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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) between the Metropolitan Airports Commission (MAC) and Northwest Airlines (NWA or NAI) is to record the current status of the parties' discussions to resolve certain critical issues associated with NWA's bankruptcy filing and the ongoing operation of NWA at Minneapolis-St. Paul International Airport. This MOU is not intended to create legally binding commitments except that upon its execution both parties agree to enter into good faith negotiations, in an expedient manner, to implement the following terms and provisions, including without limitation the execution of definitive agreements, amendments or other documents to implement the matters contemplated by this MOU (collectively, the "Definitive Agreements").

1. Adjustments to Rates and Charges Methodology As Contained in the Airline Operating Agreement and Terminal Building Lease dated as of January 1, 1999 by and between the MAC and NWA (the "Airline Operating Agreement")

In order to reduce airline rates and charges through the term of the Airline Operating Agreement, MAC would agree to adjust its airline rates and charges methodology as follows:

- a. Recover capital investments by charging the rate base for the annual debt service costs plus reasonable amortization of commercial paper for rate base-related projects (including capital equipment) rather than on the basis of depreciation and interest;
- b. Apply PFCs to debt service on airfield GARBs to full extent of eligibility including Runway 17/35;
- c. Eliminate the agreed upon recovery of deferred charges for the Airline Payments per enplanement outlined in Section VI.C.2.e. of the Airline Operating Agreement;
- d. Prorate among the airline rate bases a \$15 million (escalated by 3% per year) annual deposit to a Repair and Replacement subaccount within the construction fund for major maintenance and minor capital projects.
- e. Rebate annual gross revenues for Food and Beverage, Merchandise, and Auto Rental concession revenues ("Selected Concessions") under the following schedule (all dollar amounts are for 2006 and will be escalated for future years at an approximate annual average of 4.2% in accordance with the JF Brown model methodology as shown on the attached Exhibit):

