



## BOARD OF DIRECTORS MEETING

Minutes of March 2, 2005

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle and was called to order by the Chairman at 9:40 a.m. Ten Directors were present during the meeting:

Mame Reiley, Chairman  
H.R. Crawford, Vice Chairman  
Robert Clarke Brown  
Anne Crossman  
Mamadi Diané  
Norman M. Glasgow, Jr.  
Weldon H. Latham  
David T. Ralston, Jr.  
Charles D. Snelling  
David G. Speck

The Secretary and the following Officers were present:

James E. Bennett, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief Operating Officer  
Edward S. Faggen, Vice President and General Counsel

### I. MINUTES OF THE FEBRUARY 2, 2005 MEETING

The Chairman called for action on the Minutes of the February 2, 2005 Meeting, which were unanimously approved.

## II. COMMITTEE REPORTS

### a. Planning Committee

In the absence of Mr. Hazel, Mr. Ralston reported that the Planning Committee had met that morning. It had first considered a request for qualifications of firms to provide engineering services on the Dulles automated people mover tunnel. The Committee had concurred in the proposal. The Committee had then met in executive session to discuss further the slot and perimeter rules and related carrier issues at Reagan National.

### b. Business Administration Committee

Mr. Crawford reported that the Business Administration Committee had last met on February 16. It had heard four “look-ahead” reports on solicitations about to be published as requests for proposals. The first would combine landscaping and sidewalk snow removal services at Dulles. The Committee had concurred.

A second solicitation had been for the Washington Flyer Coach services between Dulles and the Falls Church Metrorail station. Because the route had recently become quite popular, the staff had decided to turn the operation over to a concessionaire, with bids to be based on a percentage of revenues and an annual guarantee. The Committee had agreed to the new approach.

The third solicitation had been for the Dulles employee parking shuttles. They were currently operated under a service contract that included the Washington Flyer Coach. As parking shuttles were not suitable for concession operation, they needed to be advertised separately. The Committee had concurred.

Finally, the staff had proposed to readvertise the second fixed base operation at Dulles, currently held by Piedmont Hawthorne, rather than exercise an extension clause in the concession contract. The Committee had not been convinced the staff proposal had been the right approach and tabled the matter pending further information.

The Committee had also heard a brief report on local “living wage” provisions used in contracts by other jurisdictions in the region. The report had confirmed what Mr. Crawford had reported at the February meeting: the Authority’s \$10.50 per hour rate

was consistent with the policy in Arlington County, Alexandria and the District of Columbia.

For 2004, the Authority had set a disadvantaged business enterprise participation goal of not less than 25 percent for its federal-aid construction projects. Staff had reported that the participation rate at both Airports, at 31.6 percent of contracts, had substantially exceeded the goal, for a total of \$25.6 million. A 2005 goal of not less than 25 percent had been set at the November 2004 Board Meeting.

The concessions disadvantaged business enterprise goals for federal fiscal year 2004 had been 10 percent at both Airports; the actual level had been 12.2 percent at Reagan National and 13.1 percent at Dulles. If rental car revenues had not been counted, limiting the data to retail, food & beverage and other service concessions, the achievement at Reagan National would have been 27.1 percent, or \$18 million, and the achievement at Dulles would have been 38 percent, or \$29.7 million. For federal fiscal year 2005, the Committee had agreed to support a not-less-than-10-percent goal for both Airports.

Mr. Crawford noted that the largest contract awarded in January, \$77.5 million for the Dulles Concourse C people mover station, had been awarded to the Facchina Construction Company of LaPlata, Maryland.

Finally, Frank Holly had reported to the Committee that the budget estimates in the regular cost report would be adjusted for inflation before the next meeting. That would mean that the variances between budget and estimated costs would be reduced, but would not affect the overall record of staying within the capital budget.

c. Finance Committee

Mr. Snelling reported that the Finance Committee had last met February 16 and apologized in advance for the length of his report. The financial advisors had advised that an increase of \$70 million to the commercial paper program would provide necessary liquidity to finance 2005 construction requirements. JP Morgan Chase had consequently proposed to increase its direct-pay letter of credit on the Commercial Paper Series One from \$150 million to \$220 million. After such a transaction closed, the Authority would have a total of \$420 million outstanding in commercial paper under an authorization of \$500 million.

In discussing the spring 2005 bond sale, the financial advisors had said they had identified approximately \$75 million in outstanding debt not subject to the alternative minimum tax ("AMT") that would provide sufficient savings under the Board's criteria to justify refunding. They had recommended that the Board authorize Series 2005B for refunding while they continued to monitor the financial markets for potential savings. The rest of the proposed sale included \$320 million in Series 2005A Bonds, all subject to the AMT. An additional \$30 million would be issued taxable as Series 2005C.

The financial advisors had also proposed a hedging plan for the capital program. They recommended the Authority prepare for a possible \$100 million interest rate swap in the middle maturities of the Series 2005A Bonds, where the AMT penalty was the greatest. They would use an efficiency savings of 25 basis points to measure whether to proceed with the swap.

The advisors also had suggested hedging \$100 million of 2006 and \$200 million of 2007 construction needs. The device would again be an interest rate swap. Staff and financial advisors had agreed that the amounts to be hedged were understated in light of the projected construction and refinancing activity.

The Committee had also reviewed documents prepared to amend the Commercial Paper Series One authorization from \$150 million to \$220 million. As mentioned above, JP Morgan Chase had provided the direct-pay letter of credit; Bear Stearns was the marketing agent. The matter would be acted on later in the meeting.

The current plan for the Series 2005A, B & C Airport System Revenue Bonds was for a combined issuance of \$425 million. Interest earnings on the Series A bonds would be subject to the AMT. Series A, at \$320 million, would fund a portion of the construction program. Series B, \$75 million, would be used to advance-refund certain non-AMT bonds in the Series 1997A, 1998B and 2001A, if they met the refunding guidelines. The Committee was recommending Bear Stearns as senior managing underwriter for the Series 2005A and 2005B Bonds.

Interest on the \$30 million Series 2005C Bonds would be taxable. The proceeds would be used to fund the land purchase at Dulles. The Committee was recommending Morgan Keegan as the senior managing underwriter for this series. Mr. Snelling said he would offer a resolution authorizing the three Series 2005 Bonds later in the

meeting. He noted that the proposed resolution would authorize the Chairman or the Vice Chairman and the Chairman of the Finance Committee to approve the final terms of the three series so that issuance could be expedited.

The Committee had also taken action to proceed with hedging of anticipated future borrowing to avoid the impact of rising interest rates. It was proposing a resolution that would authorize forward interest rate swap transactions of as much as \$400 million to hedge up to \$100 million of the Series 2005A Bonds about to be issued, and other amounts of anticipated 2006 and 2007 borrowings. The proposed resolution again included the device of a two-Member panel to approve the final terms of the transactions.

Staff had presented preliminary financial statements for 2004. Revenues of \$442.3 million had exceeded 2003 revenues by \$52.7 million to reach 103.7 percent of budget. Consolidated operating expenses of \$378.1 million had been \$12.8 million higher than the year before, reaching 95.9 percent of budget. Mr. Snelling observed that both variances from budget were in the right direction.

The increase in depreciation expense of \$11.3 million had accounted for 87.9 percent of the increase in operating expenses. Preliminary consolidated operating income had been \$64.2 million, and preliminary net income \$85.7 million, up \$67.8 million from 2003. Construction for the year had totaled \$349.3 million, 99.8 percent of budget. Mr. Snelling added that audited financial statements would be offered at the April Finance Committee meeting.

In January 2005, revenues of \$38.0 million had continued the 2004 performance with the best January figures since 2000. Operating expenses had been \$31.8 million, consistent with expectations. Consolidated operating income for the month had been \$6.3 million, compared to \$4.4 million in January 2004.

d. Strategic Development Committee

Mr. Brown reported that the Strategic Development Committee had met for the first time on February 16. In executive session, it had heard the regular monthly air service development report. It had been possible to explore the report in much more depth than usual.

### III. INFORMATION ITEMS

#### a. President's Report

Mr. Bennett reported that the week before the staff had held two public hearings on the environmental impact statement for additional runways and terminal development at Dulles. A total of 17 people had spoken at the hearings. Over half of them had spoken in favor of the developments; the others had been concerned about noise and overflights. The public record would remain open until March 7, after which the Federal Aviation Administration ("FAA") would analyze the comments and issue a record of decision. Mr. Bennett said he found it amazing that the Authority could hold two public hearings on a major airport expansion program in an urban/suburban setting with over half the witnesses favoring the program. It indicated to him the value of the zoning and land use controls the neighboring jurisdictions had adopted some time ago at the recommendation of the Authority. By comparison, the FAA had held three nights of public hearings in Chicago averaging 7 to 8 hours each, with hundreds of witnesses testifying against the O'Hare expansion program.

The proposed rail to Dulles program had secured a "recommended" rating from the Federal Transit Administration "new starts" program. That would make the project eligible for federal-aid funding up to about 50 percent of the cost. In addition, the Commonwealth Transportation Board had approved an increase in the Dulles Toll Road tolls, effective in May, to fund the Commonwealth's portion of the project.

With respect to construction, the ticket counter and baggage claim projects were nearing completion after about ten years. The temporary construction walls were being removed on the ticketing level, and would be removed the following week on the baggage claim level. By the end of March, they would all be down. In addition, the new gates under construction at the base of the air traffic control tower were almost finished. They would go into service by early April.

At Reagan National, the security checkpoint expansion projects were continuing. The north pier checkpoint, where two additional security lanes were being added, would be completed by the end of March. In addition, a new US Airways shuttle ticketing counter would open across the hall from Legal Seafood.

Mr. Bennett said that US Airways had received bankruptcy court approval of a \$125 million debtor-in-possession financing from Air Wisconsin. The agreement gave Air Wisconsin the right to fly as a US Airways Express carrier. Currently, Air Wisconsin was flying as a United Express carrier, but United had put its express routes out for bid.

Independence Air had announced the previous week that it had completed its financial restructuring. It had terminated the lease agreements on 25 regional jets, reducing lease payment by \$81 million over the next few years. Another \$70 million had been deferred in rent payments for regional jets and for turboprops the carrier was not actually flying. Independence Air had begun service to Las Vegas with A319 aircraft on March 1, and would soon start A319 service to San Diego, Los Angeles, San Jose, San Francisco and Seattle.

Two weeks before Senator George Allen had introduced legislation that would compel the Department of Homeland Security to open Reagan National to general aviation traffic again. It would require the agency to put in place security procedures to allow the return within 180 days of enactment. In addition, the Senate Committee on Government Affairs was planning to hold a field hearing at Reagan National in March on the general aviation issue.

AIRPORT RETAIL NEWS had recently released the results of its poll on airport concessions. Reagan National concessions had won in the “best customer service” and “most unique services” categories; Dulles had won for the “best concessions management team”. The awards reflected well on the concessions staff, the contractors and concessionaires.

Finally, Mr. Bennett noted that Keith Meurlin, Vice President and Manager of Washington Dulles, would retire at the end of March. Mr. Bennett thanked him for his dedication and service to the Authority, the public and Dulles Airport. He would be missed. Mr. Meurlin said he had enjoyed 27 years at Dulles, and that he had appreciated the support and help of many people.

Mr. Speck asked the status of plans for outreach to local governments. Mr. Bennett said internal planning sessions had been held, as well as discussions with Arlington and Fairfax Counties on how to do it. A major concern was that an invitation to the governing boards would require a public notice, as a meeting of more than two

members constituted a public meeting under Virginia law. One of the county managers had suggested a session with the counties' managers and chairmen.

Mr. Speck cited Mr. Bennett's surprise at the absence of hostile witnesses at the environmental impact statement hearings. He observed that one of the great mistakes often made by local governments was to take lack of opposition to be support. There were many stories in Northern Virginia of land use projects being held up at the last moment by people who said they had not known they were proceeding. He said this history emphasized the need to be proactive with information, and to reach out to local governments. He hoped that a last minute problem would not arise on the runway project. The Chairman agreed. She said, however, that she was not aware of any organization that did a better job of providing information in the region than the Authority.

b. Executive Vice President's Report

Ms. McKeough noted that external factors had affected the January passenger levels, including the inauguration and snow events that had caused flight cancellations from other airports. Both Airports had nevertheless continued to outperform the national domestic growth rates. At Reagan National, the January total had been just over 1.1 million passengers, a 14.7 percent increase over January 2004. Growth had been across the board, by all carriers. The U.S. average for the month had been 7.4 percent. Dulles had experienced its seventh consecutive month of passenger levels in excess of 2 million, a 56.5 percent increase over the prior January.

International and transborder traffic at Dulles had been up 14.7 percent, also outperforming the U.S. benchmark of 12.7 percent. Cargo including mail had been up 7.5 percent; freight alone up 7.6 percent. The increase for international and transborder cargo had been 16 percent. It had not been possible to obtain the data for Baltimore/Washington International Airport ("BWI"), but staff there had projected a modest decrease of 1.4 percent for January. Mr. Latham asked about BWI's problems; Ms. McKeough said BWI had been experiencing reductions for several months. Mr. Bennett noted that since Independence Air had begun operations at Dulles, it had become difficult to obtain timely data from BWI.



IV. NEW BUSINESS

a. Federal Fiscal Year 2005 DBE Goals for Concession Contracts

Mr. Crawford moved the following resolution, which was unanimously adopted:

WHEREAS, The Federal Aviation Administration, under the Airport and Airway Improvement Act, requires airports to develop and submit goals for the participation of Disadvantaged Business Enterprises (DBEs) in airport concession contracts; and

WHEREAS, There will be at least three concession offerings solicited by the Authority during federal Fiscal Year 2005 that will provide opportunities for DBE participation; now, therefore, be it

RESOLVED, That the goals for DBE participation in the concessions program for Federal Fiscal Year 2005 shall be at least 10 percent of the annual gross receipts of concessions at both Reagan National and Dulles Airports.

b. Adoption of Amendments to the Commercial Paper Notes, Series One

Mr. Snelling moved the following resolution, which was unanimously adopted by all ten Members present:

WHEREAS, The Board of Directors of the Metropolitan Washington Airports Authority (the "Authority") by Resolution No. 02-5 and Resolution No. 04-28 has authorized the issuance, from time to time, of its Airport System Revenue Commercial Paper Notes, Series One (the "Series One Notes") in an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time and approved the form of documents presented to the Authority to be executed in connection with the issuance of the Series One Notes;

WHEREAS, The Authority will issue the Series One Notes, from time to time, as a series of bonds under the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended, and as

supplemented by the Amended and Restated Eleventh Supplemental Indenture of Trust, dated as of November 1, 2004 (the “Eleventh Supplemental”), each between the Authority and Manufacturers and Traders Trust Company, successor by merger to Allfirst Bank, as trustee;

WHEREAS, Credit enhancement and liquidity support for payment of the Series One Notes is provided by a letter of credit issued by JPMorgan Chase Bank, National Association (the “Bank”) under a Reimbursement Agreement, dated as of March 1, 2002, as amended (the “Current Reimbursement Agreement”) between the Authority and the Bank;

WHEREAS, The Authority now desires to increase the Series One Notes authorized to be issued to an amount not to exceed \$220,000,000 outstanding at any one time;

WHEREAS, The Authority desires to amend the Eleventh Supplemental in connection with the increase in the amount of Series One Notes authorized to be issued in one or more subseries;

WHEREAS, The Current Reimbursement Agreement will be amended in connection with the increase in the maximum amount of Series One Notes authorized to be issued by this Resolution, upon the terms and conditions provided in such amendment; and

WHEREAS, There have been presented at this meeting the form of the following documents that the Authority proposes to execute in connection with the increase in the amount of Series One Notes authorized to be issued and the amendment to the Current Reimbursement Agreement as described above, copies of which documents shall be filed with the records of the Authority:

- (a) Amendment No. 1 to the Eleventh Supplemental, dated as of March 1, 2005 (the “Supplemental Indenture Amendment”);

(b) Amendment No. 2, dated as of March 1, 2005, between the Authority and the Bank to the Current Reimbursement Agreement (the “Reimbursement Agreement Amendment” together with the Current Reimbursement Agreement, the “Reimbursement Agreement”);

(c) the Series One Notes, as amended, attached as an exhibit to the Eleventh Supplemental;

(d) the bank note, as amended, issued pursuant to the Reimbursement Agreement and the Eleventh Supplemental (the “Amended Bank Note”);

(e) the Offering Memorandum relating to the Series One Notes (the “Offering Memorandum”); and

(f) the Amended and Restated Commercial Paper Dealer Agreement, dated as of March 1, 2005, between the Authority and Bear, Stearns & Co. Inc. (the “Dealer”), relating to the public offering and sale of the Series One Notes (the “Dealer Agreement”);

now, therefore, be it

RESOLVED, That the Authority approves the form of the Offering Memorandum and the Dealer is authorized to distribute the Offering Memorandum to prospective purchasers of the Series One Notes;

2. That the Series One Notes shall be issued, from time to time, in one or more subseries, in an aggregate principal amount not to exceed \$220,000,000 outstanding at any one time;

3. That the Chairman or the Vice Chairman is authorized and directed to execute the Supplemental Indenture Amendment, the Series One Notes, the Reimbursement Agreement Amendment, the Dealer Agreement, and the Amended Bank Note, and the Secretary or Assistant Secretary is

authorized and directed to affix the Seal of the Authority on such documents as required and to attest to the same;

4. That the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer are hereby individually authorized to approve any changes, modifications or updates of the Offering Memorandum from time to time;

5. That the Authorized Representatives, as defined in Resolution No. 02-5, are authorized and directed to execute, by manual or facsimile signature, the Series One Notes and the Amended Bank Note, the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Authority or a facsimile thereof on the Series One Notes and the Amended Bank Note, and to attest the same, by a manual or facsimile signature, and are authorized and directed to deliver the Series One Notes to the Trustee for authentication upon the terms provided in the Amended and Restated Supplemental Indenture;

6. That the Supplemental Indenture Amendment, the Reimbursement Agreement Amendment, the Dealer Agreement, the Series One Notes, the Amended Bank Note, and the Offering Memorandum shall be in substantially the forms submitted to the Board of Directors at this meeting, which are approved, with such completions, omissions, insertions and changes necessary to reflect the principal amount and other terms of the Series One Notes and the Amended Bank Note, and as otherwise may be approved by the persons executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes;

7. That the Authorized Representatives, as defined in Resolution No. 02-5, are individually authorized to execute, deliver and file, from time to time, all other certificates and instruments and to take all such further actions, from time to time, as they may consider necessary or desirable in connection with the Series One Notes and the Reimbursement Agreement Amendment;

8. That any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto;

9. That all other acts of the Officers, the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer that are in conformity with the purposes and intent of Resolution No. 02-5, as supplemented by this Resolution, are hereby approved and confirmed; and

10. That Resolution No. 02-5, including the provisions under the Second “Resolved” clause relating to repayment of the Series One Notes and the Seventh “Resolved” clause relating to the security for payment of amounts owed to the Bank, shall apply to the Series One Notes, as amended, the Reimbursement Agreement and the documents, instruments and certificates executed, and the actions taken, in connection therewith, except as otherwise provided in this Resolution.

c. Authorizing the Series 2005A-C Airport System Revenue Bonds

Mr. Snelling moved the following resolution, which was unanimously adopted by the 10 Members present:

WHEREAS, The Board of Directors of the Metropolitan Washington Airports Authority (the “Authority”) desires to authorize the issuance of one or more Series of Airport System Revenue Bonds in an amount not to exceed \$350,000,000, to finance or refinance certain capital improvements and acquisitions (the “Projects”) at Ronald Reagan Washington National Airport and Washington Dulles International Airport (collectively, the “Airports”), with proceeds of tax-exempt and taxable bonds (the “2005A and 2005C Bonds”, respectively), and in an amount not to exceed \$75,000,000 (the “2005B Bonds” together with the 2005A Bonds and 2005C Bonds, the “Bonds”) to refund up to \$31,310,000 principal amount of outstanding Airport System Revenue Bonds, Series 1997A, \$16,720,000 principal amount of outstanding Airport System Revenue Bonds, Series 1998A, and \$11,040,000 principal amount of outstanding Airport System Revenue Bonds, Series 2001B (collectively, the “Refunded Bonds”) of the Authority’s outstanding bonds, and to set

forth the guidelines for determining the interest rate or rates on such bonds;

WHEREAS, The Authority desires to respond quickly to financial market conditions to issue the maximum aggregate authorized amount of the Bonds;

WHEREAS, A public hearing has been held relating to the Projects to the extent required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, The Governor of Virginia and the Mayor of the District of Columbia have approved the issuance of the Bonds, to the extent the Bonds authorized hereunder are subject to Section 147 of the Code; and

WHEREAS, There have been presented at this meeting the form of the following documents that the Authority proposes to execute to carry out the transactions described above, copies of which documents shall be filed with the records of the Authority:

(a) the form of one or more Supplemental Indentures of Trust (each a "Supplemental Indenture"), between the Authority and Manufacturers and Traders Trust Company (successor to Allfirst Bank) (the "Trustee") relating to the issuance of the Bonds, which supplements an Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended, between the Authority and the Trustee (the "Master Indenture");

(b) the form of the Bonds, attached as Exhibit C to the Supplemental Indenture;

(c) a Bond Purchase Agreement relating to the 2005A Bonds (the "2005A Purchase Contract") between the Authority and Bear, Stearns & Co. Inc., on behalf of itself and the other underwriters listed therein (collectively, the "2005A Underwriters");

(d) a Bond Purchase Agreement relating to the 2005B Bonds (the “2005B Purchase Contract”) between the Authority and Bear, Stearns & Co. Inc., on behalf of itself and the other underwriters listed therein (collectively, the “2005B Underwriters”);

(e) a Bond Purchase Agreement relating to the 2005C Bonds (the “2005C Purchase Contract”, together with the 2005A Purchase Contract and the 2005B Purchase Contract, the “Purchase Contracts”) between the Authority and Morgan Keegan & Company, Inc. (the “2005C Underwriter”, together with the 2005A Underwriters and the 2005B Underwriters, the “Underwriters”);

(f) a form of a Refunding Agreement (the “CP Refunding Agreement”) between the Authority and the Trustee relating to the Authority’s outstanding Airport System Commercial Paper Notes, Series One and Series Two (the “Refunded CP Notes”);

(g) a form of a Refunding Agreement (the “Bond Refunding Agreement” together with the CP Refunding Agreement, the “Refunding Agreements”) between the Authority and the Trustee including the notice of redemption of the Refunded Bonds, and

(h) an Official Statement (the “Official Statement”), in preliminary form, relating to the public offering of the Bonds;

now, therefore, be it

RESOLVED, That the Underwriters are authorized to distribute one or more Official Statements to prospective purchasers of the Bonds;

2. That the Bonds shall be issued in book entry form pursuant to the Master Indenture, the Supplemental Indenture and sold to the Underwrit-

ers pursuant to the Purchase Contracts, all upon the terms and conditions specified therein;

3. That, until June 15, 2005, either the Chairman or Vice Chairman and the Chairman of the Finance Committee are jointly delegated the authority and directed to determine (a) the date when the Refunded Bonds are to be called for redemption as set forth in the Refunding Agreements, and (b) after the Bonds have been priced in the market:

- i. the exact principal amount of the Bonds,
- ii. the interest rate or rates,
- iii. the maturity or maturities of the Bonds including the amount and date of any mandatory sinking fund redemption for a maturity,
- iv. the provisions for redemption of the Bonds prior to maturity,
- v. the amount and extent of any bond insurance, and the provider thereof,
- vi. the amount and provider of any Debt Service Reserve Fund surety bond, and
- vii. the amount of the purchase price;

in a manner to achieve the most favorable net effective interest rate on the Authority's long-term debt incurred in combination with the issuance of the Bonds; provided that the maximum term of the Bonds shall not exceed 31 years and the Bonds shall be subject to redemption at a redemption premium not exceed 3 percent of the principal amount thereof, the underwriter's discount relating to the Bonds shall not exceed 1 percent of the principal amount thereof, the true interest cost of the Bonds shall not exceed 7 percent, the Bonds shall be offered to the public at a price of not more than 110 percent of the principal amount thereof plus accrued interest, and the issuance of any Series 2005B Bonds shall be consistent with the criteria for issuing refunding bonds for these purposes as described in the report of the financial advisors dated



February 16, 2005, the text of which is incorporated into this Resolution as an attachment;

4. That the payment or redemption of the Refunded CP Notes and the Refunded Bonds with proceeds of the Bonds together with other funds, is authorized and directed in the manner and the amounts set forth in the applicable Refunding Agreements;

5. That the Chairman or the Vice Chairman is authorized and directed to execute the Supplemental Indenture, the Purchase Contracts, the Official Statement, and the Refunding Agreements, and the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Authority on such documents as required, and to attest the same;

6. That the Chairman or the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Bonds, the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Authority or a facsimile thereof on the Bonds, and to attest the same, by a manual or facsimile signature, and either is authorized and directed to deliver the Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Supplemental Indenture;

7. That the Supplemental Indenture, the Purchase Contracts, the Bonds, the Official Statement, and the Refunding Agreements shall be in substantially the forms submitted to the Board of Directors at this meeting, which are approved, with such completions, omissions, insertions and changes necessary to reflect the bond principal amount and other terms of the Bonds and as otherwise may be approved by the persons executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes;

8. That the Chairman, the Vice Chairman, the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer are hereby individually authorized with respect to the Bonds to execute a tax certificate, if any, on behalf of the Authority in implementation of the covenants and agreements set forth in the Supplemental

Indenture or to make any election permitted by the Code and determined by such officer to be to the advantage of the Authority, and the representations, agreements, and elections set forth therein shall be deemed the representations, agreements, and elections of the Authority, as if the same were set forth in the Supplemental Indenture;

9. That the Officers of the Authority including the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer are individually authorized to execute, deliver and file all other certificates and instruments, including Internal Revenue Service Forms 8038 and 8038-G and any reimbursement agreement relating to any Debt Service Reserve Fund surety bond, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds;

10. That any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto; and

11. That all other acts of the Chairman, the Vice Chairman, the Chairman of the Finance Committee, the President and Chief Executive Officer, the Vice President for Finance and Chief Financial Officer or any other Officers that are in conformity with the purposes and intent of this Bond Authorizing Resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and confirmed.

d. Authorizing Swap Transactions

Mr. Snelling moved the following resolution, which was unanimously adopted by the 10 Members present.

WHEREAS, the Metropolitan Washington Airports Authority (the "Authority") is authorized to issue revenue bonds, notes and other obligations under the Virginia Acts of Assembly, Chapter 598, as amended, and the District of Columbia Regional Airports Authority Act of 1985, as amended (collectively, the "Acts") to finance or refinance capital improvements at Ronald Reagan Washington National Airport and Washington Dulles International Airport (collectively, the "Airports") and

to do all acts necessary or convenient in connection with the issuance of its bonds;

WHEREAS, the Authority intends to issue one or more series of bonds (the “Bonds”) under the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended and supplemented (the “Master Indenture”), during 2005, 2006 and 2007 to finance or refinance certain capital improvements at Ronald Reagan Washington National Airport and Washington Dulles International Airport;

WHEREAS, the Authority desires to enter into one or more interest rate swap agreements with counterparty firms to be determined in the manner described in this Resolution (the “Swap Agreements”) in connection with the anticipated issuance of the Bonds in order to reduce the interest cost of a portion of its Bonds issued in 2005 and to hedge the interest cost of a portion of its financings in 2006 and 2007;

WHEREAS, The Authority now desires to authorize the Swap Agreements and the execution of the Swap Agreements, subject to compliance with all provisions of the Master Indenture applicable thereto and in accordance with conditions herein; and

WHEREAS, There have been presented at this meeting the form of the following documents, subject to completion in accordance with the conditions herein, that the Authority proposes to execute, if not executed under prior authorization of the Authority, in connection with entering into the Swap Agreements described above, copies of which documents were or shall be filed with the records of the Authority:

- (a) an ISDA Master Agreement in the form executed by the Authority in connection with its prior swap transactions (the “Master Agreement”);
- (b) a Schedule to the Master Agreement (the “Schedule”);
- (c) a Confirmation (the “Confirmation”);

