BOARD OF DIRECTORS MEETING

Minutes of May 5, 2004

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle and was called to order by the Chairman at 9:05 a.m. Eight Directors were present during the meeting:

Norman M. Glasgow, Jr., Chairman
Mame Reiley, Vice Chairman
Robert Clarke Brown
H. R. Crawford
John Paul Hammerschmidt
Weldon H. Latham
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 MARCH 31, 2004 MEETING

The Chairman called for action on the Minutes of the April meeting, held March 31, 2004, which were then unanimously approved.

II. COMMITTEE REPORTS

a. Planning Committee

In the absence of Mr. Hazel, Mr. Hammerschmidt reported that the Planning Committee had met that morning. The Committee had first heard the regular air service development report.

The day after the last Board meeting, the Department of Transportation had awarded the 22 additional slots at Reagan National to nine different carriers. New services would be to Los Angeles, Seattle-Takoma, Phoenix, Denver, Atlanta, Lexington, Kansas City, Detroit and Chattanooga. All were for one daily round trip, except for Denver, which had three. The new services would begin in June.

Independence Air would begin operating at Dulles as a low-fare carrier on June 16; its initial destinations had not yet been announced.

With respect to international services at Dulles, Air China was considering three trips a week, Turkish Airlines hoped to begin service in 2005, and South African Airways, which was about to join the Star Alliance, was thinking about serving Washington before the year was out.

Mr. Bennett had reported that the Authority's dispute with the Fairfax County Park Authority over access through the Sully Plantation site had been settled. Final terms of the agreement had not yet been written, and staff would report further on the issue at the June Committee meeting.

b. Business Administration Committee

Mr. Crawford reported that the Business Administration Committee had last met on April 14. The Committee had first discussed an "advanced review of business decisions" report on an upcoming Request for Proposals ("RFP") to select a contractor to recover used aircraft deicing fluid (glycol) before it gets into the storm sewer. The firm would also recycle recovered glycol if it was not too diluted. Contractors had been performing this function since 1999.

The Committee had been satisfied with the terms of the procurement, and that the process would be fully competitive. At an estimated cost of over $2 million per year, the program was fairly expensive, and the ultimate contract would require full Board approval before execution.

The Committee had then heard a presentation of the implications of providing free luggage carts at both Airports, in response to a Committee request that the matter be addressed before the current luggage cart contract was extended. The current practice, at the Authority as well as at other U.S. airports, was to charge customers a fee for carts, except for arriving international passengers. The fees currently brought in $159,000 annually, while the Authority paid $408,000 to provide the free carts. The annual cost was thus $249,000. Staff believed that providing free carts for all would increase their use substantially, and would cost the Authority more than $1 million per year. The Committee had agreed that the current contract should be extended under its original terms. The issue could always be revisited in the future.

The staff had also presented its conclusions on the selection of a firm to clean Reagan National, 24 hours a day, every day of the year. The new custodial contract would begin July 1, with one two-year term followed by three one-year extension options. The contract would be 100 percent set aside for a Local Disadvantaged Business Enterprise ("LDBE"), with a requirement for a subcontract with a smaller LDBE firm for 20 percent of the work.

The prevailing firm was Metropolitan Building Services of the District, a minority-owned business. The cost for all five years would be $17,737,860. Mr. Crawford noted that keeping Reagan National clean was a high priority, and that the Committee had asked many questions. It had finally voted to advance the staff recommendation.

Finally, the Committee had held a joint executive session with the Finance Committee to address the proposed US Airways regional concourse at Reagan National and the status of the Airline Use Agreement and Premises Lease, the master contract that sets out the Authority's business relationship with its airline tenants.

c. Finance Committee

In the absence of Mr. Ralston, Mr. Snelling reported that the Finance Committee had met April 14 and immediately before the day's Board Meeting. On April 14, the

Financial Advisors had brought the Committee up to date on the bond sale, which was to be priced on April 22. The Committee had been advised that interest rates had increased since April 1, which had meant that portions of the planned refunding had not achieved the Authority's savings and efficiency goals. The bond sales, as originally planned, had been in three series. Series 2004A, refunding the remaining Series 1993A Bonds; Series 2004B, providing $250 million in new construction funds; and Series 2004C, refunding the $207 million unhedged portion of the Series 1994A Bonds.

A special Finance Committee meeting had been held before the Board Meeting to hear a report on the bond sales from financial advisors and staff. The combined interest costs on the bonds sold was 5.22 percent. The Series 2004B Bonds had been sold at a total interest cost of 5.31 percent. Market conditions had allowed for the sale of $97.9 million of the Series 2004C Bonds, designated 2004C-1, to refund $96 million of Series 1994A Bonds at a total interest cost of 4.84 percent. The refunding had achieved a present value savings of $3.8 million, or 3.9 percent of the outstanding bonds. The $14 million Series 2004A refunding bonds had not met the required savings and efficiency standards and had therefore not been marketed.

Given the volatility of the market, the staff had recommended keeping the remaining refunding options open through July 14. It was therefore necessary to adopt additional resolutions to allow the remaining $14 million Series 1993A and $109 million Series 1994A bonds to be refunded if, between then and July 14 interest rates declined and the savings and efficiency standards were met.

Before the bond sale on April 22, the Authority had received its credit ratings on the Series 2004A-C Bonds. Moody's had removed the "negative watch" condition from its Aa3 rating, and Fitch and S&P had retained ratings of AA- stable and A+ stable, respectively.

The audited 2003 Comprehensive Annual Financial Report had also been presented to the Committee. Mr. Snelling said that revenues of $389.6 million, including a 10 percent increase in concession revenues, were a $20.8 million increase over 2002. Expenses of $365 million had increased $25 million over 2002, including a $10 million increase in depreciation. Operating income of $24 million had declined $4 million from 2002.

Staff had also presented its annual report on investments, prepared after the internal audit was complete. In 2003, the Authority had earned $7.5 million on its investment portfolio. Most of the investments were in the Government Accounting Standards Board's lowest risk categories. Investments included $4.5 million in local banks that had a Community Reinvestment Act rating of "outstanding". These categories of deposit were considered risk category 3 because they were not federally insured and were not held in the Authority's safekeeping accounts.

Staff had reported that March year-to-date revenue of $101.1 million had exceeded all prior years. Year-to-date operating expenses of $88.7 million had been slightly less than 2003 but had exceeded the same periods for 2000 through 2002. At three months into the year, operating expenses had reached 24 percent of the budget while revenues had reached 24.1 percent of the budget. Consolidated operating income had been $12.4 million.

d. Legal Committee

In the absence of Mr. Latham, the Chairman asked Mr. Faggen to deliver the Legal Committee report. Mr. Faggen reported the Committee had last met February 17. Mr. Latham, the Legal Committee Chairman, and the Chairman had been present; Mr. Ralston had participated by telephone. The Committee had discussed some potential regulatory items, one of which would be a change to the use of the Dulles Access Highway to describe more precisely who could use that Highway. Virginia State Police had requested the change because they were concerned that non-airport users were stopping briefly at the Airport to justify using the Access Highway and I-66 during the rush hours, when the latter highway was restricted to high occupancy vehicles and true airport users. No immediate further action had been taken.

The other item was a possible change to the rules governing weapons on the Airports. Current rules prohibited carrying any gun on any airport facility, including the Dulles Access Highway. Virginia law was the opposite; a citizen with a permit could carry a gun almost anywhere in the Commonwealth. The Virginia General Assembly had recently enacted legislation that prohibited the carriage of guns in airport terminals and had asked the Authority to make its rules inapplicable to the roads. Staff was considering such an action; it was then being discussed with public safety staff. Any amendment would be discussed with both the Legal Committee and the Board before it could be issued.

The Committee had also discussed the proposed changes to the Code of Ethics for employees. The changes were principally clarifications, such as narrowing the definition of gifts employees could accept, and clarifying that contracting officers' technical representatives who deal with contractors would have to file annual disclosures as well. An explanation was included in the documents for the day's meeting.

In addition, Mr. Faggen reported, Margaret McKeough had made a presentation on diversity issues at the Authority, including a breakdown of minority employees.

e. Audit Committee

In the absence of Mr. Thompson, Mr. Snelling noted that an Audit Committee meeting had been held since the last Board Meeting. He said that PricewaterhouseCoopers, the external auditors, had provided a clean opinion on the 2003 audit, and that a management letter would be forthcoming.

The Chairman asked when staff would develop a response on the firearms regulations. Mr. Faggen said it would be ready soon, and would be presented at the next Legal Committee meeting.

III. INFORMATION ITEMS

a. President's Report

Mr. Bennett began by recognizing Margaret McKeough, who was attending her first Board Meeting as Executive Vice President and Chief Operating Officer.

He then reported on the reconstruction of the 10,500-foot Runway 12/30, the crosswind runway at Dulles. It would be completely demolished and rebuilt. The project had begun a few weeks before, and the removal of the old pavement would be complete within a few days. Air traffic was moving about as well as could be expected, with some delays in the afternoon peaks. Serious weather conditions, if they developed, could further interfere with service. The goal was to have the runway complete and open to business by August 19; the contract included an incentive clause to encourage earlier completion.

Mr. Bennett said that Independence Air, formerly Atlantic Coast, would announce its launch date, cities to be served, fares and frequencies in a press conference to be scheduled within a few weeks. The service would begin June 19, and the carrier would be operating 300 daily departures by the end of the summer. Staff had been working closely with Atlantic Coast through the transition process.

Construction was proceeding rapidly on the United regional facility, which was to be complete by the first week of June. Dulles staff was working with United to develop the operating plan, which included bus routes, parking arrangements for the aircraft, and method of moving planes up to and away from the gates.

Because of the continuing growth at Dulles, staff was doing an analysis of the possible budgetary impacts. It was inevitable that expenses would be spiking toward the end of the summer, and amendments to the budget might be necessary.

Mr. Bennett reported that he and representatives of Independence Air, United Airlines, and the Metropolitan Washington Airlines Committee had met with Admiral David M. Stone, Acting Administrator of the Transportation Security Administration ("TSA"), to discuss the TSA's inability to staff fully the 22 passenger screening points at Dulles and the baggage screening devices. As a result, long lines had already appeared at Dulles, in advance of the anticipated growth. Delays in getting bags into the airplanes were already delaying departures. Mr. Bennett said he was concerned that the passenger lines would become unmanageable over the summer. If Independence Air succeeded, the impact at Dulles would be the same as adding all the traffic from an airport the size of New Orleans, Kansas City or Cleveland in a short period of time.

Mr. Hammerschmidt asked how the TSA had responded. Mr. Bennett said the response had been disappointing. It appeared the agency was unaware of the growth expected at Dulles over the summer, despite many contacts with TSA personnel before the meeting. He said he believed the TSA was overwhelmed, and unsure of what to do nationwide. Mr. Hammerschmidt asked if the agency had the resources to solve the problem. Mr. Bennett said he did not believe that it had the ability to staff up.

The Chairman said he had experienced the problem at Dulles and had noted the understaffing. Mr. Hammerschmidt suggested taking the issue to the Congress. Mr. Bennett said he was having some discussion on the Hill with some of the leadership of the homeland security committees, as well as with the Virginia delegation. Mr. Latham said the only other airport where he had found substantial lines was Baltimore/Washington International. He said he did not face the problem in Chicago, Dallas/Fort Worth or Atlanta. Mr. Bennett cited a Wall Street Journal article that had identified 25 airports where screening would be a critical issue. Dulles was approaching the top of the list with its anticipated growth. TSA was having trouble hiring qualified people in the Washington region, and might not have authority to hire enough screeners to do the job. Mr. Bennett said one of the proposals was to increase the number of authorized positions. But even that would not work if TSA could not staff more than 60 percent of the checkpoints, as it currently did.

Mr. Speck said he was surprised the problem was so serious in Washington, as Members of Congress regularly used both Airports, and asked why TSA was not being more responsive at the Washington airports. Mr. Bennett said he believed the agency had a structural deficiency in responding to the problem. It did not have a means of identifying the need and shifting 100 or so screeners to meet it. He said the problem was developing towards the end of the federal fiscal year, and he thought the TSA was running out of appropriations and trying to hold the line on its budget.

Mr. Snelling said that many had argued that the screening process should not become a government function for the very reason that the current problems would be inevitable. The Vice Chairman asked what the Board could do to make the government more aware at all levels. Mr. Bennett encouraged Directors to talk to anyone politically involved to raise the issue with the Department of Homeland Security. The Vice Chairman asked if Governor Warner should become involved in contacting Senators and Members of Congress. Mr. Bennett said that would be useful. Mr. Hammerschmidt asked if Harold Rogers, Chairman of Subcommittee on Homeland Security of the House Appropriations Committee, had been approached. Mr. Bennett said he had been dealing principally with John Mica, Chairman of the Aviation Subcommittee of the House Committee on Transportation and Infrastructure.

Mr. Latham suggested that a one-page briefing paper be prepared for all Board Members, so that all would be making the same arguments. Mr. Bennett agreed. The Chairman asked the Vice Chairman and Mr. Hammerschmidt to coordinate efforts. Mr. Speck asked if the Authority was in a position to supplement TSA with contract personnel. Mr. Bennett said the The Aviation and Transportation Security Act of 2001 prohibited that approach. That Act did, however, allow the replacement of government screeners with contract employees at some airports. Any such contract, however, would be with TSA. Program guidance had not been issued and would not appear until May 19. This so-called "opt-out" program was unlikely to provide much advantage. Staff would, however, analyze the alternative as soon as it was published. Mr. Speck asked if the statute allowed contract employees to supplement TSA employees. Mr. Bennett said the statute was silent on the point, and TSA has not announced its intention on the issue. Mr. Speck observed that if the issue was one of manpower, the Authority could not meet its need by pressing TSA to solve the problem when it did not have the resources to add screeners. He suggested that the need was urgent and that shorter-term solutions should be pursued. The Chairman said that he hoped the Vice Chairman and Mr. Hammerschmidt would come up with some ideas, working with other Board Members, Mr. Bennett and staff. Mr. Bennett suggested Mr. Snelling be involved. Mr. Snelling said that Mr. Latham's suggestion that a briefing paper be prepared made the most sense. When he received some copies, he would provide them to Senators Arlen Specter and Rick Santorum, as well as Secretary of Homeland Security Tom Ridge.

Mr. Hammerschmidt asked if the relationship between TSA and the Authority had been satisfactory. Mr. Bennett said it had, though there were occasional disputes on day-to-day managerial issues at Dulles. Mr. Crawford said he could not believe that 435 Members of Congress, 100 Senators, and 9 Supreme Court Justices, not to mention cabinet and subcabinet officials, had not experienced some of the same inconveniences the Board had been discussing at Dulles or Reagan National. Every time he went to the Airport, he saw an distinguished person or two waiting to board. He said he thought there must be many who would support the Authority's efforts to address the problem.

Mr. Bennett said that flights using the 22 Reagan National slots recently allocated by the Transportation Department were already showing on airline schedules. The first new services would begin with the June schedule change. He noted that Reagan National was not exempt from growth in demand and TSA delays. Staff was considering ways to reconfigure the Reagan National checkpoints, at Authority expense, to make them operate more efficiently. The Chairman said he had twice been in a long line at one checkpoint and redirected to a second checkpoint, followed by a trip on a ramp bus to the proper gate. Mr. Bennett said this problem was an example of how growth was even affecting airports where the security check had been running well.

Mr. Bennett noted that Reagan National was also running out of public parking. All lots were full, almost on a weekly basis. Sun Park, a private operator in Crystal City, had gone out of business, and traffic levels were up to pre-2001 levels. Staff was analyzing both short and long-term solutions. The Chairman said he recalled that an additional deck could be built on the parking garages. Mr. Bennett said that was one of the long-term soluions.

At Dulles, the recently covered West Flank Garage walkway to the Main Terminal had been opened to the public, although the last 75 feet had not been completed because of historic preservation considerations. There had been public workshops on April 20 and 21 to take views on the environmental impact statement for the two new runways. Two of the noise contours used in the environmental study were out of place and had to be corrected.

At Reagan National, the Part 150 noise study was drawing to a close. A public hearing had been held the week before, and nothing unusual had developed. On April 13, the Authority had hosted a reception for the D.C. public schools art program, works from which would be displayed in the Terminal B-C.

Finally, Mr. Bennett reported that the 16th Annual Greater Washington Aviation Open charitable golf tournament had been held on May 3, and had raised $111,000 for the Corporate Angel Network. That organization provided emergency air transportation for cancer patients with corporate jets.

Mr. Crawford mentioned the recent negative media reports on United Flight 200, a daily service between Los Angeles and Dulles. He asked whether it was affecting traffic and whether the staff was monitoring it. Mr. Bennett said the situation was comparable to the several cancellations in 2003 of a particular British Airways flight from Heathrow to Dulles. The Authority had no more information than newspaper reports. TSA investigators had identified Flight 200 as a "flight of interest" and were conducting an intense security watch on it. The flight had not been canceled, and so far there had not been any negative impact on the operation. Mr. Crawford asked if the Authority was routinely notified when the TSA identified such a situation. Mr. Bennett said it was not.

Mr. Snelling noted that "considerable turmoil" at US Airways had been reported in recent weeks and asked if there had been further discussions with the airline on the regional terminal it had wanted built at Reagan National. Mr. Bennett said there had not been any further discussions since he had last reported to the Board on the issue. The next discussion with US Airways would be very different from the last. Mr. Brown said it appeared USAirways had abandoned the project. Mr. Bennett said that was not clear, and that he was waiting for further communications from the airline. He would advise the Board as soon as he heard anything.

b. Executive Vice President's Report

Ms. McKeough reported that the telecommunications office had just erected a new radio antenna tower, nearly 200 feet high, near Tysons Corner to serve the Authority's public safety short wave radio system. Mr. Speck asked if Board Members could expect to be hearing about the tower from its neighbors. Ms. McKeough said the tower had been fully coordinated with county government and planning agencies, and that she hoped it would not generate any public concern.

As to the March air traffic statistics, Ms. McKeough said that Reagan National had served nearly 1.4 million passengers, a 15.8 percent increase over March 2003. This level was the highest monthly level since 2001. Traffic at Dulles had been up 16 percent, exceeding even March 2001. International and transborder traffic had increased 30 percent. Twelve months to date, Reagan National had increased 9.7 percent, while Dulles had been up 1.2 percent. Both Airports had outperformed the industry average of 5.5 percent over the March 2003 figures. Year-to-date, the national increase had been 3.6 percent, while Reagan National was at 14.1 percent and Dulles at 11.8 percent. With the new slots at Reagan National and the introduction of Independence Air at Dulles, strong growth could be expected to continue.

Mr. Snelling asked if pressure continued to be applied on the readmission of general aviation at Reagan National. Mr. Bennett said he had frequently brought the issue up with TSA, as well as in testimony before the Congress. TSA had apparently not made any progress on that issue. Mr. Hammerschmidt asked if TSA had yet become involved in cargo security. Mr. Bennett said the cargo security program was still in development, and moving slowly. The program included some tests at Dulles. Although some Members of Congress favored 100 percent cargo screening, estimates were that only 4 percent of freight could get onto the aircraft if 100 percent screening were implemented.

IV. NEW BUSINESS

a. Selection of a Firm to Provide Custodial Services at Reagan National

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

> WHEREAS, The Business Administration Committee is satisfied with the results of the competitive evaluation of firms to provide custodial services at Ronald Reagan Washington National Airport, presented to it at its April 14, 2004 meeting; now, therefore, be it
>
> RESOLVED, That Metropolitan Building Services is selected to provide custodial services at Reagan National, including the provision of all labor, materials, equipment and supervision; and
>
> RESOLVED, That the President and Chief Executive Officer is authorized to negotiate and enter into a contract with Metropolitan Building Services, consistent with the terms presented to the Business Administration Committee April 14, 2004.

b. Reauthorization of Series 2004A and Series 2004C Airport System Revenue Bonds

Mr. Snelling moved the adoption of the following two resolutions, which he said would reauthorize the Series 2004A and C Airport System Revenue Refunding Bonds, respectively. The resolutions would be necessary to make sure the proper officers would have the appropriate authority to approve the sales until July 14, 2004. The Chairman called for a separate vote on each resolution, and announced that each had received eight affirmative votes.

[2004A]

> WHEREAS, The Metropolitan Washington Airports Authority (the "Authority") in Resolution No. 04-7 authorized the issuance of a Series of Airport System Revenue Refunding Bonds (the "Series 2004A Bonds") in an amount not to exceed $21,000,000, to refund up to $13,440,000 principal amount of outstanding Airport System Revenue

and Refunding Bonds, Series 1993A (the "Refunded Bonds"), and to set forth the guidelines for determining the interest rate or rates on such bonds;

WHEREAS, Since the adoption of Resolution 04-07, the Series 2004A Bonds have not been priced and sold because the timing of the issuance of the Series 2004A Bonds to realize debt service savings is dependent on financial market conditions;

WHEREAS, The Authority desires to respond quickly to financial market conditions to issue the maximum aggregate authorized amount of Series 2004A Bonds by reauthorizing the issuance of the Series 2004A Bonds in one or more series;

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"); and

WHEREAS, The Governor of Virginia and the Mayor of the District of Columbia have approved the issuance of the Series 2004A Bonds, to the extent the Series 2004A Bonds authorized hereunder are subject to Section 147 of the Code; and

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

(a) the Seventeenth Supplemental Indenture of Trust (the "Seventeenth Supplemental"), between the Authority and Manufacturers and Traders Trust Company (formerly Allfirst Bank) (the "Trustee") relating to the issuance of the Series 2004A Bonds, which supplements an Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, between the Authority and the Trustee (the "Master Indenture");

(b) the form(s) of the Series 2004A Bonds, attached as Exhibit A to the Seventeenth Supplemental ;

(c) a form of Bond Purchase Agreement for the sale of the Series 2004A Bonds (the "Purchase Contract") between the Authority and Siebert Brandford Shank & Co., L.L.C., (the "Underwriter");

(d) an Official Statement (together with any supplements, the "Official Statement"), in preliminary form, relating to the public offering of the Series 2004A Bonds; and

(e) the Refunding Agreement (the "Refunding Agreement") between the Authority and the Trustee including the notice of redemption of the Refunded Bonds, now, therefore, be it

RESOLVED, That the Underwriter is authorized to distribute an Official Statement, in preliminary and final form, to prospective purchasers of the Series 2004A Bonds;

2. That the Series 2004A Bonds shall be issued in book entry form pursuant to the Master Indenture and the Seventeenth Supplemental and sold to the Underwriter pursuant to the Purchase Contract, all upon the terms and conditions specified therein;

3. That until July 14, 2004, either the Chairman or Vice Chairman and the Chairman of the Finance Committee are jointly delegated the authority and directed to (a) approve the official statement, in preliminary and final form, relating to the public offering of the Series 2004A Bonds, (b) determine the date when the Refunded Bonds are to be called for redemption as set forth in the Refunding Agreement, and (c) determine, after the Series 2004A Bonds have been priced in the market:

i. the exact principal amount and subseries designation of the Series 2004A Bonds,

ii. the interest rate or rates and prices or yields,

iii. the maturity or maturities of the Series 2004A Bonds including the amount and date of any mandatory sinking fund redemption for a maturity,

iv. the provisions for redemption of the Series 2004A 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 Series 2004A Bonds; provided that the maximum term of the Series 2004A Bonds shall not exceed 31 years, the Series 2004A 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 Series 2004A Bonds shall not exceed 1 percent of the principal amount thereof, the true interest cost of the Series 2004A Bonds shall not exceed 7 percent, the Series 2004A 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 2004A Bonds shall be consistent with the criteria for issuing refunding bonds for these purposes as described in the report of the financial advisors dated April 14, 2004, the text of which is hereby incorporated into this Resolution and attached to it as an attachment:

4. That the payment or redemption of the Refunded Bonds with proceeds of the Series 2004A Bonds, together with other funds, is authorized and directed in the manner and the amounts set forth in the Refunding Agreement.

5. That the Chairman or the Vice Chairman is authorized and directed to execute the Seventeenth Supplemental, the Purchase Contract, the Official Statement, and the Refunding Agreement 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 Series 2004A Bonds, the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Authority or a facsimile thereof on the Series 2004A Bonds, and to attest the same, by a manual or facsimile signature, and either is authorized and directed to deliver the Series 2004A Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Seventeenth Supplemental;

7. That the Seventeenth Supplemental, the Purchase Contract, the Series 2004A Bonds, the Official Statement, and the Refunding Agreement shall be in substantially the forms submitted to the Board of Directors, which are approved, with such completions, omissions, insertions and changes necessary to reflect the bond principal amount and other terms of the Series 2004A 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 Series 2004A Bonds to execute a tax certificate, if any, on behalf of the Authority in implementation of the covenants and agreements set forth in the Seventeenth Supplemental, 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 Seventeenth Supplemental;

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 Form 8038-G and any reimbursement agreement relating to any Debt Service Reserve Fund surety bond, investment agreements relating to accounts for the Series 2004A Bonds, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2004A Bonds;

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

11. That all other acts of the Chairman, the Vice Chairman or 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 Series 2004A Bonds are hereby approved and confirmed; and

12. That this Resolution supercedes Resolution No. 04-7 in full, but does not affect the validity of any actions taken under it before the adoption of this Resolution.

[2004C]

WHEREAS, The Metropolitan Washington Airports Authority (the "Authority") in Resolution No. 04-9 authorized the issuance of the Series 2004C Airport System Revenue Refunding Bonds in one or more subseries (the "Series 2004C Bonds") in an amount not to exceed $250,000,000 to refund or pay at maturity $205,700,000 principal amount of outstanding Airport System Revenue Bonds, Series 1994A (the "Refunded Bonds"), and to set forth the guidelines for determining the interest rate or rates on such bonds;

WHEREAS, Since the Board's adoption of Resolution 04-09 not all of the Series 2004C Bonds have been priced and sold because the timing of the issuance of the Series 2004C Bonds to realize debt service savings is dependent on financial market conditions;

WHEREAS, The Authority desires to respond quickly to financial market conditions to issue up to the maximum aggregate authorized amount of Series 2004C Bonds by reauthorizing the issuance of the remaining maturities of the Series 2004C Bonds in one or more series;

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 Series 2004C Bonds, to the extent the Series 2004C Bonds authorized hereunder are subject to Section 147 of the Code; and

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

(a) the Nineteenth Supplemental Indenture of Trust (the "Nineteenth Supplemental"), between the Authority and Manufacturers and Traders Trust Company (formerly Allfirst Bank) (the "Trustee") relating to the issuance of the Series 2004C Bonds, which supplements an Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, between the Authority and the Trustee (the "Master Indenture";

(b) the form(s) of the Series 2004C Bonds, attached as Exhibit A to the Supplemental Indenture;

(c) a form of Bond Purchase Agreement for the sale of the Series 2004C Bonds (the "Purchase Contract") between the Authority and Lehman Brothers Inc., on behalf of itself and the other underwriters listed therein (collectively, the “Underwriters”);