Charges Component of Operating Revenues	14.7	14.7	14.1	14.2	14.7	Not Available	
Percent of Airport System Gross Revenues	7.6	7.5	7.6	7.4	7.3	Not Available	

Source: Department of Aviation management records.

Frontier Holdings, together with its Frontier and Lynx subsidiaries, filed for protection under the U.S. Bankruptcy Code in April of 2008 and continued operations pending approval of a plan for reorganization in September of 2009. The companies emerged from bankruptcy on October 1, 2009, with Frontier Holdings being acquired by and becoming a wholly-owned subsidiary of Republic Holdings. Republic Holdings also owns a number of regional carriers, including Chautauqua Airlines, Mokulele Airlines, Republic Airlines and Shuttle America. Republic Holdings also owns Midwest Airlines, and has integrated the operations of Midwest Airlines under the Frontier brand. The City makes no representations regarding the financial conditions of Republic Holdings or the Frontier Group or their future plans generally or with regard to the Airport in particular. See also "Aviation Activity — Originating and Connecting Passengers" in this section, "INTRODUCTION — Denver International Airport — *Major Air Carriers Operating at the Airport*," "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Financial Condition of the Airlines; Industry Consolidation — Risk of Airline Bankruptcies," "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements" and "AIRLINE BANKRUPTCY MATTERS."

Southwest. Southwest had the third largest market share at the Airport in 2011 and the second largest market share for the first six months of 2012. Southwest commenced service at the Airport in January 2006 and since that time has experienced strong and continued growth in airline service at the Airport. Southwest initially served ten cities from the Airport, compared to the 50 cities to which it currently provides nonstop service from the Airport. It is estimated that in 2012, the Airport will be the 6th busiest airport in the Southwest system. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest is integrating AirTran Airways into the Southwest brand, and operates Southwest and AirTran Airways under a single FAA operating certificate.

Under a Use and Lease Agreement with the City, Southwest currently leases 17 gates at the Airport, however, a new Use and Lease Agreement has been forwarded to it and upon execution by Southwest and the City, it expects to lease 19 gates at the Airport. In addition, Southwest has accounted for the percentages set forth in the table below of passenger enplanements, originating passengers and connecting passengers at the Airport for the past five years and the first six months of 2011 and 2012, as well as airline rentals, fees and charges component of the Airport System's operating revenues and the Airport System's Gross Revenues for the years 2007 through 2011. See also "Aviation Activity" and "Originating and Connecting Passengers" in this section.

Southwest Percent of Airport Operations

	Fiscal Year					January-June	
	2007	2008	2009	2010	2011	2011	2012
Percent of Total Enplanements at the Airport	5.3%	9.3%	14.4%	18.2%	21.8%	20.7%	22.7%
Southwest Percent Originating Passengers	95.2	84.4	75.5	71.4	69.7	69.5	68.7
Southwest Percent Connecting Passengers	4.8	15.6	24.5	28.6	30.3	30.5	31.3
Percent of Airport Originating Passengers	8.8	14.0	20.0	23.9	26.8	26.3	29.1
Percent of Airport Connecting Passengers	0.6	3.3	7.7	11.3	14.3	13.9	15.9
Percent of Airline Rentals, Fees and Charges Component of Operating Revenues	4.1	6.9	10.0	12.2	14.1	Not Available	
Percent of Airport System Gross Revenues	2.1	3.5	5.3	6.3	7.1	Not Available	

Source: Department of Aviation management records.

The City makes no representations regarding the financial conditions of Southwest or AirTran Airways or their future plans generally or with regard to the Airport in particular.

See also "Aviation Activity — Originating and Connecting Passengers" in this section, as well as "RISKS AND OTHER INVESTMENT CONSIDERATIONS — Financial Condition of the Airlines; Industry Consolidation — Risk of Airline Bankruptcies" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES -- Passenger Airlines Use and Lease Agreements."

Other Airlines. Other than the United Group, the Frontier Group and Southwest, no single airline currently accounts for more than 5% of any of passenger enplanements at the Airport. In 2011, Delta, American and US Airways accounted for approximately 4.7%, 2.8% and 2.4% of passenger enplanements at the Airport, respectively, with all other airlines accounting for an aggregate of approximately 90.1% of passenger enplanements at the Airport. See "Aviation Activity — *Passenger Traffic*" in this section, as well as "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements."

Availability of Information Concerning Individual Airlines. Certain of the airlines or their parent corporations, including United Continental Holdings, Republic Holdings and Southwest, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements may be inspected in the Public Reference Room of the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, NW, Washington DC, 20549, and at the SEC's regional offices at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661-25 11 and 233 Broadway, New York, NY 10279. Copies of these reports and statements also may be obtained from the Public Reference Section of the SEC at 450 Fifth Street, NW, Washington, DC 20549, at prescribed rates. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (the "DOT"). These reports may be inspected at the following location: Department of Transportation, Research and Special Programs Administration, Office of Airlines Statistics at Room 4125, 400 7th Street, SW, Washington, DC 20590, and copies of the reports may be obtained from the DOT at prescribed rates.

None of the City, the Department or the Underwriters undertakes any responsibility for, and none of them makes any representations as to, the accuracy or completeness of the content of information available from the SEC or the DOT as discussed above, including, but not limited to, updates of such information or links to other Internet sites accessed through the SEC or the DOT websites.

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

AGREEMENTS FOR USE OF AIRPORT FACILITIES

The City has entered into numerous agreements in connection with the operation of the Airport. The Use and Lease Agreements with passenger airlines operating at the Airport and certain other such agreements are discussed below.

Passenger Airlines Use and Lease Agreements

Generally. The following airlines have executed Use and Lease Agreements with the City that include leased gates. In addition to the current 82 leased gates, eight gates, including common use international gates on Concourse A, are controlled by the Airport and used on a non-preferential use basis by various airlines.

Several of the Use and Lease Agreements, with the exception of the United Use and Lease Agreement, expired in December 2011, and such airlines are operating on a month-to-month holdover status. New five-year Use and Lease Agreements expiring in December 2016 have been finalized and are in the process of being executed, with substantially the same terms and conditions as the existing Use and Lease Agreements.

Passenger Airlines Use and Lease Agreements with Leased Gates

Airline	Number of Gates	Concourse	Lease Expiration
Alaska Airlines	1	A	December 2011[1]
American Airlines	3	A	December 2011[1]
Frontier[2]	18	A	December 2011[1]
	22		
United[3]	36	B	February 2025
US Airways	2	B	December 2011[1]
	38		
Delta[4]	5	C	December 2011[1]
Southwest[5]	17	C	December 2011[1]
	22		
Total leased gates	82		

1 Operating on a month-to-month holdover status, and upon execution of a new Use and Lease Agreement, the expiration date will be December 2016.

2 Under a new five-year Use and Lease Agreement being finalized by the Airport and Frontier, it is expected that Frontier will reduce the number of gates it leases under such agreement to 14. It is not clear at this time whether any airline will lease all or any of such four gates or whether the Airport will retain and not lease all or a portion of such gates since the Airport does not currently have any additional gate capacity.

3 Continental became a subsidiary of United Continental Holdings (formerly known as UAL Corporation) effective October 1, 2010. United Continental Holdings integrated the two airlines under the United brand to operate under a single FAA operating certificate as of November 30, 2011.

4 Delta and Northwest merged on October 29, 2008, with Northwest becoming a wholly owned subsidiary of Delta. Effective January 1, 2010, the two airlines operate under a single FAA operating certificate.

5 In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest is integrating AirTran Airways into the Southwest brand, and operates Southwest and AirTran Airways under a single FAA operating certificate effective as of March, 2012. Upon execution of a new Use and Lease Agreement, Southwest will lease an additional two gates on Concourse A, for a total of 19 gates. At such time, there will be a total of 24 leased gates on Concourse A and a total of 84 leased gates.

Source: Department of Aviation management records.

The following airlines have executed Use and Lease Agreements with the City that do not include leased or preferential gates but in some cases include other leased premises such as ticket counters and offices: AeroMéxico, Air Canada, AirTran, British Airways, ExpressJet, GoJet, Great Lakes Aviation, JetBlue, Icelandair, Lufthansa German Airlines, Mesa Airlines, Shuttle America and SkyWest. These airlines use gates pursuant to their affiliation with other airlines that lease gates at the Airport, use gates managed by the City or use common use international or commuter gates on Concourse A. These Use and Lease Agreements upon execution expire in December 2016. See "AVIATION ACTIVITY AND AIRLINES — Airlines Serving the Airport."

In the Use and Lease Agreements with each of the passenger airlines operating at the Airport, (1) each of such Signatory Airlines and the City agree to a compensatory methodology for establishing terminal rental rates and a cost center residual methodology for establishing landing fees, (2) each such Signatory Airline acknowledges that the rate base for rentals, fees and charges must generate Gross Revenues that, together with Other Available Funds (consisting of transfers from the Capital Fund), are sufficient to satisfy the Rate Maintenance Covenant, and agrees to pay such rentals, rates, fees and charges, (3) the City is permitted from time to time to amend the rate-making system with the written consent of a majority of the Signatory Airlines represented by (a) a numerical majority and (b) a majority in terms of rentals, rates, fees and charges paid in the preceding Fiscal Year and (4) the City is also permitted to adjust rates and charges at the beginning of each Fiscal Year and during each Fiscal Year after mid-year review and consultation with the Signatory Airlines. In all passenger airline Use and Lease Agreements executed since 2005, the provisions thereof dealing with utilization of preferential gates have been modified in order to provide for a more efficient utilization of these gates.

As described above, the City is permitted to adjust rates and charges at the beginning of and during each Fiscal Year. For adjustments at the beginning of each Fiscal Year, not later than 45 days prior to the end of each Fiscal Year, the City is required to furnish the Signatory Airlines with projections of the rentals, rates, fees and charges for the ensuing Fiscal Year for each cost center of the Airport and of each Signatory Airline's cost per enplaned passenger for the ensuing Fiscal Year. Not later than 30 days prior to the end of each Fiscal Year, the City and the Signatory Airlines are required to consult and review the projections of rentals, rates, fees and charges. For adjustments during a Fiscal Year, the City is required to furnish the Signatory Airlines in August of such Fiscal Year with a projection of rentals, rates, fees and charges, which is to reflect the most recently available information regarding current aircraft operations and enplaned passengers, as well as expenses actually incurred and revenues realized to date during such Fiscal Year. The City is also required to provide a pro forma projection of revenues and expenses for the current Fiscal Year and a projection of cost per enplaned revenue passenger for each such Signatory Airline. Within 15 days of providing such projections, the City is required to convene a meeting with the Signatory Airlines to review these projections and any adjustments to the monthly rentals, rates, fees and charges for the Fiscal Year.

The cost per enplaned passenger for all airlines at the Airport for each of the years 2007 through 2011 is set forth in the following table.

Cost per Enplaned Passenger

Year	Cost Per Enplaned Passenger	Percent Change
2007	$10.69	(5.5)%[1]
2008	10.95	2.4
2009	12.72	16.2
2010	11.77	(7.5)
2011	11.57	(1.7)

1 Compared to the Cost per enplaned passenger of $ 11.31 for 2006.
Sources: Department of Aviation management records.

For Fiscal Years through 2005, 75% of the Net Revenues remaining after payment of debt service and fund deposit requirements, with an annual maximum of $40 million, was required to be credited to the Airline Revenue Credit Account of the Capital Fund to be applied as a credit against Signatory Airline rentals, fees and charges in the following Fiscal Year, with the balance to be credited to the Capital Improvement Account of the Capital Fund to be used for any lawful Airport purpose. For Fiscal Years 2006 and thereafter, 50% of remaining Net Revenues are to be credited to the Airline Revenue Credit Account, subject to the annual maximum of $40 million. For each of the Fiscal Years 2003 through 2008 and 2010, the maximum of $40 million was credited to the Airline Revenue Credit Account. The airline revenue credit for Fiscal Year 2009, however, declined to $25.2 million.

The City may terminate an airline Use and Lease Agreement after a 30-day notice and cure period in the event that the airline either (1) fails to pay the rentals, rates, fees, charges or other money payments that it has agreed to pay pursuant to the Agreement, (2) uses its leased property at the Airport for any purpose not authorized by the Agreement, (3) sublets its leased property at the Airport other than as provided in the Agreement, (4) becomes subject to certain insolvency events or (5) fails to comply with certain federal regulations in connection with its leased property at the Airport.

An airline may terminate the Use and Lease Agreement after a 30-day notice and cure period, whether or not Senior Bonds or other obligations of the City or the Department are outstanding, in the event that: (1) its governmental authorization to operate aircraft in or out of the Airport is withdrawn, so long as (a) it did not request such withdrawal or (b) the City has been given the opportunity to appear before the appropriate governmental entity prior to such withdrawal or the airline has given the City reasonable advance notice of the possible occurrence of such withdrawal; (2) a court of competent jurisdiction issues an injunction against the City preventing the operation of the Airport and such injunction remains in effect for 90 days or more and is not stayed; or (3) the operation of the Airport is substantially restricted by reason of governmental action or casualty (not caused by the airline) and such restriction remains in effect for 90 days or more. Additionally, in the case of United, United may also terminate its Use and Lease Agreement if (1) the City fails to observe or perform any material covenant in the United Use and Lease Agreement or (2) United's cost per enplaned revenue passenger for any Fiscal Year exceeds an average of $20 (in 1990 dollars), or $31 (in 2011 dollars), which cost threshold has not been reached in the past and is not expected to be reached during the term of the United Use and Lease Agreement.

United Use and Lease Agreement. United leases gates under a Use and Lease Agreement originally entered into in December 1991 and having substantially the same terms as the other passenger airlines Use and Lease Agreements described in "*Generally*" above. Under the United Use and Lease Agreement, United agreed to lease, on a preferential use basis, Concourse B, and, on an exclusive use basis, certain ticket counters and other areas in the terminal complex of the Airport, all through February 2025. The United Use and Lease Agreement was amended in 1999 and 2001, prior to United's bankruptcy. In 2003, in connection with its bankruptcy proceedings, United assumed the United Use and Lease Agreement as so amended, and in connection with the assumption, certain changes were made to the United Use and Lease Agreement under a stipulated order (the "United Stipulated Order") of the bankruptcy court. After the assumption and in connection with United's emergence from bankruptcy generally, the United Use and Lease Agreement was further amended in 2005, 2006 and 2007. In December 2009, the United Use and Lease Agreement was again amended to temporarily reduce, for a period of six years ending December 31, 2015, the number of gates leased by United on Concourse B by five gates. In May 2012, the United Use and Lease Agreement was again amended to add back three gates used by Continental, which is now part of the United Group due to the United/Continental Merger. As a result, United currently leases 36 of the 38 full service jet gates and the 16-gate regional jet facility located on Concourse B. See also "AVIATION ACTIVITY AND AIRLINES — Airline Information — *The United Group*." In connection with the amendment of the United Use and Lease Agreement in December 2009, US Airways, belonging to the Star Alliance airline network (to which United belongs), relocated its operations from Concourse C to the other two full service jet gates on Concourse B. This consolidation on Concourse B, together with certain relocations of other airlines from Concourse C to Concourse A, made available gates on Concourse C to accommodate the increased service of Southwest at the Airport. The following description of the United Use and Lease Agreement includes all amendments thereof to date.

As a result of the United Stipulated Order and the 2005 and 2006 amendments to the United Use and Lease Agreement, the City agreed to reduce Airport rates and charges for all airlines on a net basis by $4 million annually in each of the years 2004 through 2010, and to further reduce airline rates and charges in the years 2006 through 2010 up to an aggregate amount of $50 million according to a sliding scale based on the net amount available for revenue sharing each year. The City met the $4 million per year cost reduction goals through 2010. The net amount available for revenue sharing in 2004 through 2008 and 2010 was in excess of $55 million in each year so it was not necessary to further reduce airline rates and charges. However, based on the net amount available for revenue sharing in 2009, the City was required to reduce airline rates and charges in 2009 by an additional amount of $2 million. The City met this obligation, utilizing the sources of funds identified in the Stipulated Order, by recalculating the year-end settlement of 2009 rates and charges and including the adjusted results as part of the 2010 year-end settlement. See also "FINANCIAL ANALYSIS — Framework for Airport System Financial Analysis — *Airport Use and Lease Agreements* — United's Airport Use and Lease Agreement" in the 2012 Report of the Airport Consultant.

United discontinued use of the automated baggage system at the Airport in September 2005 and reverted to the traditional tug and cart system and the City has taken steps to mitigate automated baggage system costs over time. In a 2005-2 Amendment to the United Use and Lease Agreement, the City agreed to a reduction in United's rates and charges associated with the automated baggage system of $4.9 million in 2006, $8.5 million in 2007 and $11.0 million annually in 2008 through 2025, the last year of the term of the United Use and Lease Agreement. This agreed reduction occurred only after the reduction in rates and charges to all airlines by $4 million per year from 2004 through 2010, as described above. In 2006 the City agreed to further mitigate United's baggage system charges by defeasing certain outstanding Airport System revenue bonds and reducing amortization charges allocated to the automated baggage system in stated amounts not to exceed $10 million per year, using available Capital Fund moneys and other legally available Airport funds. That defeasance has been completed, although the rates and charges cost reductions may cease or be reduced and subsequently reinstated under certain circumstances set forth in the United Use and Lease Agreement as so amended.

In May 2012, the City and United further amended the United Use and Lease Agreement to provide conditional rent relief related to the unused and nonoperational automated baggage system space. This 2012 Amendment became effective in July 2012 when the City completed certain conditions precedent, including (i) removing or reclassifying unused and nonoperational baggage system space from United's leasehold premises on Concourse B, (ii) using $92.5 million of Airport non-PFC discretionary funds to defease approximately $81.3 million in bonds associated with the released space, and (iii) using amounts equivalent to approximately 75% of the revenues from the $1.50 portion of the PFCs to pay existing PFC-approved debt service in the Terminal Complex. The effect of the 2012 Amendment will be to further reduce airline rates and charges for airlines leasing space in the Terminal Complex, including United Airlines, and will make the airport more cost competitive for existing and future airlines at the Airport.

Under the 2012 Amendment, United agreed that it would pay all or a portion of the $92.5 million in costs the City expended in defeasing the bonds associated with the released space if the number of Available Seat Miles ("ASMs") flown by United at the Airport falls below certain stated levels. United may also be required to repay all of the costs if one of the partial termination events under the 2012 Amendment occurs, including, among other things, United's ASM falls below a certain base level, traffic of the other two largest carriers (currently Frontier and Southwest) declines by more than 50%, or the City is unable to meet bond ordinance obligations. If United is obligated to repay all or a portion of the costs, such repayment would reimburse the Airport's Capital Fund and would not be part of Airport Gross Revenues. The City has verbally discussed the 2012 Amendment with the FAA and has provided detailed information to the FAA about the 2012 Amendment. As of the date of this Official Statement, the FAA has indicated that it will be completing its review soon.

In the 2005 amendment to the United Use and Lease Agreement, United also agreed that it would enplane revenue connecting passengers at the Airport in each year through the end of the term of the United Use and Lease Agreement in the following minimum amounts: 7.5 million for 2006, 7.6 million for 2007 and 7.7 million for 2008 and subsequent years (the "Base Hub Commitment"). If United fails to meet the Base Hub Commitment in any calendar year, United will not be in default under the United Use and Agreement Lease Agreement; however, for each connecting revenue enplaned passenger by which United falls below the Base Hub Commitment for that year, the City's commitment to reduce rates and charges to United will decline by $6.00, such amount to be set-off against United's share of the Net Revenues credit described above. The United Group has not met its Base Hub Commitment since 2008, reporting 7.3 million revenue connecting passengers in 2008, 7.2 million revenue connecting passengers in 2009, 7.3 million revenue connecting passengers in 2010, and 6.6 million revenue connecting passengers in 2011. As a result of United's failure to meet its Base Hub Commitment in 2008 through 2011, the City off-set United's share of the Net Revenues credit for these years by an amount equal to $6.00 multiplied by the shortfall in connecting revenue enplaned passengers in the applicable year. The City expects that United will not meet its Base Hub Commitment under the 2005 Amendment in 2012.

Cargo Operations Leases

The City has executed Use and Lease Agreements with the following all-cargo airlines, which also constitute Signatory Airlines: ABX Air, Alpine Air Express, Ameriflight, Capital Cargo, DHL Express (USA), Federal Express Corporation, Key Lime Air Corporation and United Parcel Service, as well as with Air General and Swissport Cargo Services, which have only cargo handling facilities. The City also has executed a ground lease with the U.S. Postal Service for its sorting and distribution facilities at the Airport. See also "AVIATION ACTIVITY AND AIRLINES — Airlines Serving the Airport" above.

There are currently at least two other airports in the Denver metropolitan area that are physically capable of handling the same types of aircraft utilized by carriers that conduct cargo operations at the Airport. To the extent that any such carriers elect to discontinue operations at the Airport in favor of an alternative local site, Net Revenues would not be materially adversely affected. The Airport receives revenue from cargo carriers only from landing fees and space rentals, which historically have constituted less than 2% of Gross Revenues.

Other Building and Ground Leases

The City has entered into a Use and Lease Agreement with Continental with respect to certain support facilities originally built for Continental's then-planned hubbing operation at the Airport (portions of which are being subleased by Continental to other users) and special facilities leases and ground lease agreements with United and each of the rental car companies currently operating at the Airport with respect to their respective facilities at the Airport. In addition, in 1995 the City leased a 12.4-acre site for 30 years to Signature Flight Support (formerly AMR Combs), which has financed and constructed general aviation facilities on the site. See also "DENVER INTERNATIONAL AIRPORT — Other Facilities," "FINANCIAL INFORMATION — Senior Bonds — Special Facilities Bonds" and "AIRLINE BANKRUPTCY MATTERS — Assumption or Rejection of Agreements."

Effect of Bankruptcy on Airline Agreements and Other Obligations

For a discussion of the effect of airline bankruptcies on agreements with, and certain other financial obligations to, the City in connection with the Airport, see "AIRLINE BANKRUPTCY MATTERS."

Systems Leases

Certain systems at the Airport, including fueling, are being operated by the airlines. The City has leased the hydrant fueling system to certain of the airlines and cargo carriers, who have contracted with Aircraft Service International, Inc. to operate that system.

Other Agreements

The City has also entered into various agreements in addition to those described above that generate a significant portion of Gross Revenues. The following is a brief description of some of these additional agreements. The revenues received from the following agreements constitute only a portion of the concession income, parking income and rental car revenue set forth in "FINANCIAL INFORMATION — Historical Financial Operations."

Terminal Complex Concessions. Concessions and passenger services are provided in the terminal complex by concessionaires and nonairline tenants under agreements with the City that provide for the payment to the City of the greater of a minimum annual guarantee, that was set by the City to recover the cost of the space occupied by nonairline tenants, or a percentage of gross revenues. The concession agreements also contain a reestablishment clause allowing the City to adjust rents within certain parameters if necessary to satisfy the Rate Maintenance Covenant. Revenues from terminal complex concessions constituted approximately 7.2% and 7.9% of Airport operating revenues in 2010 and 2011, respectively, and 6.5% and 6.8% of Gross Revenues in 2010 and 2011, respectively.

Unlike the concession programs at most other U.S. airports, the Airport does not have one or two "master concessionaires" under contract who, in turn, sublease the concessions to others. The Airport's program since its opening in 1995 has emphasized direct contracting with individual concessionaires, providing opportunities for small businesses, greater competition, more choices for consumers and more revenue to the Airport.

Public Parking. Public automobile parking at the Airport is accommodated in parking structures, economy lots adjacent to the terminal, a remote shuttle parking lot and an overflow shuttle lot. The City has agreements with private contractors to manage these public parking facilities at the Airport, and also a concession agreement with a company operating a private parking lot on Airport property with approximately 1,500 spaces. Public parking revenues constituted approximately 21.0% and 22.0% of Airport operating revenues in 2010 and 2011, respectively, and 18.5% and 18.9% of Gross Revenues in 2010 and 2011, respectively. Effective June 2011, the Airport increased maximum daily parking rates in an effort to optimize revenue from public parking facilities at the Airport.

Rental Cars. The City has concession agreements with ten rental car companies to provide service at the Airport. Under the concession agreements which expire on January 1, 2014, each company pays to the City the greater of a minimum annual guarantee or a percentage of annual gross revenues. Rental car privilege fee revenues constituted approximately 7.4% and 7.7% of Airport operating revenues in 2010 and 2011, respectively, and 6.6% and 6.6% of Gross Revenues in 2010 and 2011, respectively.

Other. Other nonairline revenues include employee parking fees and storage area, building and terminal space (such as customer service counters) rentals by nonairline tenants at the Airport.

FINANCIAL INFORMATION

Historical Financial Operations

The following table sets forth comparative operating results of the Airport System for Fiscal Years 2007 through 2011 and the first six months of 2011 and 2012. See also "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010," "APPENDIX G — UNAUDITED FINANCIAL STATEMENTS OF THE AIRPORT SYSTEM FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011" and "Management's Discussion and Analysis of Financial Performance" below.

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City and County of Denver Airport System
Statement of Revenues, Expenses and Changes in Net Assets
(Amounts expressed in 000's. Totals may not add due to rounding.)

	Fiscal Year Ended December 31[1]					Six Months Ended June 30 (Unaudited)	
	2007	2008	Restated 2009[2]	2010	2011	2011	2012
Operating Revenues:							
Facility Rentals	$205,638	$198,138	$226,839	$231,603	$212,408	$115,336	$115,933
Concession income	40,599	42,297	41,085	43,398	47,499	22,283	24,324
Parking income	116,326	119,283	114,862	123,673	132,728	62,842	68,079
Car rentals	44,998	45,618	42,989	44,181	46,353	20,931	21,488
Landing fees	87,282	94,479	110,084	120,054	116,506	57,319	61,410
Aviation fuel tax	23,385	27,012	16,849	23,681	28,892	14,423	14,699
Other sales and charges	11,922	13,931	11,782	14,813	18,383	8,703	8,317
Total operating revenues	530,151	540,760	564,490	601,402	602,769	301,837	314,250
Operating Expenses:							
Personnel services	104,321	114,288	116,540	112,230	115,648	52,718	55,133
Contractual services	153,488	166,299	166,469	172,492	174,203	78,576	81,533
Repair and maintenance projects	11,555	67,737	69,975	105,943	79,951	28,976	20,205
Maintenance, supplies and materials	21,408	25,506	26,533	19,200	23,059	9,901	9,532
Total operating expenses before depreciation, amortization and asset impairment	290,773	373,829	379,517	409,865	392,862	170,171	166,403
Operating income before depreciation, amortization and asset impairment	239,378	166,931	184,973	191,537	209,908	131,666	147,847
Depreciation and amortization	159,309	168,026	177,583	181,496	179,070	88,781	88,017
Operating income	80,069	(1,095)	7,390	10,041	30,838	42,885	59,830
Nonoperating revenues (expenses)							
Passenger facility charges[3]	97,191	96,786	96,865	102,595	103,210	54,679	55,464
Investment income	82,249	87,483	74,291	47,752	32,490	25,892	13,275
Interest expense	(220,064)	(238,643)	(227,122)	(225,054)	(209,599)	(106,743)	(97,797)
Grants	324	703	(829)	401	401	--	
Other revenue (expense)[4]	(8,827)	8,683	(2,953)	(13,488)	(1,989)	(5,241)	(4,886)
Net nonoperating revenues (expenses)	(49,127)	(44,987)	(59,749)	(87,795)	(75,489)	(31,413)	(33,944)
Change in net assets before capital contributions	30,942	(46,083)	(52,359)	(77,754)	(44,651)	11,472	25,886
Capital grants[5]	1,894	13,993	36,964	25,690	34,702	15,758	635
Capital contributions	532	400	1,656	4,510	--	--	--
Change in net assets	$33,368	$(31,690)	$(13,738)	$(47,544)	$(9,949)	$27,230	$26,521

1 See "Management's Discussion and Analysis of Financial Performance" below.

2 The figures for 2009 include prior period adjustments that are reflected in the 2010 financial statements. These adjustments were made in connection with the Airport System's decision to adopt Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"). See Note 22 to the financial statements of the Airport System for Fiscal Year 2010 appended to this Official Statement for additional information concerning these adjustments for 2009.

3 These amounts constitute the revenues derived from the entire $4.50 PFC net of the PFC collection fee retained by the airlines. During this period all PFC revenue has been allocated to the payment of debt service related to the automated baggage system and the original cost of the Airport. See "Passenger Facility Charges" below.

4 Includes expenses incurred since February 1995 to maintain and preserve Stapleton. See "Stapleton" below for further information.

5 These amounts constitute amounts received from FAA grants.

Sources: Audited financial statements of the Airport System for Fiscal Years 2007-2011, and Department of Aviation for unaudited figures for the six months ended June 30, 2011 and 2012.

Management's Discussion and Analysis of Financial Performance

The following is a discussion and analysis by Airport management of the financial performance of the Airport System for Fiscal Years 2007 through 2011 and the six months ended June 30, 2012 and 2011. The effects of the restatement of the 2009 financial statements are included in the discussion. All figures presented below are approximate unless otherwise stated.

Six Months Ended June 30, 2012 vs. Six Months Ended June 30, 2011. Operating revenues at the Airport were $314.3 million for the six month period ending June 30, 2012, an increase of $12.4 million (4.1%) as compared to the six months ended June 30, 2011. This increase in operating revenues was primarily due to the increase of $7.8 million (7.4%) in concession, parking and car rental revenues as compared to the six months ended June 30, 2011, resulting from the 1.6% increase in origination and destination passenger traffic and a 5.7% increase in per passenger spend rate for the six months ended June 30, 2012. Revenues increased as a result of increased aviation fuel tax, from facilities rentals, and from landing fees due to an increase in landed weight, while revenues from other sales decreased due to a decrease in oil and gas royalties.

Operating expenses, exclusive of depreciation and amortization, were $166.4 million for the six month period ending June 30, 2012, a decrease of $3.8 million (2.2%) as compared to the six months ended June 30, 2011. This decrease was attributable to a decrease in costs relating to commercial and chemical solvents, fuels, overtime pay for snow removal personnel, repair and maintenance of elevator and major repair and maintenance of construction projects, and was offset by an increase in personnel costs for services from other city agencies, professional services contracts and janitorial services.

Nonoperating expenses, net of nonoperating revenues, increased by $2.5 million (8.1%) to $33.9 million in the first six months of 2012 as compared to nonoperating expenses, net of nonoperating revenues, of $31.4 million for the six month period ending June 30, 2011. The increase in net nonoperating expenses was largely the result of a decrease in investment income of $12.6 million (47.7%) due to a decrease in investment yields and an unrealized loss on investments of $5.1 million. This increase was offset by an unrealized gain on investments due to the decrease in fair value of derivative instruments, and a decrease of $8.9 million in interest expense, a decrease of $0.3 million in other expenses, and an increase of PFC revenues of $0.8 million.

Capital grants and contributions totaled $0.6 million for the first six months ending June 30, 2012, compared to $15.8 million for the first six months ending June 30, 2011.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for the first six months of 2012 compared to the same period in 2011 is included as part of the financial statements of the Airport System appearing as "APPENDIX G — UNAUDITED FINANCIAL STATEMENTS OF THE AIRPORT SYSTEM FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011."

2011 vs. 2010. Operating revenues at the Airport increased by $1.4 million or 0.2%, from $601.4 million in 2010 to $602.8 million in 2011, primarily due to increases in aviation fuel tax, other sales and charges, nonairline revenue, concessions, parking and car rental. Landing fees decreased by $3.5 million, or 3%, and facility rentals decreased by $19.2 million, or 8.3%. Operating expenses, exclusive of depreciation and amortization, were $392.9 million for 2011, a decrease of $17.0 million (4.1%) as compared to 2010. The decrease was attributable to decreases in snow removal and architectural and engineering costs associated with the South Terminal Renovation Project which are not being capitalized, offset by an increase in personnel costs, construction services, and professional services contracts.

Nonoperating expenses, net of nonoperating revenues, decreased by $12.3 million to $75.5 million in 2011, due to decreases in interest expense and other expenses and an increase in Passenger Facility Charges, offset by a decrease in investment income of $15.3 million.

In 2011 and 2010, capital grants totaled $34.7 million and $25.7 million respectively. The increase was due to an increase in reimbursements in 2011 for FAA grants.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for 2011 compared to 2010 is included as part of the financial statements of the Airport System appearing as "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010."

2010 vs. 2009. Operating revenues at the Airport were $601.4 million for the year ended December 31, 2010, an increase of $36.9 million (6.5%), as compared to December 31, 2009. This increase in revenues was primarily related to the increase in passenger traffic of 3.6% which contributed to the increase .in concession, parking and car rental revenues. Revenues from facility rentals, landing fees and aviation fuel tax also increased.

Operating expenses, exclusive of depreciation and amortization, were $409.9 million for the year ended December 31, 2010, an increase of $30.3 million (8.0%) as compared to December 31, 2009. This increase was attributable to increases in expenses relating to electricity, repair and maintenance of the baggage system, nonstructural improvements and roads, and repair and maintenance in connection with construction projects associated with flight information display systems, the removal of the baggage system, repairs to the central plant and to roadways and surfaces (including aprons and ramps), airfield lighting, Concourse A gate expansion, remodeling projects, the Airport's South Terminal Redevelopment Program and parking garage stair replacements.

Nonoperating expenses, net of nonoperating revenues, increased by $28.0 million to $87.8 million in 2010 as compared to net nonoperating expenses of $59.8 million in 2009. The increase in net nonoperating expenses was largely the result of a decrease in investment income of $26.5 million, net of a receipt of $11.1 million for the termination of certain interest rate swap agreements referred to as the "2007A Swap Agreements" and further described in Note 12 to the financial statements of the Airport System for Fiscal Year 2010 appended to this Official Statement. There was also an increase of $5.7 million (5.9%) in PFC revenues and an increase in expenses relating to the remediation of certain environmental conditions at Stapleton.

In 2010 and 2009, capital grants totaled $25.7 million and $37.0 million, respectively. The decrease was due to the decrease in reimbursements in FAA grants and a decrease in receipts by the Airport of grant allocations arising under the ARRA as discussed in "Federal Grants and Other Funding — *American Recovery and Reinvestment Act of 2009*" below.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for 2010 compared to 2009 is included as part of the financial statements of the Airport System appearing as "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010.

2009 vs. 2008. Operating revenues at the Airport were $564.5 million for the year ended December 31, 2009, an increase of $23.7 million (4.4%), as compared to December 31, 2008. This increase in revenues was primarily related to the increase in facility rentals and landing fees (due mainly to an increase in landing fee rates), which was offset by a decrease in passenger traffic that, in turn, led to a decrease in concession, parking, aviation fuel tax and car rental revenues. Passenger traffic decreased 2.0% for the year ended December 31, 2009.

Operating expenses, exclusive of depreciation and amortization, were $379.5 million for the year ended December 31, 2009, an increase of $5.7 million (1.5%) as compared to December 31, 2008. This increase was attributable to increases in personnel costs, repair and maintenance projects related to United's relinquishment of gates on Concourse B, maintenance, supplies and materials (particularly commercial chemicals and solvents) and contractual services.

Nonoperating expenses, net of nonoperating revenues, increased by $14.8 million to $59.8 million in 2009 as compared to net nonoperating expenses of $45.0 million in 2008. The increase in net nonoperating expenses was largely the result of a decrease in investment income of $13.2 million due to a decrease in yields and an unrealized loss on investments of $23.9 million, offset by an increase in the fair value of derivative instruments. Other expense (net) also increased by $11.6 million (134.2%) due to an increase in expenses related to the remediation of certain environmental conditions at Stapleton and the reversal of K-9 grant moneys that were not received by the Airport. Interest expense also declined in 2009, and there was a small increase in PFC revenues.

In 2009 and 2008, capital grants totaled $37.0 million and $14.0 million, respectively. The increase was due to the increase in reimbursements in FAA grants and receipt by the Airport of grant allocations in connection with the American Recovery and Reinvestment Act of 2009 ("ARRA") as discussed in "Federal Grants and Other Funding — *American Recovery, and Reinvestment Act of 2009*" below.

A more detailed discussion and analysis by Airport management of the financial performance and activity of the Airport System for 2009 compared to 2008 is included as part of the financial statements of the Airport System appearing as "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010.

Senior Bonds

Outstanding Senior Bonds. The following table sets forth the Senior Bonds that are currently outstanding and the Senior Bonds that are expected to be outstanding upon the issuance of the Series 2012A-C Bonds and the refunding and defeasance of the Refunded Bonds. See also "Plan of Financing" below.

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Outstanding Senior Bonds

Issue	Prior to Issuance of the Series 2012A-C Bonds	After Issuance of the Series 2012A-C Bonds
Series 1991D Bonds [1]	$ 40,005,000	$ 40,005,000
Series 1992C Bonds [1]	40,080,000	40,080,000
Series 1992F Bonds [2]	22,200,000	22,200,000
Series 1992G Bonds [2]	18,400,000	18,400,000
Series 1995C Bonds	3,770,000	3,770,000
Series 1997E Bonds	36,450,000	36,450,000
Series 1998A Bonds [3]	104,050,000	—
Series 1998B Bonds [3]	103,395,000	—
Series 2001A Bonds	39,400,000	39,400,000
Series 2002C Bonds [2,5]	33,900,000	33,900,000
Series 2002E Bonds [3]	76,025,000	—
Series 2003A Bonds [3]	161,965,000	—
Series 2003B Bonds [3]	91,460,000	—
Series 2005A Bonds	219,670,000	219,670,000
Series 2006A Bonds [5]	268,360,000	268,360,000
Series 2006B Bonds	65,690,000	65,690,000
Series 2007A Bonds	188,350,000	188,350,000
Series 2007B Bonds	24,250,000	24,250,000
Series 2007C Bonds	34,635,000	34,635,000
Series 2007D Bonds	147,815,000	147,815,000
Series 2007D2 Bonds	29,200,000	29,200,000
Series 2007E Bonds	47,400,000	47,400,000
Subseries 2007F1 Bonds [2,5,6]	51,650,000	51,650,000
Subseries 2007F2 Bonds [2,5,6]	51,425,000	51,425,000
Subseries 2007F3 Bonds [2,5,6]	51,425,000	51,425,000
Subseries 2007F4 Bonds [2,5,6]	51,525,000	51,525,000
Subseries 2007G1 Bonds [2,5]	73,500,000	73,500,000
Subseries 2007G2 Bonds [2,5]	73,500,000	73,500,000
Subseries 2008A1 Bonds	138,765,000	138,765,000
Series 2008B Bonds [2,4,5]	75,100,000	75,100,000
Subseries 2008C1 Bonds [2,4,5]	92,600,000	92,600,000
Subseries 2008C2 Bonds [2,4,5]	100,000,000	100,000,000
Subseries 2008C3 Bonds [2,4,5]	100,000,000	100,000,000
Series 2009A Bonds	170,190,000	170,190,000
Series 2009B Bonds	65,290,000	65,290,000
Series 2009C Bonds [2,5]	104,655,000	104,655,000
Series 2010A Bonds	171,360,000	171,360,000
Series 2011A Bonds	349,730,000	349,730,000
Series 2011B Bonds	198,370,000	198,370,000
Series 2011C Bonds	15,310,000	15,310,000
Series 2012A Bonds	--	
Series 2012B Bonds	--	
Series 2012C Bonds	--	
	$3,730,865,000	$

1 In 1999, the City used the proceeds from certain federal grants to establish an escrow to defease $54.88 million of Series 1991D Bonds and Series 1992C Bonds. Annually since 2006, the City has used Airport Net Revenues and revenues from PFCs to establish an escrow to defease or call Senior Bonds related to the discontinued automated baggage system. None of the defeasances satisfied all of the requirements of the Senior Bond Ordinance, and consequently such economically defeased Senior Bonds are reflected as still being outstanding. See also Note 8 to the financial statements of the Airport for Fiscal Year 2011 appended to this Official Statement.

2 These Senior Bonds constitute variable interest rate obligations that are either secured by letters of credit or insurance or standby bond purchase agreements constituting Credit Facilities under the Senior Bond Ordinance or currently constitute credit facility bonds owned by certain banks as described in footnote 4 below. The City's repayment obligations to the financial institutions issuing such Credit Facilities constitute Credit Facility Obligations under the Senior Bond Ordinance.

3 Together with other available Airport System moneys, a portion of the outstanding Series 1998A, 1998B, 2002E, 2003A, and 2003B Bonds may be refunded with the proceeds of the Series 2012A-C Bonds. See "APPLICATION OF PROCEEDS" above and "Plan of Financing" below.

4 These credit facility Senior Bonds bear interest at a fixed spread to one-month LIBOR for initial three or five year terms pursuant to private placement transactions with certain banks.

5 A portion of these Senior Bonds are associated with certain swap agreements discussed below and in Note 12 to the financial statements of the Airport System for Fiscal Year 2011 appended to this Official Statement, effectively converting the floating rates of the variable rate bonds to fixed rates and converting the fixed rates of the fixed rate bonds to variable rates.

6 The Subseries 2007F1 Bonds, the Subseries 2007F2 Bonds, the Subseries 2007F3 Bonds and the Subseries 2007F4 Bonds currently are in an auction rate mode.

Sources: The Department of Aviation and Jefferies & Company, Inc.

All or certain of the maturities of certain series of the Senior Bonds have been additionally secured by policies of municipal bond insurance. The related bond insurers have been granted certain rights under the Senior Bond Ordinance with respect to the Senior Bonds so insured.

Support facilities located at the Airport that were originally built to support Continental's then-planned hub at the Airport (specifically an aircraft maintenance facility, a flight kitchen, a ground support equipment facility and an air freight facility) were financed in part from a portion of the proceeds of the Series 1992C Bonds. In 1992, Continental and the City entered into several 25-year leases pursuant to which Continental agreed to be responsible for all costs attributable to its support facilities at the Airport, including an amount equal to the debt service on the Senior Bonds issued for such purpose. Continental (now a subsidiary of United) subleases portions of these support facilities to a variety of other users. See also "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Other Building and Ground Leases."

Estimated Senior Bonds Debt Service Requirements. The following table sets forth the City's estimated aggregate debt service payment schedules for the Senior Bonds both prior to and after the issuance of the Series 2012A-C Bonds and the refunding and defeasance of the Refunded Bonds. The schedules do not include the costs associated with related credit facility obligations, and assume that the City will elect to exercise its option to redeem certain Senior Bonds prior to their stated maturities.

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Estimated Senior Bonds Debt Service Requirements[1,2,3]
(Totals may not add due to rounding)

Issue	Prior to Issuance of the Series 2012A-C Bonds[4]	After Issuance of the Series 2012A-C Bonds
11/15/2012	$ 330,360,142	$
11/15/2013	342,063,712	
11/15/2014	342,217,972	
11/15/2015	342,236,414	
11/15/2016	346,322,460	
11/15/2017	339,490,226	
11/15/2018	335,691,792	
11/15/2019	346,751,980	
11/15/2020	346,509,035	
11/15/2021	338,465,806	
11/15/2022	348,517,682	
11/15/2023	345,534,864	
11/15/2024	355,367,262	
11/15/2025	372,325,961	
11/15/2026	103,147,969	
11/15/2027	101,531,357	
11/15/2028	102,361,207	
11/15/2029	103,105,057	
11/15/2030	102,583,963	
11/15/2031	103,187,026	
11/15/2032	103,095,951	
11/15/2033	64,374,413	
11/15/2034	22,843,151	
11/15/2035	22,842,126	
11/15/2036	22,856,476	
11/15/2037	22,853,808	
11/15/2038	22,857,393	
11/15/2039	22,857,727	
11/15/2040		
11/15/2041		
11/15/2042		
11/15/2043		
	$5,752,352,929	$

1 Includes the Debt Service Requirements for the economically defeased Senior Bonds. See "*Outstanding Senior Bonds*" above.

2 The interest rate for variable rate bonds is assumed to be 4.100% for non-AMT bonds, 4.250% for AMT bonds or a fixed spread to one-month LIBOR (one-month LIBOR assumed to be 5.467%).

3 Interest on the Senior Bonds associated with fixed rate swap agreements is calculated at the fixed rate on such swap agreements. See "Subordinate Bonds and Other Subordinate Obligations — *Subordinate Hedge Facility Obligations*" below.

4 Senior Bonds Debt Service Requirements have not been reduced to reflect the proposed refunding of the Refunded Bonds by the Series 2012A-C Bonds.

Source: Jefferies & Company, Inc.

Subordinate Bonds and Other Subordinate Obligations

Subordinate Bond Ordinance. Subordinate Bonds, Subordinate Contract Obligations, Subordinate Credit Facility Obligations and Subordinate Hedge Facility Obligations are secured by a pledge of the Net Revenues that is subordinate to the pledge of the Net Revenues that secures the Senior Bonds. Subordinate obligations are issued pursuant to the Airport System Subordinate Bond Ordinance approved by the City Council in 1997, as supplemented and amended by a separate Airport System Supplemental Subordinate Bond Ordinance for each series of such subordinate obligations (collectively, the "Subordinate Bond Ordinance").

Subordinate Bonds include all obligations issued and outstanding from time to time under the Subordinate Bond Ordinance except for Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations.

Subordinate Credit Facility Obligations generally comprise repayment or other obligations incurred by the City pursuant to a credit agreement or similar instrument in respect of draws or other payments or disbursements made under a Subordinate Credit Facility, and which obligations are payable from all or any designated portion of the Net Revenues on a basis that is subordinate only to the Senior Bonds and any Credit Facility Obligations and on a parity with Subordinate Bonds.

Subordinate Contract Obligations and Subordinate Hedge Facility Obligations generally are comprised of contracts, agreements or obligations payable from all or a designated portion of the Net Revenues on a basis subordinate to the Senior Bonds and any Credit Facility Obligations and on a parity with Subordinate Bonds, but do not include Subordinate Bonds, Subordinate Credit Facility Obligations, obligations that may be treated as Operation and Maintenance Expenses under U.S. generally accepted accounting principles and obligations incurred and payable in full within a single Fiscal Year (whether or not such obligations may be treated as Operation and Maintenance Expenses).

The Subordinate Bond Ordinance permits the City, on its own behalf or for and on behalf of the Department, to issue additional Subordinate Bonds and Subordinate Contract Obligations for the purpose of paying the cost of acquiring, improving or equipping Facilities or refunding, paying and discharging any Subordinate Bonds, Subordinate Contract Obligations, Subordinate Credit Facility Obligations, Senior Bonds or other securities or obligations. Under the terms of the Subordinate Bond Ordinance, the City, on its own behalf or for and on behalf of the Department, may issue up to \$800 million aggregate principal amount of Subordinate Bonds and Subordinate Contract Obligations upon the Manager's certificate that the City is not in default in making any payments required under the Senior Bond Ordinance or the Subordinate Bond Ordinance. In order to issue additional Subordinate Bonds and Subordinate Contract Obligations in excess of \$800 million (other than for a refunding), the City must comply with certain conditions as set forth in the Subordinate Bond Ordinance. The City expects to issue, depending upon market conditions, Subordinate Bonds pursuant to a supplemental Subordinate Bond Ordinance later in 2012 or early 2013 to provide funds to pay for, among other things, a portion of the costs of certain projects which are a part of the 2013-2018 Capital Program. See the subsection entitled "Plan of Financing" below in this section.

The Subordinate Bond Ordinance also permits the City, on its own behalf or for and on behalf of the Department, to issue bonds, notes, certificates, commercial paper or other securities, contracts or obligations relating to the Airport System, payable from Net Revenues, and having a lien thereon subordinate and junior to the lien thereon of the Subordinate Bonds and other subordinate obligations ("Junior Lien Obligations").

Outstanding Subordinate Bonds and Junior Lien Obligations. No Subordinate Bonds or Junior Lien Obligations are currently outstanding.

Subordinate Commercial Paper Notes. On July 7, 2003, the City authorized the issuance, from time to time, of its Airport System Subordinate Commercial Paper Notes, Series A (Tax-Exempt) and its Airport System Subordinate Commercial Paper Notes, Series B (Taxable) (collectively, the "Series A-B Subordinate Commercial Paper Notes"), constituting Subordinate Bonds, for the purpose of funding the costs of acquiring, improving and equipping facilities for the Airport, refunding or paying certain Airport System obligations and any such other lawful undertakings as may be determined by the Manager of Aviation to be of benefit to the Airport System. The aggregate principal amount of Series A-B Subordinate Commercial Paper Notes that may be outstanding at any time may not exceed the lesser of

$300 million or the amount that, together with the interest (including accreted amounts) due thereon to the stated maturity date of each such outstanding Series A-B Subordinate Commercial Paper Note, exceeds the amount available to be drawn on the credit facility securing the Series A-B Subordinate Commercial Paper Notes. The current credit facility securing the Series A-B Subordinate Commercial Paper Notes is an irrevocable direct-pay letter of credit issued by Barclays Bank PLC in a stated amount that may secure up to an aggregate of $128 million in principal amount of Series A-B Subordinate Commercial Paper Notes. There are currently $56 million in principal amount of the Series A Commercial Paper Notes outstanding that are to be refunded with proceeds of the Series 2012A-C Bonds. There are currently no Series B Subordinate Commercial Paper Notes outstanding.

Subordinate Hedge Facility Obligations. Since 1998, the City has entered into various interest rate swap agreements constituting Subordinate Hedge Facility Obligations under the Senior Bond Ordinance and the Subordinate Bond Ordinance in respect of certain series of the outstanding Senior Bonds. Detailed information regarding the swap agreements is set forth in Note 12 (Swap Agreements) to the financial statements of the Airport System for Fiscal Year 2011 appended to this Official Statement.

See also "Master Derivatives Policy" below and "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010."

Special Facilities Bonds

The City has issued various series of Special Facilities Bonds to finance the acquisition and construction of certain facilities at the Airport. These bonds are payable solely from designated payments received under lease agreements and loan agreements for the related Airport special facilities and are not payable from Gross Revenues.

United financed and subsequently refinanced its support facilities at the Airport (aircraft and ground support equipment, maintenance and air freight facilities and a flight kitchen that is subleased to Dobbs International Services) largely through the issuance by the City, for and on behalf of the Department, of its Special Facilities Bonds. In connection with the issuance of the original United Special Facilities Bonds in 1992 (the "1992 Special Facilities Bonds"), United executed a 31-year combined special facilities and ground lease (the "1992 Lease") for all of the support facilities and certain tenant finishes and systems on Concourse B, the lease payments under which constituted the sole source of payment for the 1992 Special Facilities Bonds. In June 2007, the 1992 Bonds were refunded and defeased with the proceeds of $270,025,000 Airport Special Facilities Bonds (United Air Lines Project), Series 2007A (the "2007 Special Facilities Bonds") issued by the City, for and on behalf of the Department. In connection with the issuance of the 2007 Special Facilities Bonds, the 1992 Lease was amended (the "Amended Lease"). The Amended Lease terminates on October 1, 2023, unless extended as set forth in the Amended Lease or unless terminated earlier upon the occurrence of certain events as set forth in the Amended Lease and the lease payments under the Amended Lease constitute the sole source of payment for the 2007 Special Facilities Bonds.

See "DENVER INTERNATIONAL AIRPORT — Other Facilities" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Other Building and Ground Leases."

Certain rental car companies currently and previously operating at the Airport financed or refinanced separate outlying service and storage facilities at the Airport, as well as certain terminal area improvements and improvements at the Airport relating to the operations of such rental car companies and other providers of ground transportation services at the Airport, and two of such companies also financed the acquisition of shuttle vehicles to be owned and used by such companies, through the issuance by the City, for and on behalf of the Department, of its $36,535,000 Airport Special Facilities

Revenue Bonds (Rental Car Projects), Tax-Exempt Series 1999A and $38,945,000 Airport Special Facilities Revenue Refunding and Improvement Bonds (Rental Car Projects), Taxable Series 1999B currently outstanding in the aggregate principal amount of $21,840,000. In 1999, each of such rental car companies executed a 15-year Special Facilities and Ground Lease with the City with respect to the use and occupancy of its respective facilities at the Airport.

Installment Purchase Agreements

The City has entered into certain Installment Purchase Agreements with GE Capital Public Finance, Inc., Siemens Financial Services, Inc., Koch Financial Corporation, Sovereign Leasing, LLC and Chase Equipment Leasing Inc. in order to provide for the financing of certain portions of the Airport's capital program, including, among other things, the acquisition of various runway maintenance, snow removal and emergency vehicles and equipment, additional jetways and flight information display systems, ticket counter improvements in the landside terminal and the funding of the portion of the costs of modifications to the baggage system facilities at the Airport that enabled the TSA to install and operate its own explosives detection systems for the screening of checked baggage "in-line" with the existing baggage systems facilities. The aggregate outstanding principal amount of the Installment Purchase Agreements as of June 30, 2012, was $36,780,456.

The obligation of the City under each Installment Purchase Agreement to make payments thereunder is a special obligation of the City payable solely from the Capital Fund and such other legally available funds as the City may apply, but none of these Installment Purchase Agreements constitutes a pledge of the Capital Fund or any other revenues of the Airport System.

Plan of Financing

Jefferies & Company, Inc. as the Financial Consultant, has prepared the Plan of Financing in anticipation of the issuance of the Series 2012A-C Bonds. The Plan of Financing assumes the issuance of the Series 2012A-C Bonds for the purposes of financing a portion of the costs of the 2013-2018 Capital Program, paying the Series A Commercial Paper Notes in full in the approximate amount of $56 million, reimbursing the Airport for moneys it used to pay for certain costs with respect to the 2013-2018 Capital Program, and refunding and defeasing selected Senior Bonds for interest rate savings. The Plan of Financing also assumes the issuance by the City, for and on behalf of the Department, of additional Senior Bonds, Subordinate Bonds and commercial paper notes in 2012 through 2018 for the purpose of refunding and defeasing additional outstanding Senior Bonds and funding certain projects in the 2013-2018 Capital Program.

The issuance of such Senior Bonds and Subordinate Bonds as assumed in the Plan of Financing will depend upon various factors, including market conditions, the continued need for or priority of particular projects in the 2013-2018 Capital Program, the eventual scope and timing of particular planned projects and the financial feasibility of issuing additional Senior Bonds or Subordinate Bonds. Consequently, there can be no assurance that any of the additional Senior Bonds or Subordinate Bonds assumed in the Plan of Financing will be issued. For a more detailed description of the various sources of funds the City expects to use for the 2013-2018 Capital Program, see "FINANCIAL ANALYSIS — PLAN OF FINANCING" in the Report of the Airport Consultant, attached hereto as APPENDIX A.

See also "INTRODUCTION — The Series 2012A-C Bonds — *Purpose*," "CAPITAL PROGRAM" and "Senior Bonds — Subordinate Bonds and Other Subordinate Obligations — *Subordinate Commercial Paper Notes*" above.

Capital Fund

Moneys in the Capital Fund may be used to pay: the costs of acquiring, improving or equipping any Airport Facilities, to the extent such costs are not Operation and Maintenance Expenses; the costs of extraordinary and major repairs, renewals, replacements or maintenance items relating to any Airport Facilities of a type not properly defrayed as Operation and Maintenance Expenses; and the Bond Requirements of any Senior Bonds (or payments due for Subordinate Bonds) if such payment is necessary to prevent any default in such payment. The amount on deposit in the Capital Fund as of June 30, 2012, was approximately \$364.4 million. Such amount has been designated for use by the City as follows: (1) \$67.1 million for the Coverage Account (constituting Other Available Funds); (2) \$15.2 million to cover existing obligations and contingencies; and (3) \$282.1 million for any lawful Airport System purpose. See also "SECURITY AND SOURCES OF PAYMENT — Flow of Funds; Revenue Fund; and Capital Fund" and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — Application of Revenues — Insurance — Disposal of Airport Property."

Rentals, Fees and Charges for the Airport

Using compensatory and residual rate-making methodologies in its existing Use and Lease Agreements, the City has established rentals, fees and charges for premises and operations at the Airport. These include landing fees, terminal complex rentals, baggage system fees, concourse ramp fees, AGTS charges, international facility fees and fueling system charges, among others. The City also collects substantial revenues from other sources such as public parking, rental car operations and retail concession operations. For those airlines that are not signatories to Airport Use and Lease Agreements, the City assesses rentals, fees and charges following procedures consistent with those outlined in the Use and Lease Agreements, at a premium of 20% over Signatory Airline rates. In addition, nonsignatory airlines do not share in the year-end airline revenue credit. See generally "AGREEMENTS FOR USE OF AIRPORT FACILITIES."

The City believes that its rate-making methodologies, including its allocation of costs for purposes of setting rates and charges, are reasonable. However, no assurance can be given that challenges will not be made to the rates and charges established by the City or its method of allocating particular costs. See "SECURITY AND SOURCES OF PAYMENT — Rate Maintenance Covenant" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements."

Passenger Facility Charges

General. Public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) are permitted to charge each enplaning revenue passenger using the airport a passenger facility charge for the purpose of developing additional capital funding resources for the expansion of the national airport system. The proceeds from PFCs must be used to finance eligible airport-related projects that serve or enhance the safety, capacity or security of the national airport transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers, including associated debt service. Public agencies desiring to impose and use PFCs are required to apply to the FAA for such authority and satisfy the requirements of 49 U.S.C. § 40117 (the "PFC Enabling Act"). Applications by certain public agencies, including the Department, after October 1, 2000, also require an acceptable airport competition plan.

The City first began imposing a PFC on enplaned revenue passengers on July 1, 1992, at the rate of \$3.00, which was increased to \$4.50 effective April 1, 2001. The PFC is collected by air carriers as part of the price of a ticket and then remitted to the City. The air carriers are permitted by the PFC Enabling Act to retain a portion of each PFC collected as compensation for collecting and handling PFCs. Effective May 1, 2004, the collection fee was increased from $0.08 of each PFC collected and remitted to $0.11 of each PFC collected. PFC revenues received by the Airport are net of this collection fee. See also "AIRLINE BANKRUPTCY MATTERS — PFCs" for a discussion of the impact upon PFC collections in the event of an airline bankruptcy.

The amount of PFC revenues received each Fiscal Year is determined by the PFC rate and the number of qualifying passenger enplanements and level of passengers at the Airport. PFC revenue for the years 2007 through 2011 and the first six months of 2011 and 2012 are set forth in the following table. See also "APPENDIX B — GLOSSARY OF TERMS" and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE."

PFC Revenues

Year	PFC Revenues (thousands)[1]	Percent Change
2007	$97,191	3.9%[2]
2008	96,786	(0.4)
2009	96,865	0.1
2010	102,595	5.9
2011	103,210	0.6
Jan.-Jun.		
2011	$54,679	--
2012	55,464	1.4%

1 These amounts constitute the revenues derived from the entire $4.50 PFC net of the collection fee retained by the airlines.

2 Compared to the PFC revenue of $93,510,000 for 2006.

Sources: Audited financial statements of the Airport System for Fiscal Years 2006-2011, and Department of Aviation for unaudited figures for the six months ended June 30, 2011 and 2012.

The City's authorization to impose the PFC will expire upon the earlier of January 1, 2030, or the collection of approximately $3.3 billion of PFC revenues, net of collection fees. Through December 31, 2011, the City had collected approximately $1.3 billion in PFC revenues, constituting approximately 40% of the total authorized amount. In addition, the City's authority to impose the PFC may be terminated: (1) by the FAA, subject to certain procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Enabling Act or the related FAA regulations, or (b) the City otherwise violates the PFC Enabling Act or FAA regulations; or (2) if the City violates certain provisions of the Airport Noise and Capacity Act of 1990 and its related regulations, subject to certain procedural safeguards. The City has covenanted that as long as the imposition and use of the PFC is necessary to operate the Airport System in accordance with the requirements of the Senior Bond Ordinance, the City will use its best efforts to continue to impose the PFC and to use PFC revenues at the Airport and to comply with all valid and applicable federal laws and regulations pertaining thereto necessary to maintain the PFC. However, no assurance can be given that the City's authority to impose the PFC will not be terminated by Congress or the FAA or that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the City. In the event the FAA or Congress reduced or terminated the City's ability to collect PFCs, the City would likely need to increase airline rates and charges to pay debt service on the Senior Bonds and the Subordinate Bonds and to comply with both the Rate Maintenance Covenant and a similar covenant made in connection with the

Subordinate Bonds. See also "Federal Grants and Other Funding" below for a discussion of pending legislation affecting the maximum permissible PFC.

Irrevocable Commitment of Certain PFCs to Debt Service Requirements. The definition of Gross Revenues in the Senior Bond Ordinance does not include PFC revenues unless, and then only to the extent, included as Gross Revenues by the terms of a Supplemental Ordinance. Prior to the adoption of the Series 2009A-B Supplemental Ordinance, no Supplemental Ordinance had included PFC revenues in the definition of Gross Revenues. Under the Series 2009A-B Supplemental Ordinance, the City included the Additional $1.50 PFC in Gross Revenues in each of the Fiscal Years 2009 through 2013, inclusive, and under the 2012A-B Supplemental Ordinance, the City has further included the Additional $1.50 PFC in Gross Revenues in each of the Fiscal Years 2014-2018, as further described below under "*Designated Passenger Facility Charges*." The definition of Debt Service Requirements in the Senior Bond Ordinance provides that, in any computation required by the Rate Maintenance Covenant and for the issuance of Additional Parity Bonds, there is to be excluded from Debt Service Requirements amounts irrevocably committed to make such payments. Such irrevocable commitments may be provided from any available Airport System moneys, including PFC revenues. See "SECURITY AND SOURCES OF PAYMENT — Rate Maintenance Covenant Additional Parity Bonds" and "APPENDIX B — GLOSSARY OF TERMS."

Under the Senior Bond Ordinance, in order to administer PFC revenues, the City created within the Airport System Fund the PFC Fund, consisting of the PFC Debt Service Account and the PFC Project Account, and defined "Committed Passenger Facility Charges" to mean generally two-thirds of the PFC received by the City from time to time (currently the revenues derived by the City from the $3.00 PFC). Pursuant to the PFC Supplemental Ordinances, the City has agreed to deposit all PFC revenues upon receipt in the following order of priority:

(1) to the PFC Debt Service Account in each Fiscal Year through 2018, inclusive, the lesser of (a) all Committed Passenger Facility Charges received in each such Fiscal Year, and (b) the portion of Committed Passenger Facility Charges received in each such Fiscal Year that, together with other available amounts credited to the PFC Debt Service Account, will be sufficient to make the payments from the PFC Debt Service Account to the Bond Fund required in each such Fiscal Year, as set forth in the PFC Supplemental Ordinances (the "Maximum Committed Amounts"); and

(2) to the PFC Project Account all PFCs received in each Fiscal Year that are not otherwise required to be applied as described in clause (1).

The City has also irrevocably committed amounts on deposit in the PFC Debt Service Account, up to the Maximum Committed Amounts, to the payment of the Debt Service Requirements on Senior Bonds through Fiscal Year 2018. The Maximum Committed Amounts or any lesser amount of Committed Passenger Facility Charges and other credited amounts that may be deposited to the PFC Debt Service Account are to be transferred to the Bond Fund and used to pay Debt Service Requirements on Senior Bonds in each Fiscal Year through 2018. The Committed Passenger Facility Charges expected to be deposited by the City in the PFC Debt Service Account are less than the Maximum Committed Amounts in each of Fiscal Years 2012 through 2018. See "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE — PFC Fund" for the Maximum Committed Amounts that have been irrevocably committed to the payment of the Debt Service Requirements of the Senior Bonds through Fiscal Year 2018.

The irrevocable commitment of the Committed Passenger Facility Charges up to the Maximum Committed Amounts in the PFC Debt Service Account applies only with respect to the current $4.50 PFC and not with respect to any PFC that might be imposed as a result of future PFC approvals by the FAA, and is only for the payment of Debt Service Requirements on Senior Bonds through Fiscal Year 2018.

All PFCs deposited to the PFC Project Account may be used for any lawful PFC eligible Airport System purpose as directed by the Manager, including Debt Service Requirements on Senior Bonds. See also "Designated Passenger Facility Charges" below.

Designated Passenger Facility Charges. Under the Series 2009A-B Supplemental Ordinance and the 2012A-B Supplemental Ordinance, the City has included the Additional $1.50 PFC in Gross Revenues of the Airport System for purposes of the General Bond Ordinance in each of the Fiscal Years 2009 through 2018, inclusive, and the amounts resulting from the collection of the Additional $1.50 PFC are to continue to be included in Gross Revenues in each Fiscal Year thereafter until such time as the Manager gives written notice to the Treasurer that such Designated Passenger Facility Charges are no longer to be included in Gross Revenues for purposes of the General Bond Ordinance. While the Designated Passenger Facility Charges are included in Gross Revenues for purposes of the General Bond Ordinance, all such Designated Passenger Facility Charges, upon their receipt from time to time, to the extent not otherwise required to be applied under the General Bond Ordinance, are to be applied as follows: (1) first, in such amounts as the Manager determines, to pay Debt Service Requirements for Outstanding Bonds; (2) second, all Designated Passenger Facility Charges not applied as described in (1) are to be irrevocably deposited in one or more Escrow Accounts established by the Manager to provide for the timely payment of Debt Service Requirements on such Outstanding Bonds as identified in such Escrow Accounts; and (3) third, all Designated Passenger Facility Charges not applied as described in (1) or (2) are to be expended for PFC eligible projects. All amounts credited to such Escrow Accounts will be irrevocably committed to pay Debt Service Requirements on such identified Bonds and would be excluded from the computation of Debt Service Requirements relating to the issuance of Additional Bonds under the General Bond Ordinance or any computation required by the Rate Maintenance Covenant under the General Bond Ordinance. In the Series 2009A-B Supplemental Ordinance and the 2012A-B Supplemental Ordinance, Designated Passenger Facility Charges is defined to include the Additional $1.50 PFC and such additional charges as provided for in any written notice from the Manager to the Treasurer. See "SECURITY AND SOURCES OF PAYMENT — Rate Maintenance Covenant" below and "APPENDIX B — GLOSSARY OF TERMS."

Aviation Fuel Tax

An amount equal to 65% of any sales and use taxes imposed and collected by the State on aviation fuel sold for use at the Airport by turbo propeller or jet engine aircraft and credited to the State aviation fund is distributed to the City on a monthly basis and may be used by the City exclusively for "aviation purposes" as defined in the statute, excluding subsidization of airlines except for the promotion and marketing of air service at airport facilities. Such receipts are treated by the City as Gross Revenues. State aviation fuel tax receipts remitted to the Airport were approximately $21.4 million and $10.8 million in 2011 and in the first six months of 2012, respectively.

The City also imposes a separate aviation fuel tax, which is not subject to the State allocation requirements but is treated as Gross Revenues under the Senior Bond Ordinance. City tax receipts allocated to the Airport Revenue Fund, were approximately $7.5 million and $3.9 million in 2011 and in the first six months of 2012, respectively.

Federal Grants and other Funding

Proceeds from federal grants are not included in the definition of Gross Revenues under the Senior Bond Ordinance and therefore are not pledged to the payment of Senior Bonds or Subordinate Bonds.

Airport Improvement Program. One source of federal grants benefiting the Airport is the Airport Improvement Program (the "AIP") established pursuant to the Airport and Airway Improvement Act of 1982 (Public Law 97-248). The AIP is administered by the FAA and is funded from the Airport and Airway Trust Fund. The AIP provides funds to finance capital improvements to commercial, cargo and general aviation airports. AIP grant moneys include entitlement funds that are appropriated annually based on enplaned passengers as well as discretionary funds that are available at the discretion of the FAA.

Congressional authorization of the AIP and the continued funding of the Airport and Airway Trust Fund officially expired on September 30, 2007. Except for several short-term extensions to the AIP, legislation to reauthorize and fund the AIP beyond such date was not enacted until the Modernization and Reform Act of 2012 (the "2012 Reauthorization Act") was signed into law by President Obama on February 14, 2012. The 2012 Reauthorization Act provides for general FAA funding authorization through fiscal year 2015, and revises requirements for the AIP. The 2012 Reauthorization Act funds the AIP in an amount of $4.35 billion in each of fiscal years 2012 through 2015. The 2012 Reauthorization Act also retains the $4.50 PFC rate and does not provide for any increases in such rate. See "Passenger Facility Charges" above.

American Recovery and Reinvestment Act of 2009. The Airport has also received grant allocations through the American Recovery and Reinvestment Act of 2009. ARRA provided for grants in an approximate amount of $1.3 billion for projects and programs administered by the FAA. Grant moneys provided by ARRA are distributed to eligible government agencies by the U.S. Department of Transportation and may fund supplemental projects that qualify for AIP funds but that are not considered planned expenditures from airport-generated revenues or from other state and local sources. The Airport has received an aggregate of approximately $11.5 million in grants under ARRA to be used for capital improvement projects at the Airport, including the rehabilitation of a runway and airport ramps. Rehabilitation of the runway was completed in late 2009.

Stapleton

When the Airport opened in February 1995, the City ceased aviation operations at Stapleton and proceeded to dispose of Stapleton's approximately 4,051 acres. A plan for the redevelopment of the Stapleton site as a mixed-use community containing residential areas, commercial centers and open space and parks was approved by the City Council in March 1995 (the "Redevelopment Plan"). In 1998 the City entered into a Master Lease and Disposition Agreement with the Stapleton Development Corporation ("SDC"), a Colorado nonprofit corporation created by the City and the Denver Urban Renewal Authority, under which the SDC manages, operates and disposes of the Stapleton site in accordance with the Redevelopment Plan.

Prior to February 2000, the City sold approximately 500 acres of the Stapleton site to various private parties. In February 2000, SDC entered into the Stapleton Purchase Agreement with Forest City Enterprises, Inc. under which Forest City agreed to (1) purchase the remaining developable Stapleton property over a 15-year period commencing with the first purchase which occurred in May 2001 at land values set forth in a December 1999 appraisal (approximately $123.4 million), (2) pay certain development fees and (3) develop the property according to the principles set forth in the Redevelopment

Plan. The SDC has sold a total of approximately 1,809 acres of Stapleton property for a total of approximately $56.1 million, and there are approximately 200 acres of pending sales in the amount of approximately $7.2 million. An additional area of open space of approximately 650 acres has been dedicated for parks and other public use space. The proceeds from the sales, net of closing costs, have been deposited to the Capital Fund. See "SECURITY AND SOURCES OF PAYMENT — Capital Fund" and "Capital Fund" above in this section.

The City allocated approximately $120 million for certain Stapleton environmental remediation pursuant to an agreement among the City and nine of the air carriers that formerly operated at Stapleton (the "Stapleton Airlines Agreement"), and purchased an environmental liability insurance policy to cover cost overruns and unknown events. Pursuant to the Stapleton Airlines Agreement, three of the signatory air carriers that formerly operated at Stapleton paid an aggregate of $15 million to the City to perform certain environmental remediation that was related to or caused by their past operations at Stapleton. The cost of certain other environmental remediation at Stapleton that was not attributable to the past operations of any specific airlines is to be funded from rate-based charges to the airlines operating at the Airport and from Stapleton Gross Proceeds (as defined in the Stapleton Airlines Agreement) in a maximum amount of $85 million. This amount has been funded as follows: $13.1 million in Airport Net Revenues previously withheld from the 1996 year-end revenue credit; $30 million from Airport System revenue bonds; and $41.9 million advanced from the Capital Fund. The debt service on these bonds is being paid by the City from airline rates and charges collected from the airlines through 2025. The Capital Fund advance has been repaid from Stapleton Gross Proceeds. Under certain circumstances the City may perform remediation that is beyond the level otherwise required by the Stapleton Airlines Agreement, and the City is permitted to pay up to an additional $20 million for such additional remediation from the City's share of Airport Net Revenues. The City has paid $20 million for such additional remediation, and does not expect to incur additional costs for environmental remediation at Stapleton that will not be reimbursed under the environmental liability insurance policy discussed above. All of the signatory air carriers were released from any further liability to the City for any obligations relating to or arising out of environmental remediation at Stapleton or disposing of the Stapleton site.

Noise Agreement with Adams County

The City and Adams County, Colorado, the county from which land for the Airport was annexed, entered into an Intergovernmental Agreement on a New Airport, dated April 21, 1988 (the "Intergovernmental Agreement"), that, among other things, establishes maximum levels of noise at 101 grid points in the vicinity of the Airport that may not be exceeded on an average annual basis. The Intergovernmental Agreement also establishes a noise contour for the Airport beyond which the City agrees to keep aircraft noise below certain levels.

Calculated noise levels that exceed the standards set forth in the Intergovernmental Agreement by more than two decibels in a year are potential Class II violations of the Intergovernmental Agreement that permit Adams County to send a notice of violation to the City. Upon receipt by the City of such notice, the City and Adams County may jointly petition the FAA to implement changes in flight procedures or Airport operations to bring the noise levels within the standards of the Intergovernmental Agreement. If the FAA fails to act, the City is obligated to impose rules and regulations to meet the noise standards. As defined in the Intergovernmental Agreement, a failure to act by the FAA occurs if (1) the FAA has not stated its intention to implement changes to achieve and maintain the noise levels required by the Intergovernmental Agreement within 180 days of the date of the joint petition by the City and Adams County, or (2) the FAA has not implemented such changes within one year of the date of the joint petition, thereby curing the Class II violation. If the City does not act within 90 days following the FAA' s failure to act to impose rules and regulations to achieve the noise standards, Adams County or any affected city may seek a court order compelling the City to do so. If the court does not order the City to act, or finds that the City does not have the authority to act, then the City is obligated to pay to Adams County $500,000 for each annual Class II violation that occurs at any grid point or for each instance in which the noise contour restriction is exceeded.

Annual noise reports for the period commencing with the opening of the Airport in February 1995 through December 31, 2011, have been prepared by the City in accordance with the Intergovernmental Agreement. After a judgment was rendered against the City in favor of Adams County and the Cities of Aurora, Brighton, Commerce City and Thornton for eight noise violations that occurred in 1995 and that judgment, together with interest, was paid by the City, the City settled with, and paid to, Adams County, and certain other cities, their claims for Class II violations, if any, occurring in the years 1996 through 2006.

The annual noise report for the calendar year ending December 31, 2007 reported only one potential Class II violation (maximum potential liability of $500,000 per year), no potential Class II violations for 2008 and 2009 and no noise contour violations in any of those years. Since the one potential Class II violation in 2007 was cured in 2008, there was no liability for any Class II violations in 2007, 2008 or 2009. The noise report for the calendar year 2010 reported only one potential Class II violation; however, the City believes that potential violation, though still reported in the noise report for the year 2011, was cured by successfully petitioning the FAA to implement changes in flight procedures during 2011. The noise report for the calendar year 2011 reported that same potential violation, which as stated above the City believes has been cured. There were no contour violations in 2010 or 2011.

The noise report for the second quarter of 2012 indicates two other potential Class II violations occurring in the first six months of 2012. The City believes it likely that at least one of these two other potential violations may still be a potential Class II violation at the end of 2012, resulting in potential liability of $500,000 for the 2012 year if it cannot be cured. In the City's judgment, it is likely that noise levels at a limited number of grid points may in future years exceed the levels established under the Intergovernmental Agreement.

Investment Policy

The Senior Bond Ordinance permits the City to invest Airport System funds in "Investment Securities" as defined therein. See "APPENDIX B — GLOSSARY OF TERMS."

In addition to the Senior Bond Ordinance, provisions of the City Charter regulate the investment of Airport System funds. In accordance with the City Charter, the Chief Financial Officer is responsible for the management of the investment of City funds, including Airport System funds. The Chief Financial Officer is authorized to invest in the following securities: obligations of the United States Government; obligations of United States Government agencies and United States Government sponsored corporations; prime bankers' acceptances; prime commercial paper; certificates of deposit issued by banks and savings and loan institutions; repurchase agreements; security lending agreements; highly rated municipal securities; money market funds that purchase only the types of securities specified in this paragraph; and other similar securities as may be authorized by ordinance. An ordinance authorizing investment of City funds in forward purchase agreements, debt service reserve fund put agreements and debt obligations of the Resolution Funding Corporation has been approved by the City. The City is not authorized to leverage its securities for investment purposes.

Consistent with the City Charter, the City has adopted a written investment policy which, among other things, mandates diversification by specifying maximum limits for each eligible security type as well as further restrictions, such as the credit quality of commercial paper and the amount of securities of any single issuer that may be held. Investment maturities are generally matched to anticipated cash flow requirements and each month securities held by the City are valued by the City on the basis of fair market value.

Master Derivatives Policy

The City's Master Derivatives Policy provides guidelines concerning the use by the City's Department of Finance of swaps, caps, floors, collars, options on swaps ("swaptions") and other derivative financial products, including Subordinate Hedge Facility Obligations. Such derivative financial products are collectively referred to herein as "Swaps." See also "FINANCIAL INFORMATION — Subordinate Bonds and Other Subordinate Obligations — *Subordinate Hedge Facility Obligations*."

In accordance with the Master Derivatives Policy, the Treasurer is to develop the terms and provisions of each Swap with the input and advice of the City's financial advisors or swap advisors. Proposed Swaps must be approved by the City Council through the adoption of a swap ordinance (a "Swap Ordinance"). The Swap Ordinance establishes the authorized parameters for notional amount, maturity, source of payment and other requirements relating to a Swap.

The Master Derivatives Policy does not restrict the City in the use of Swaps but provides that the City is to consider certain strategies in applying Swaps, including the following strategies: managing the City's exposure to floating and fixed interest rates through interest rate swaps, caps, floors, collars and other swaptions products; hedging floating rate risk with caps, collars, basis swaps and other instruments; locking in fixed rates in current markets for use at a later date through the use of forward swaps, swaptions, rate locks, options and forward delivery products; reducing the cost of fixed or floating rate debt through swaps and related products to create "synthetic" fixed or floating rate debt; more rapidly accessing the capital markets than may be possible with conventional debt instruments; managing the City's exposure to the risk of changes in the legal and regulatory treatment of tax-exempt debt; and other applications to enable the City to lower costs or strengthen the City's balance sheet.

The Master Derivatives Policy requires the City to make its best efforts to work with qualified swap counterparties that have a general credit rating of at least "Aa3" or "AA-" by two of the nationally recognized rating agencies or are a triple-A rated derivative products subsidiary as rated by at least two nationally recognized credit rating agencies, but not a terminating structure (continuation structures may be approved). For lower rated counterparties, the City is to require credit enhancement consistent with the Master Derivatives Policy. In cases where the counterparty' s obligations are rated based on a guarantee or specialized structure to achieve the required credit rating, the City is to thoroughly investigate the nature and legal structure of the guarantee or structure in order to determine that it fully meets the City's requirements.

Property and Casualty Insurance

The City maintains property insurance for most of the City's real and personal property located at the Airport except for any real and personal property for which the City contracts with its lessees to provide such insurance. For the first time as of September of 2010, the Airport and the City share a property insurance policy with a total loss limit of $1.5 billion, subject to a $250,000 per occurrence deductible. This is based on a reported value of approximately $5.3 billion for the Airport. Valuation of Airport real and personal property is based upon replacement cost, subject to the total loss limit and various sublimits. Airport motor vehicles and mobile equipment assets are insured under the same property insurance policy at reported values of approximately $135 million (which is included in the $5.3 billion total). Terrorism and non-certified acts of terrorism are included under the Airport's property insurance at a sublimit of $1 billion. As an additional cost savings initiative, Airport management has determined that it is not cost effective to maintain property insurance on the Airport's runways and roadways, which are valued at approximately $1.7 billion.

The City maintains liability insurance to cover liabilities arising out of Airport operations. A $300 million per occurrence liability limit is currently provided with various aviation specific sublimits. In addition, an Excess Airport Owners and Operators Liability policy provides a limit of $200 million per occurrence in excess of the $300 million primary layer. War risk and terrorism is included in this coverage with a $150 million limit.

Continued Qualification as an Enterprise

Pursuant to the City Charter, the City by ordinance has designated the Department as an "enterprise" within the meaning of Article X, Section 20 of the State constitution, the effect of which is to exempt the Department from the restrictions and limitations otherwise applicable to the City under such constitutional provision. "Enterprises" are defined as government-owned businesses authorized to issue their own revenue bonds and receiving under 10% of their annual revenues in grants from all State and local governments combined. The constitutional provision contemplates that qualification as an "enterprise" is to be determined on an annual basis, and while the City regards the possibility to be remote that the Department might be disqualified as an "enterprise," such disqualification would have the effect, during such period of disqualification only, of requiring inclusion of the Airport System in the City's overall spending and revenue base and limitations, and of requiring voter approval for various actions, including, with certain exceptions, the issuance of additional bonds payable from the Net Revenues. One of such exceptions is the ability to refund bonds at a lower interest rate.

AIRLINE BANKRUPTCY MATTERS

Since 2001, several airlines with operations at the Airport, including, among others, United, Frontier, Lynx and American have filed for bankruptcy protection. However, with a few exceptions, all of these airlines have reorganized and emerged from bankruptcy protection. The exceptions include Midway Airlines and Vanguard Airlines, which eventually ceased operations; Mesa Air Group, Inc. and its Mesa Airlines subsidiary, which filed for bankruptcy protection in January 2010 and emerged from bankruptcy protection in March 2011, is continuing operations but currently is not serving the Airport; Mexicana Airlines, which initiated insolvency proceedings under the laws of Mexico in August 2010 and has suspended operations; and Lynx which ended operations in early 2012 after Frontier terminated its flights. American Airlines and certain of its affiliates filed for bankruptcy protection in November 2011 and are continuing operations. American is expected to sign a new Use and Lease Agreement at the Airport as part of its plan of reorganization due by the end of 2012; however, an agreement with American has not been finalized and no assurances can be given with regard to American's future level of activity at the Airport. Furthermore, additional bankruptcies, liquidations or major restructurings of airlines with operations at the Airport could occur in the future; however, the City cannot predict the extent to which any such events would impact the ability of the Airport to pay the outstanding Senior Bonds, including the Series 2012A-C Bonds. See also "AVIATION ACTIVITY AND AIRLINES — Airline Information," "RISKS AND OTHER INVESTMENT CONSIDERATIONS" and "AGREEMENTS FOR USE OF AIRPORT FACILITIES — Passenger Airlines Use and Lease Agreements." The following is a discussion of various impacts to the Airport of an airline bankruptcy.

Assumption or Rejection of Agreements

In the event an airline that has executed a Use and Lease Agreement or other agreement with the City seeks protection under U.S. bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the City within certain timeframes provided in the bankruptcy laws. In the event of assumption, the airline is required to cure any prior monetary defaults and provide adequate assurance of future performance under the applicable Use and Lease Agreement or other agreements. Generally, a debtor airline has 120 days to make the decision to assume or reject its agreements but may request an extension of up to an additional 90 days. A debtor may not extend the time to make a decision beyond 210 days from the petition.

Rejection of a Use and Lease Agreement or other agreement or executory contract will give rise to an unsecured claim of the City for damages. The amount of such damages in the case of a Use and Lease Agreement or other agreement is limited by the Bankruptcy Code. Certain amounts unpaid as a result of a rejection of a Use and Lease Agreement or other agreement in connection with an airline in bankruptcy, such as airfield costs and costs associated with the baggage claim area and the AGTS, would be passed on to the remaining airlines under their respective Use and Lease Agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs. In addition, adjustments could be made to terminal and concourse rents of nonairline tenants, although there can be no assurance that such other tenants would be financially able to absorb the increases.

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

Prepetition Obligations

During the pendency of a bankruptcy proceeding, absent a court order, a debtor airline may not make any payments to the City on account of goods and services provided prior to the bankruptcy. Thus, the City's stream of payments from a debtor airline would be interrupted to the extent of prepetition goods and services, including accrued rent and landing fees. If the use and lease agreement of an airline in bankruptcy is rejected, the airline (or a successor trustee) may seek to avoid and recover as preferential transfers certain payments, including landing fees and terminal rentals, paid by such airline in the 90 days prior to the date of the bankruptcy filing.

PFCs

Pursuant to the PFC Enabling Act, the FAA has approved the City's applications to require the airlines to collect and remit to the City a $4.50 PFC on each enplaning revenue passenger at the Airport as further discussed in "FINANCIAL INFORMATION — Passenger Facility Charges."

The PFC Enabling Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (*i.e.*, the City) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. However, the airlines are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted. In the event of a bankruptcy, the PFC Enabling Act, as amended in December 2003, provides certain statutory protections for the City of PFC collections. However, it is unclear whether the City would be able to recover the full amount of PFC trust funds collected or accrued with respect to an airline in the event of a liquidation or cessation of business. The City also cannot predict whether an airline operating at the Airport that files for bankruptcy would have properly accounted for PFCs owed to the City or whether the bankruptcy estate would have sufficient moneys to pay the City in full for PFCs owed by such airline.

REPORT OF THE AIRPORT CONSULTANT

LeighFisher, as the Airport Consultant, prepared the Report of the Airport Consultant, dated __________, 2012, which is included herein as "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT." As stated earlier, WJ Advisors LLC is a sub-consultant to LeighFisher and prepared portions of the Report. The Report of the Airport Consultant was undertaken to estimate the ability of the Airport System to generate sufficient Net Revenues and Other Available Funds to meet the requirements of the Rate Maintenance Covenant of the Senior Bond Ordinance in each year of the forecast period encompassing Fiscal Years 2012-2020. The Report of the Airport Consultant includes certain airline traffic and financial forecasts for the forecast period, together with the assumptions upon which the forecasts are based, and also incorporates certain elements of the Plan of Financing. Also presented in the Report of the Airport Consultant is a sensitivity analysis of (i) the Airport's forecast enplaned passengers and financial results based on a hypothetical set of assumptions, inlcuding a reduction in forecast passenger levels which could occur under conditions of slow economic growth, restricted seat capacity, higher airfares resulting from a spike in oil prices, an unexpected geopolitical event and reduced overall airline service, and (ii) the financial performance of the Airport Hotel assuming zero net operating income during each year of the forecast period presented in the Report.

The financial forecasts in the Report of the Airport Consultant are based on certain information and assumptions that were provided by, or reviewed and agreed to by, Department management, and in the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts. The Report of the Airport Consultant should be read in its entirety for a description of and an understanding of the forecasts and the underlying assumptions contained therein.

The forecasts of airline traffic at the Airport were developed taking into account analyses of the economic basis for airline traffic, historical airline traffic and the key factors that may affect future airline traffic as discussed in the Report of the Airport Consultant. Generally, it was assumed that, in the long term, changes in airline traffic at the Airport will occur largely as a function of growth in the population and economy of the Airport service region and changes in airline service. It was also assumed that continued development of airline service at the Airport will not be constrained by the availability of aviation fuel, long-term limitations in airline fleet capacity, limitations in the capacity of the air traffic control system or the Airport or government policies or actions that restrict growth. The Airport Consultant also considered recent and potential developments in the national economy and in the air transportation industry and their affect on air traffic at the Airport. The near term and longer term underlying assumptions made in the Report of the Airport Consultant are set forth in "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – AIRLINE TRAFFIC ANALYSIS – Airline Traffic Forecasts – Assumptions Underlying the Forecasts."

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

The forecasts of Net Revenues and Debt Service Requirements presented in the Report of the Airport Consultant include the estimated Debt Service Requirements with respect to the Series 2012A-C Bonds, Future 2012 Bonds (as defined in the Report) and other additional Airport System revenue bonds and commercial paper notes that may be issued during the forecast period to fund planned projects in the Airport's 2013-2018 Capital Program. The financial forecasts do not include any debt service savings from the issuance of any Airport System revenue bonds to refund outstanding Airport System revenue bonds in 2012. Based on the Plan of Financing, the Report of the Airport Consultant assumes all additional Airport System revenue bonds will be Senior Bonds or Subordinate Bonds or a combination of the foregoing. See "SECURITY AND SOURCES OF PAYMENT – Additional Parity Bonds." The Report of the Airport Consultant assumes that the Future 2012 Bonds will be Subordinate Bonds and together with additional Senior Bonds and available Airport System moneys and federal grants, will fund the other projects in the 2013-2018 Capital Program. However, a number of factors will affect whether the City issues such Future 2012 Bonds or any future Airport System revenue bonds as Senior Bonds or Subordinate Bonds, and no assurance can be given regarding the actual type or amount of such future bonds that eventually may be issued. The financial forecasts also reflect that the Airport Hotel will be operational and begin to generate revenues beginning in the first full fiscal year (2016), based upon a forecast of conservative revenues, expenses and deposits to reserve accounts provided to the Airport Consultant by PKF. In addition, the estimated Debt Service Requirements for the Airport are net of certain PFC revenues that are forecasted to be received during the forecast period as described herein. See "CAPITAL PROGRAM," "FINANCIAL INFORMATION – Plan of Financing – Passenger Facility Charges" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – FINANCIAL ANALYSIS."

The following table summarizes the forecasts of Net Revenues, Other Available Funds and Debt Service Requirements on Senior Bonds as presented in the Report of the Airport Consultant. Net Revenues, together with Other Available Funds, are forecast to be sufficient to meet the Rate Maintenance Covenant in each year of the forecast period. For a more detailed discussion of the forecasts of Net Revenues, Other Available Funds and Debt Service Requirements on Senior Bonds, as well as historical debt service coverage figures, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT." See also "SECURITY AND SOURCES OF PAYMENT – Historical Debt Service Coverage."

The Report of the Airport Consultant was prepared in connection with, but prior to the actual offering and sale of, the Series 2012A-C Bonds. Accordingly, the Report of the Airport Consultant uses information provided in the Plan of Financing as to the principal amounts and Debt Service Requirements of the Series 2012A-C Bonds. The Report of the Airport Consultant will not be revised to reflect differences between the principal amounts and Debt Service Requirements of the Series 2012A-C Bonds as estimated therein and the actual principal amounts and Debt Service Requirements of the Series 2011A-C Bonds as marketed. See also "SECURITY AND SOURCES OF PAYMENT – Rate Maintenance Covenant – Additional Parity Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND ORDINANCE – Additional Parity Bonds."

Net Revenues and Other Available Funds, Debt Service Requirements and Debt Service Coverage on Senior Bonds
(In thousands, except coverage ratios)

	Budgeted	Forecast							
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Revenues and Other Available Funds	$459,000	$426,000	$447,700	$475,300	$516,100	$523,000	$530,700	$549,900	$544,600
Debt Service Requirements (a)									
Senior Bonds	$241,600	$231,300	$251,900	$283,800	$303,600	$300,800	$300,600	$309,700	$304,200
Subordinate Bonds	800	800	2,400	15,000	16,300	16,300	16,600	17,000	16,800
Total	$242,400	$232,100	$254,300	$298,800	$319,900	$317,100	$317,200	$326,700	$321,000
Debt Service Coverage									
Senior Bonds	190%	184%	178%	167%	170%	174%	177%	178%	179%
All Bonds	189%	184%	176%	159%	161%	165%	167%	168%	170%

Sources: Report of the Airport Consultant and audited financial statements of the Airport System.

Note: The results presented above include the 2012 Bonds, Future 2012 Bonds, and Future Planned Bonds. As discussed in the "Financial Analysis" section of the Report of the Airport Consultant, forecast Gross Revenues, Operation and Maintenance Expenses, and deposits to various funds and accounts for the proposed Airport Hotel were provided by PKF. The Airport Consultant makes no representation regarding the reasonableness of the projected financial results provided by PKF for the proposed Airport Hotel.

(a) Provided by the City's Financial Consultant (Jeffries and Co., Inc.)

Forecasts of revenues to be derived from airline landing fees, terminal rentals and other use charges are often expressed on a per enplaned passenger basis for the purpose of comparing airline costs at different airports. The following table shows the forecast amounts of revenues and average cost per enplaned passenger for all airlines as presented in the Report of the Airport Consultant.

Cost Per Enplaned Passenger for All Airlines
(In thousands except cost per passenger)

	Budgeted	Forecast							
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net airline rentals, fees and charges	$324,400	$299,100	$316,300	$347,600	$362,500	$369,200	$377,700	$394,800	$397,400
Enplaned passengers	26,497	27,021	27,523	28,013	28,508	29,008	29,513	30,023	30,515
Cost per enplaned passenger	$12.24	$11.07	$11.49	$12.41	$12.72	$12.73	$12.80	$13.15	$13.02

Source: Report of the Airport Consultant.

For a more detailed discussion of forecast airline rates and charges and forecast Gross Revenues, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – FINANCIAL ANALYSIS – EXHIBIT E – Airline Rentals, Fees and Charges."

The Report of the Airport Consultant has been included herein in reliance upon the knowledge and experience of LeighFisher as airport consultants.

LITIGATION

The Airport System is involved in several claims and lawsuits arising in the ordinary course of business. The City believes that any liability assessed against the City as a result of such other claims or lawsuits which are not covered by insurance would not materially adversely affect the financial condition or operations of the Airport System.

RATINGS

Moody's Investors Service, Inc., Standard & Poor's Ratings Service, Inc. and Fitch, Inc. have published ratings of "_______" (_______ outlook), "______" (______ outlook) and "______" (______ outlook), respectively, with respect to the Series 2012A-C Bonds.

The City has furnished to these rating agencies the information contained in this Official Statement and certain other materials and information relating to the Series 2012A-C Bonds and the Airport System, including certain materials and information not included in this Official Statement. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions by the rating agencies.

A rating, including any related outlook with respect to potential changes in such rating, reflects only the view of the agency assigning such rating and is not a recommendation to buy, sell or hold the Series 2012A-C Bonds. An explanation of the procedure and methodology used by each rating agency and the significance of such ratings may be obtained from the rating agency furnishing the same. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by any of such rating agencies if, in the judgment of any of them, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings is likely to have an adverse effect on the market price of the Series 2012A-C Bonds.

UNDERWRITING

The Series 2012A-C Bonds are being purchased from the City by the underwriters set forth on the cover page hereof (the "Underwriters") as follows: for the Series 2012A Bonds, at a price equal to $__________, being the aggregate principal amount of the Series 2012A Bonds, plus an original issue premium of $___________ and less an underwriting discount of $___________; for the Series 2012B Bonds, at a price equal to $__________, being the aggregate principal amount of the Series 2012B Bonds, plus an original issue premium of $___________ and less an underwriting discount of $___________, and for the Series 2012C Bonds, at a price equal to $_________, being the aggregate principal amount of the Series 2012C Bonds, plus an original issue premium of $________ and less an underwriting discount of $________. Pursuant to a Bond Purchase Agreement by and between the City, for and on behalf of the Department, and ______________________________ ("______"), as representative of the Underwriters (the "Series 2012A-C Bond Purchase Agreement"), the Underwriters agree to accept delivery of and pay for all of the Series 2012A-C Bonds if any are delivered. The obligation to make such purchase is subject to certain terms and conditions set forth in the Series 2012A-C Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

Citigroup Global Markets Inc. and its parent company, Citigroup, Inc., have entered into a distribution agreement dated May 31, 2009, as amended, with Morgan Stanley Smith Barney LLC ("MSSB") and its parent company, Morgan Stanley Smith Barney Holdings LLC, whereby Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of MSSB. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate MSSB for its selling efforts with respect to the Bonds.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association. Wells Fargo Bank, National Association ("WFBNA") has entered into an agreement (the "Distribution Agreement") with Wells Fargo Advisors, LLC ("WFA") for the retail distribution of certain municipal securities offerings, including the Series 2012A-C Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2012A-C Bonds with WFA. WFBNA and WFA are both subsidiaries of Wells Fargo & Company.

US Bancorp is the marketing name of U.S. Bancorp and its subsidiaries, including U.S. Bancorp Investments, Inc. ("USBII"), which is serving as one of the Underwriters of the Series 2012A-C Bonds.

Loop Capital Markets LLC, one of the Underwriters, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement, Loop Capital Markets will share a portion of its underwriting compensation with respect to the Series 2012A-C Bonds with UBS Financial Services Inc.

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 financial advisory and investment banking services for the City, for which they received or will receive customary fees and expenses. The City intends to use a portion of the proceeds of the Series 2012A-C Bonds to redeem the Refunded Bonds. To the extent an underwriter or an affiliate thereof holds any Refunded Bonds, such underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2012A-C Bonds contemplated herein in connection with such Refunded Bonds being redeemed by the City.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) 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 City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

The Senior Bond Ordinance requires the City to prepare and mail to Owners of Senior Bonds requesting such information certain financial reports and an annual audit related to the Airport System prepared in accordance with U.S. generally accepted accounting principles, a copy of which is also required to be filed with the MSRB and EMMA. In addition, in order to provide certain continuing disclosure with respect to the Series 2012A-C Bonds in accordance with Rule 15c2-12, which prohibits underwriters from purchasing or selling certain municipal securities unless the issuers of those securities agree to provide continuing disclosure information for the benefit of the owners of those securities, the City will deliver a Continuing Disclosure Undertaking in respect of the Series 2012A-C Bonds in which it will agree to provide or cause to be provided annually to EMMA certain additional financial information and operating data concerning the Airport System and other obligated persons and to provide notice of certain specified events. See "APPENDIX H — FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the annual information and the events for which notice is to be provided and other terms of the Continuing Disclosure Undertakings.

The City has delivered continuing disclosure undertakings in connection with the issuance of various series of its outstanding Senior Bonds, and believes that it has continually complied with the requirements set forth in Rule 15c2-12 and its previous continuing disclosure undertakings.

LEGAL MATTERS

All legal matters incident to the validity and enforceability of the Series 2012A-C Bonds are subject to the approval of Hogan Lovells US LLP, Denver, Colorado, Bond Counsel, and Bookhardt & O'Toole, Denver, Colorado, Bond Counsel. The substantially final form of the opinions of Bond Counsel is appended to this Official Statement. Certain legal matters will be passed upon for the City by Douglas J. Friednash, Esq., City Attorney, and Brownstein Hyatt Farber Schreck, LLP, Denver, Colorado, Special Counsel to the City; and for the Underwriters by Greenberg Traurig, LLP, Denver, Colorado.

TAX MATTERS

The Series 2012A-B Bonds

The information in this section applies solely to the Series 2012A-B Bonds

The following discussion is a summary of the opinions of Bond Counsel to the City that are to be rendered on the tax-exempt status of interest on the Series 2012A-B Bonds and of certain federal and State income tax considerations that may be relevant to prospective purchasers of Series 2012A-B Bonds. This discussion is based upon existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Upon issuance of the Series 2012A-B Bonds, Hogan Lovells US LLP, Bond Counsel to the City, and Bookhardt & O'Toole, Bond Counsel to the City, will each provide opinions, substantially in the form appended to this Official Statement, to the effect that, under existing law, (1) interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes, except for any period during which such Series 2012A Bonds are held by a person who is a "substantial user" of the Airport System or a "related person," as those terms are used in Section 147(a) of the Code, but is an item of tax preference in calculating the federal alternative minimum tax liability of individuals, trusts, estates and corporations, and (2) interest on the Series 2012B Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, except as provided in the following paragraph, corporations.

For corporations only, the Code requires that alternative minimum taxable income be increased by 75% of the excess (if any) of the corporation's adjusted current earnings over its other alternative minimum taxable income. Adjusted current earnings includes interest on the Series 2012B Bonds. An increase in a corporation's alternative minimum taxable income could result in imposition of tax to the corporation under the corporate alternative minimum tax provisions of section 55 of the Code.

The foregoing opinions will assume compliance by the City with certain requirements of the Code that must be met subsequent to the issuance of the Series 2012A-B Bonds. The City will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2012A-B Bonds to be included in gross income, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2012A-B Bonds.

Certain of the Series 2012A-B Bonds (the "Discount Bonds") are being offered and sold to the public in their original public offering at an original issue discount. Generally, original issue discount is the excess of the stated redemption price at maturity of any Discount Bond over the issue price of the Discount Bond. Bond Counsel have advised the City and the Underwriters that, under existing laws and to the extent interest on any Discount Bond is excluded from gross income for federal income tax purposes, the original issue discount on any such Discount Bond that accrues during the period such person holds the Discount Bond will be treated as interest that is excluded from gross income for federal income tax purposes with respect to such holder, and will increase such holder's tax basis in any such Discount Bond. Purchasers of any Discount Bond should consult their tax advisors regarding the proper computation and accrual of original issue discount. In particular, purchasers of any Series 2012A Bonds should be aware that the accrual of original issue discount in each year may be treated as an item of tax preference in calculating any alternative minimum tax liability.

The opinions of Bond Counsel to the City will also provide to the effect that, under existing law and to the extent interest on any Series 2012A-B Bond is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State.

If a holder purchases a Series 2012A-B Bond for an amount that is greater than its stated redemption price at maturity, such holder will be considered to have purchased the Series 2012A-B Bond with "amortizable bond premium" equal in amount to such excess. A holder must amortize such premium using a constant yield method over the remaining terms of the Series 2012A-B Bond, based on the holder's yield to maturity. As bond premium is amortized, the holder's tax basis in such Series 2012A-B Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the Series 2012A-B Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on a Series 2012A-B Bond. Purchasers of Series 2012A-B Bonds with amortizable bond premium should consult with their own tax advisors regarding the proper computation of amortizable bond premium and with respect to state and local tax consequences of owning such Series 2012A-B Bonds.

Other than the matters specifically referred to above, Bond Counsel to the City express, and will express, no opinions regarding the federal, State, local or other tax consequences of the purchase, ownership and disposition of Series 2012A-B Bonds. Prospective purchasers of the Series 2012A-B Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Series 2012A-B Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2012A-B Bonds or, in the case of financial institutions, that portion of a holder's interest expense allocated to interest on the Series 2012A-B Bonds (subject to certain exceptions); (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series 2012A-B Bonds; (3) interest on the Series 2012A-B Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code; (4) passive investment income, including interest on the Series 2012A-B Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (5) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Series 2012A-B Bonds.

The Internal Revenue Service (the "Service") has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2012A-B Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2012A-B Bonds may not be permitted to participate in the audit process. Moreover, public awareness of an audit of the Series 2012A-B Bonds could adversely affect their value and liquidity.

Bond Counsel to the City will render their opinions as of the issue date, and will assume no obligation to update their opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel to the City are not binding on the courts or the Service; rather, such opinions represent Bond Counsel's legal judgment based upon their review of existing law and upon the certifications, representations and covenants referenced above.

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. For example, on September 12, 2011, the Obama Administration released a legislative proposal entitled the American Jobs Act of 2011 which, if enacted, could result in additional federal income tax being imposed on certain holders of state or local bonds, including the Series 2012A-B Bonds, for tax years beginning on or after January 1, 2013. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2012A-B Bonds, the exclusion of interest on the Series 2012A-B Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2012A-B Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

Prospective purchasers of Series 2012A-B Bonds should consult their own tax advisors as to the applicability and extent of federal, State, local or other tax consequences of the purchase, ownership and disposition of Series 2012A-B Bonds, including the potential consequences of any pending or proposed legislation, in light of their particular tax situation.

The Series 2012C Bonds

The information in this section applies solely to the Series 2012C Bonds

The following is a summary of material U.S. federal income tax considerations of the ownership and disposition of the Series 2012C Bonds. This summary is based upon provisions of the Code, applicable regulations, administrative rulings and judicial decisions in effect as of the date hereof, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Service so as to result in U.S. federal income tax consequences different from those discussed below. Except where noted, this summary deals only with a 2012C Bond held as a capital asset by a beneficial owner who is a U.S. holder (as defined below) who purchases the 2012C Bond on original issuance at the first price at which a substantial portion of such Series 2012C Bonds are sold for cash to persons other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, referred to herein as the "issue price." This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;

- tax consequences to persons holding Series 2012C Bonds as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

- tax consequences to persons whose "functional currency" is not the U.S. dollar;

- tax consequences to entities treated as partnerships for U.S. federal income tax purposes and investors therein;
- tax consequences to certain former citizens or residents of the United States;
- alternative minimum tax consequences, if any;
- any state, local or foreign tax consequences; and
- estate or gift taxes.

If an entity that is treated as a partnership for U.S. federal income tax purposes holds Series 2012C Bonds, the tax treatment of a partner or member will generally depend upon the status of the partner or member and the activities of the entity. If you are a partner or member in such an entity holding the Series 2012C Bonds, you should consult your tax advisors.

If you are considering the purchase of Series 2012C Bonds, you should consult your tax advisors concerning the U.S. federal income tax consequences to you of the purchase, ownership and disposition of Series 2012C Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

In this discussion, the term "U.S. holder" refers to a beneficial owner of Series 2012C Bonds that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

U.S. Internal Revenue Service Circular 230 Disclosure

Pursuant to U.S. Internal Revenue Service Circular 230, we hereby inform you that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. The following description was written to support the marketing of the Series 2012C Bonds. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Payment of Interest. Stated interest on a Series 2012C Bond will generally be taxable to a U.S. holder as ordinary income at the time it is received or accrued in accordance with the U.S. holder's usual method of accounting for tax purposes.

Original Issue Discount. If any Series 2012C Bonds are issued with original issue discount, or "OID," a U.S. holder of such Series 2012C Bonds will be subject to special tax accounting rules, as described in greater detail below. In that case, U.S. holders should be aware that they generally must include OID in gross income in advance of the receipt of cash attributable to that income.

A Series 2012C Bond with an "issue price" that is less than its stated redemption price at maturity (the sum of all payments to be made on the Series 2012C Bond other than payments of stated interest) will generally be issued with OID in an amount equal to that difference if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity. The "issue price" of a Series 2012C Bond will be the first price at which a substantial amount of such Series 2012C Bonds is sold to investors (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

A U.S. holder generally must include OID in gross income in advance of the receipt of some or all of the related cash payments using the "constant yield method" described in the following paragraphs.

The amount of OID that a U.S. holder must include in income is the sum of the "daily portions" of OID with respect to the Series 2012C Bond for each day during the taxable year or portion of the taxable year in which such holder held that Series 2012C Bond. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for a Series 2012C Bond may be of any length and may vary in length over the term of the Series 2012C Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of:

- the Series 2012C Bond's "adjusted issue price" at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over

- the sum of all stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a Series 2012C Bond at the beginning of any accrual period is equal to its issue price increased by the OID that has accrued for each prior accrual period. Under these rules, a U.S. holder will have to include in income increasingly greater amounts of OID in successive accrual periods.

U.S. holders may elect to treat all interest on any Series 2012C Bond as OID and calculate the amount includible in gross income under the constant yield method described above. The election is to be made for the taxable year in which such holder acquired the Series 2012C Bond and may not be revoked without the consent of the Service. U.S. holders should consult with their own tax advisors about this election.

Sale, Redemption or Other Taxable Disposition of Series 2012C Bonds. A U.S. holder will generally recognize gain or loss upon the sale, redemption or other taxable disposition of a Series 2012C Bond equal to the difference between the amount realized (less accrued stated interest, which will be taxable as such) upon the sale, redemption or other taxable disposition and the U.S. holder's adjusted tax basis in the Series 2012C Bond. Legal defeasance of the Series 2012C Bonds may result in a deemed exchange of such Series 2012C Bonds, in which event the holder will recognize gain or loss as described in the preceding sentence. A U.S. holder's adjusted tax basis in a Series 2012C Bond will generally be equal to the amount that such U.S. holder paid for the Series 2012C Bond increased by any previously accrued OID. Any gain or loss recognized on a taxable disposition of the Series 2012C Bond will be capital gain or loss. If, at the time of the sale, redemption or other taxable disposition of the Series 2012C Bond, a U.S. holder is treated as holding the Series 2012C Bond for more than one year, this capital gain or loss will be long-term capital gain or loss. Otherwise, this capital gain or loss will be short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally will be subject to U.S. federal income taxation at preferential rates. A U.S. holder's ability to deduct capital losses may be limited.

Information Reporting and Backup Withholding. Information reporting requirements generally will apply to interest (including OID) on the Series 2012C Bonds and the proceeds of a sale of a Series 2012C Bond paid to a U.S. holder unless the U.S. holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. holder is notified by the Service that it has failed to report in full payments of interest and dividend income. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability if the required information is furnished in a timely manner to the Service.

EXPERTS

Jefferies & Company, Inc. has served as Financial Consultant to the City with respect to the Series 2012A-C Bonds and in such capacity has prepared the Plan of Financing. LeighFisher has served as the Airport Consultant to the City with respect to the Series 2012A-C Bonds and in such capacity has prepared the Report of the Airport Consultant, attached hereto as APPENDIX A. WJ Advisors LLC has served as a subconsultant to LeighFisher in connection with the preparation of the Report of the Airport Consultant. PKF Consulting USA has served as a hospitality consultant to the Airport with respect to the Airport Hotel and in such capacity has prepared the Airport Hotel Analysis.

FINANCIAL STATEMENTS

The financial statements of the Airport System as of and for the years ended December 31, 2011 and 2010 are attached to this Official Statement as "APPENDIX F — ANNUAL FINANCIAL REPORT OF THE AIRPORT SYSTEM FOR FISCAL YEARS 2011 AND 2010," and "APPENDIX G – UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011," BKD, LLP, the City's independent external auditor, has not been engaged to perform and has not performed, since the date of its report included in Appendix F hereto, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement. The consent of BKD, LLP to the inclusion of Appendix F was not sought or obtained. The financial statements present only the Airport System and do not present the financial position of the City and County of Denver, Colorado.

MISCELLANEOUS

The cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2012A-C Bonds, a copy of the Senior Bond Ordinance may be obtained from the City and the Department.

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So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

CITY AND COUNTY OF DENVER, COLORADO

By: ______________________________
Manager of Aviation

By: ______________________________
Manager of Finance

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