



## BOARD OF DIRECTORS ANNUAL MEETING

Minutes of September 5, 2007

The twenty-first Annual meeting of the Metropolitan Washington Airports Authority was held in the Board Conference Room at 1 Aviation Circle, and was called to order by the Chairman at 9:00 a.m. All Directors were present during the meeting:

Mame Reiley, Chairman  
H.R. Crawford, Vice Chairman  
James L. Banks, Jr.  
Robert Clarke Brown  
William W. Cobey Jr.  
Anne Crossman  
Mamadi Diané

Michael David Epstein  
Weldon H. Latham  
Leonard Manning  
Michael L. O'Reilly  
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 AUGUST 8, 2007 MEETING

The Chairman called for approval of the minutes of the August 8, 2007, meeting. The Vice Chairman requested that the concerns he had expressed, on behalf of the District of Columbia City Council, on the selection of the firms to operate taxicabs at Dulles be included in the minutes. The Chairman requested that the minutes be amended to include the comments.

Mr. Speck referred to the Bylaws and noted that they referenced the annual election of a Treasurer, in addition to other officers. Mr. Speck asked whether this language required that the Board elect a Treasurer, which it has never done. The Secretary explained that the language allowed, but did not require the election of a Treasurer. The Chairman said that the text should remain as it is, and that the Board would continue without a Treasurer.

### II. COMMITTEE REPORTS

#### a. Planning and Construction Committee

Mr. Snelling reported on the Committee's regularly scheduled monthly meeting on August 22.

Mr. Snelling reported on the following highlights of Frank Holly's presentation on the CCP cost report for July.

Mr. Holly stated that there were no significant changes in CCP costs. He reported that only one CCP contract, the construction of a new mezzanine level at the Main Terminal at Dulles and the related Main Terminal Automated People Mover (APM) Station, had a currently forecasted cost that was more than 10% above its authorized amount. The authorization was \$208 million, and the current forecast was \$293 million, an increase of about 40%.

Mr. Holly stated that uncertainty remained with the project because of TSA's failure to establish final security standards and requirements for the mezzanine. The Authority had often been required to change its designs for the mezzanine to meet TSA's ever-changing requirements. Until final standards were set, the project would continue to run some risk of incurring further cost increases.

Mr. Holly noted that the other major problems encountered in this project – mainly related to the need for additional shoring and piling around and under the control tower and the Main Terminal - had largely been resolved.

Finally, Mr. Holly reported that the bids received on the parking garage expansion project at Reagan National had been more than 10% over budget and, as a result, the procurement had been cancelled. The high bids appear to have stemmed from what bidders perceived to be a lack of a sufficient area for staging and laydown activities, which caused them to adjust their bids upward. Mr. Holly stated that additional space would be provided for laydown and staging, and a revised RFP would be issued in the near future.

b. Business Administration Committee

Mr. Crawford reported that the Business Administration Committee had not met since the last Board meeting.

c. Finance Committee

Mr. Speck reported on the Finance Committee's regular monthly meeting on August 22 and a special meeting held earlier that morning.

August 22 meeting. He reported that Authority revenues in July totaled \$42.5 million and year-to-date revenues totaled \$296.5 million, continuing to exceed all previous years. Expenses for July totaled \$33.8 million, a \$5.9 million decrease from June. The majority of the decrease stemmed from a reimbursement from the Commonwealth for expenses associated with the Dulles Rail Project. Year-to-date expenses totaled \$264.1 million. Operating income totaled \$32.5 million, an increase of \$6.4 million from 2006. Net income year to date totaled \$92.7 million. Thru July, the Authority had reached 55.1% of budgeted revenue and 54.1% of its budgeted expense. Construction activity reached \$78 million in July. Delinquent Accounts Receivable in July were at a five-year low of \$217,000, with no carriers in bankruptcy.

At the August 22 meeting, the Authority's financial advisors discussed the upcoming \$530 million bond sale, scheduled for pricing during the week of September 10, and the recent volatility in the capital markets. Their recommendation was for the Authority to remain flexible and be in a position to respond to market conditions on the day of sale. This, they indicated, could result in the sale of \$530 million in fixed rate bonds or a sale of the same amount through a combination of fixed and variable/auction rate bonds.

The Committee was informed that, in connection with the upcoming sale, Fitch had raised its rating of the Authority to AA and that Moody's and Standard and Poors had confirmed their previous ratings.

The Committee also received a report on the Authority's second quarter investment activity. The average interest rate received on the \$804 million portfolio was 5.1%. Staff reported that investment activity was meeting its benchmarks and targets. Days of cash on hand continued to be down slightly but was expected to increase through the remainder of this year. Staff presented targets for days' unrestricted cash on hand and ration of unrestricted cash and investments to debt.

September 5 meeting. Mr. Speck reported that, earlier in the day, the Committee had reviewed and recommended Board approval of the draft bond documents for the upcoming bond sale, including the preliminary official statement and the bond and swap authorizing resolutions. The proposed bond resolution recommended by the Committee provided that the bonds could be issued as all fixed rate bonds or as a combination of fixed and auction rate variable bonds, and delegated the authority to make this determination to the Board Chairman or Vice Chairman and the Chairman of the Finance Committee. The resolution delegated other matters to these Board members, including the pricing of the bonds, the determination of the interest rate mechanism, the use of proceeds, and the final disposition of the swap transactions.

Finally, Mr. Speck noted that the 2008 budget work session would be held on September 18 from 6 to 8 p.m., and he encouraged all Directors to attend.

d. Strategic Development Committee

Mr. Brown reported on the Committee's regular monthly meeting that was held August 22.

Several air service developments were presented to the Committee by Mark Treadaway. He described the Department of Homeland Security's "U.S. Visit Exit" program and proposed rulemaking. Mr. Brown explained that the thrust of this program is to impose on airlines at the point of passenger ticketing and check-in the obligation to badge every non-U.S. citizen departing from the United States. The proposed DHS rulemaking was expected to cause a substantial amount of comments from airports and airlines. Adoption of a final rule was anticipated by the end of 2008.

Mr. Treadaway also reported on two new air services at Dulles. Virgin America will launch operations on September 26, with two daily flights to San Francisco. In October, it will begin two daily flights to Los Angeles. And Ocean Airlines has scheduled the arrival of its first air freighter (from Milan) for September 16, which would mark the first new air freighter service at Dulles in many years. Mr. Brown congratulated the staff for the new business.

Mr. Brown reported that at its August 22 meeting, the Committee inquired about the status of the Registered Traveler Program. He noted that several months ago, the Committee had approved the issuance of an RFP for a Registered Traveler Program provider, but at that time, no decision had been made by the Committee or Board about whether the Authority would institute the program at the Airports. On staff's advice, he stated, the Committee approved issuance of an RFP so that information could be obtained about interested vendors and the manner in which they would deliver services. He noted that a staff paper will be presented to the Committee at its October meeting that will provide information on the different program approaches that have been taken in the RFP proposals. This will assist the Committee and Board in determining whether a Registered Travelers Program should be provided at the Airports and, if so, the operational approach the Authority should pursue. He said that if the Board decides to move ahead with a Registered Travelers Program and adopts an approach to pursue, staff will proceed with the procurement.

Mr. Brown also reported that on August 22 the Committee received a brief report on a recent incident at Dulles that involved a congressman and had received media attention.

e. Audit Committee

Mr. Cobey reported that the Audit Committee had not met officially in August, but was moving forward with the selection of a financial statement auditor. A Technical Evaluation Committee had met the previous day, and Mr. Cobey complimented the members of that Committee, as well as Mr. Bennett and its chair, Ms. Holt. He stated that the Audit Committee would submit its recommendation to the Board at its October 3 meeting.

f. Information Technology Committee

Ms. Crossman reported on the Committee's regularly scheduled monthly meeting on August 22.

Margaret McKeough provided the Committee an update on the first phase of the Enterprise Resource Planning (ERP) program, the "business process re-engineering" (BPR) phase, which would be completed by the end of September. During that phase, the Authority's many core business functions had been reviewed, and attention had been given to how they were working today, how they related to each other, how they could be improved, and how they could be better integrated. These core functional areas included finance, budget, accounting, procurement, capital projects, payroll, benefits, and property management.

Ms. McKeough reported that the program's consultant, Booz Allen Hamilton, had met frequently with Authority representatives from each core business area during this BPR phase. A second consultant team, L3 Communications, has been assisting the Authority during this phase, regularly reporting on program progress and identifying areas where it sees potential problems. Booz Allen will soon issue a comprehensive report on the program's first phase, which will form the base document for the program's second phase.

Ms. McKeough also discussed the next phase of the ERP program which involves procurement of ERP software, as well as professional services that will implement the software. A goal of this second phase is to obtain "off the shelf" ERP software that will meet the Authority's business requirements and needs with minimal amount of customization and re-programming.

Ms. McKeough informed the Committee that, overall, the ERP program was within budget. However, one modification had been made to the Booz Allen contract. Under this modification, Booz Allen will look at the Authority's current IT infrastructure and determine whether it is capable of supporting the new ERP software that will be implemented.

Ms. Crossman reported that a pre-solicitation paper, which addresses the procurement of phase two ERP software and implementation services, would be presented to the IT Committee at its meeting later that day.

### III. INFORMATION REPORTS

#### a. President's Report

Mr. Bennett reported on a number of items.

FAA Reauthorization. Mr. Bennett reported that, having returned from recess, Congress is beginning to focus again on the FAA Reauthorization bill. It is not clear whether Congress will pass a bill before the end of the current fiscal year when the current FAA authorization statute expires. If the authorization expires, it was likely that a series of continuing resolutions would keep the agency active until a new authorization bill was enacted. A positive consequence of a continuing resolution, Mr. Bennett noted, would be that it would not include any changes to the slot perimeter rule at Reagan National. A negative consequence would be a delay in the Authority's receipt of FAA and Letter of Intent payments for the fourth runway at Dulles.

The Chairman asked how the question of slots at Reagan National were being addressed by the different reauthorization bills. Mr. Bennett responded that the bill that had been reported out of the Senate Aviation Subcommittee added 20 new slots, 12 outside and eight within the perimeter. The bill that had passed the House provided for 10 slots, though ostensibly they are existing slots reallocated to different time periods of the day. Mr. Bennett added that, because the Senate bill included

tax provisions, it would be considered by the Finance Committee before it would be considered by the Senate.

Mr. Bennett also stated that some carriers, including Jet Blue, were working to add a considerable number of new slots at Reagan National.

Dulles Metrorail Update. Mr. Bennett reported that the Federal Transit Agency (FTA) had issued its risk assessment report on the rail project which increased substantially the cost for project contingency. This brought the FTA overall project cost estimate to about \$2.83 billion, compared to the Authority's figure of \$2.65 billion. Mr. Bennett stated that the project team was working to determine cost savings and adjustments. He anticipated this work being completed within the next several days, and bringing the project within FTA's cost effectiveness guidelines.

Mr. Bennett also reported that, on August 29, there was a hearing in the Virginia Supreme Court on the appeal from a Richmond Circuit Court order dismissing a challenge to the Commonwealth's decision to transfer the Dulles Toll Road to the Authority. Mr. Bennett noted that this is a discretionary appeal, and that a decision from the Court as to whether it would elect to hear the appeal was anticipated in the next few weeks.

Construction Updates. Mr. Bennett reported that the dry summer weather had been beneficial for the construction program at Dulles. Lane Construction Corporation, the contractor performing the work on the fourth runway at Dulles, was able to pave the entire length of the center line of the new runway. Considerable work was completed on the remainder of the runway, and other runway-related work was progressing well. The contractor would soon begin shifting work to the taxiways.

Automated People Mover System. Mr. Bennett reported that all of the track beds associated with the APM had been paved. The entire alignment would soon be turned over to the contractor, Sumitomo Corporation of America, to allow it to install running surfaces, control systems and power systems. Sumitomo's goal was to begin testing the operation of the system during the summer of 2008. The project budget provides for 9-12 months of such testing to ensure proper operation. The APM system, Mr. Bennett stated, should be fully operational in late 2009.

The Chairman asked whether the APM system would include a seating area for people who needed assistance. Mr. Bennet responded that each car included seating areas, as well as areas for wheel chairs.

Mr. Bennett reported that a delivery of four APM cars was expected later that day at Dulles, and four more cars later in the week. This would bring the total number of cars that have been received to 12.

Annual Dulles Day. Mr. Bennett reported that the annual plane pull would be held on Saturday, September 8, in association with the Special Olympics. There would be about 67 teams, including an Authority team.

Triennial Emergency Exercise. Mr. Bennett reported that an emergency preparedness exercise would be conducted at Reagan National on Saturday, September 15, between 10 a.m. and 2 p.m.

Freighter Service at Dulles. Mr. Bennett reported that Ocean Airlines would begin freighter service at Dulles, with two 747 freighters traveling to and from Milan twice weekly starting on September 16.

Air Traffic Control Tower at Dulles. Mr. Bennett reported that FAA would officially commission the new control tower at Dulles during a ceremony on Monday, September 17. Mark Treadaway, Tara Hamilton and Margaret Bishop were working with the FAA, and Directors would be invited to the ceremony.

Air Service at Dulles. Mr. Bennett reported that Virgin America would start its service at Dulles on September 26, with two daily flights to San Francisco.

At the conclusion of Mr. Bennett's report, the Chairman asked whether recycle bins were stationed in the Airports for the public's use. Mr. Bennett responded that a pilot program had been successfully run at Reagan National, and that a permanent program was being organized. A similar recycle program would also be considered at Dulles.

The Vice Chairman asked if the APM car on display at Dulles was a replica of the ones that the Authority would receive. Mr. Bennett said that the car on display was only two-thirds the size of the actual cars.

b. Executive Vice President's Report

Ms. McKeough reported that the Labor Day weekend had been quiet and successful at both Airports, which was welcome, especially after a challenging summer season for the aviation industry, including our Airports.

She reported that in July about 1.7 million passengers utilized Reagan National, an increase of approximately 62,000 (3.8 percent) over July 2006. Most carriers operating at Reagan National experienced increased operations in July. Reagan National continued to perform well in 2007 consistent with the record levels in 2006.

At Dulles, Ms. McKeough reported that over 2.2 million passengers were served in July, an increase of about 175,000 (8.4 percent) over July 2006. The increase reflected both domestic and international passengers, with a growth in domestic passengers of 7.5 percent and in international passengers of 11.2 percent. United Airlines experienced an increase of 24 percent in its international activity in July. On the cargo front, Dulles experienced a 5.8 percent growth in July over July 2006.

Mr. Epstein asked what had caused the increased levels of passenger traffic at Dulles. Ms. McKeough said that a number of new carriers had been added at Dulles, and frequencies of flights had increased.

The Chairman asked whether TSA was operating with its full complement of staff at the Airports. Ms. McKeough responded that TSA's federal security directors at both Airports were reporting that they were not at full staffing levels. At Dulles, the situation was more serious with about 45 full-time equivalent positions not filled. She stated that efforts were underway at TSA to fill these empty positions and return to full staffing levels.

Mr. Epstein said that TSA presented an area of difficulty for the Authority because its performance affects the way passengers view the Airports, but the Authority lacks any real ability to control that performance. Ms. McKeough noted that the Authority was trying to interact more with TSA, particularly with the student ambassador program where assistance was provided in moving the lines. Mr. Epstein also mentioned an incident where one of his partners had an unpleasant experience with TSA while traveling at Dulles, which caused him and his family to miss their flights. Mr. Bennett asked Mr. Epstein to provide information about the incident so that staff could look into it.

#### IV. NEW BUSINESS

##### a. Proposed Resolution Authorizing the Issuance of One or More Series of Airport System Revenue Bonds

Mr. Speck moved the adoption of the proposed resolution that authorizes the issuance of up to \$530 million in the Series 2007B-C revenue bonds:

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

WHEREAS, the Board of Directors of the Authority desires to authorize the issuance, on or before November 1, 2007, of one or more series of Airport System Revenue Bonds ("Series 2007B-C Bonds"), in an aggregate principal amount not to exceed \$530,000,000, to finance or refinance certain capital improvements ("Projects") at the Airports, and to set forth guidelines for determining the interest rate or rates, maturities and other terms of the Series 2007B-C Bonds;

WHEREAS, the Board of Directors intends that Series 2007C Auction Rate Bonds ("Series 2007C Bonds") be issued only in the event and to the extent that the Authority's forward starting interest rate swap agreements with Wachovia, N.A., and Bank of Montreal ("Swap Agreements"), which are the subject of Resolution No. 07-29, each with an effective date of October 1, 2007, take effect on that date;



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 ("Code");

WHEREAS, the Governor of Virginia and the Mayor of the District of Columbia have approved the issuance of the Series 2007B-C Bonds, to the extent that these bonds are subject to Section 147 of the Code; and

WHEREAS, there has been presented to the Board of Directors the form of the following documents that the Authority proposes to execute in connection with the issuance of the Series 2007B-C Bonds, copies of which documents have been filed in the records of the Authority:

(a) the Twenty-Ninth Supplemental Indenture of Trust ("Twenty-Ninth Supplemental Indenture"), between the Authority and Manufacturers and Traders Trust Company ("Trustee"), successor to Allfirst Bank, relating to the issuance of the Series 2007B Bonds, which supplements the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended and restated, between the Authority and the Trustee ("Master Indenture");

(b) the Thirtieth Supplemental Indenture of Trust ("Thirtieth Supplemental Indenture" and, with the Twenty-Ninth Supplemental Indenture, the "Supplemental Indentures") between the Authority and the Trustee relating to the issuance of the Series 2007C Bonds, which supplements the Master Indenture;

(c) the Series 2007B Bonds, attached as Exhibit B to the Twenty-Ninth Supplemental Indenture;

(d) the Series 2007C Bonds, attached as Exhibit B to the Thirtieth Supplemental Indenture;

(e) the Bond Purchase Agreement relating to the Series 2007B Bonds ("2007B Purchase Contract") between the Authority and Bear, Stearns & Co., on behalf of itself and the other underwriters listed therein (collectively, the "2007B Underwriters");

(f) the Bond Purchase Agreement relating to the Series 2007C Bonds ("2007C Purchase Contract" and, with the 2007B Purchase Contract, the "Purchase Contracts") between the Authority and Bear, Stearns & Co. ("2007C Underwriter" and, with the 2007B Underwriters, the "Underwriters");

(g) the Broker-Dealer Agreement (the "Broker-Dealer Agreement") with an auction agent to be named and Bear, Stearns & Co. and one or more additional broker-dealers to be named relating to the Series 2007C Bonds (collectively, the "Broker-Dealer Agreements");

(h) the Refunding Agreement ("CP One Refunding Agreement") between the Authority and the Trustee relating to a portion of the Authority's outstanding Airport System Commercial Paper Notes, Series One ("Refunded CP One Notes");

(i) the Refunding Agreement ("CP Two Refunding Agreement" and, with the CP One Refunding Agreement, the "CP Refunding Agreements") between the Authority and the Trustee relating to a portion of the Authority's outstanding Airport System Commercial Paper Notes, Series Two ("Refunded CP Two Notes" and, with the Refunded CP One Notes, the "Refunded CP Notes");

(j) the Auction Agent Agreement relating to the Series 2007C Bonds ("Auction Agent Agreement");

(k) an Official Statement (the "2007B Official Statement"), in preliminary form, relating to the public offering of the Series 2007B Bonds; and

(l) an Official Statement (the "2007C Official Statement" and, with the 2007B Official Statement, the "Official Statements"), relating to the public offering of the Series 2007C Bonds;

NOW, THEREFORE, IT IS RESOLVED

1. That the Underwriters are authorized to distribute the Official Statements to prospective purchasers of the Series 2007B-C Bonds;

2. That the Series 2007B-C Bonds shall be issued in book entry form pursuant to the Master Indenture and the Supplemental Indentures, and sold to the Underwriters pursuant to the Purchase Contracts, all upon the terms and conditions specified therein;

3. That the Chairman, or Vice Chairman, of the Board and the Chairman of the Finance Committee are authorized, until November 1, 2007, and directed to jointly determine, after the Series 2007B Bonds have been priced in the market, the following:

(a) whether to approve the issuance of (i) up to \$530 million in fixed rate Series 2007B Bonds or (ii) the combination of (x) up to \$330 million in fixed rate Series 2007B Bonds and (y) up to \$200 million in variable rate Series 2007C Bonds; provided, that a determination to approve the issuance of Series 2007C Bonds may be made only in the event that all or a portion of the Swap Agreements take effect on October 1, 2007, and then only in a principal amount equal to the notional amount of the Swap Agreements taking effect on that date;

(b) the principal amount of Series 2007B Bonds and of any Series 2007C Bonds; the designation of any subseries of the Series 2007B Bonds and of any Series 2007C Bonds, which may be sold at different times; and the principal amount of each such subseries;

(c) the interest rate or rates for the Series 2007B Bonds and for any subseries within the series;

(d) the method for calculation of the interest rates with respect to any Series 2007C Bonds;

(e) the maturity or maturities of the Series 2007B Bonds and of any Series 2007C Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;

(f) the provisions for redemption of the Series 2007B Bonds and any Series 2007C Bonds prior to maturity;

(g) the amount and provider of any Debt Service Reserve Fund surety bond;

(h) the amount of the purchase price of the Series 2007B Bonds and any Series 2007C Bonds;

(i) the amount and series of Refunded CP Notes to be refunded pursuant to the CP Refunding Agreements;

all such determinations under this paragraph to be made in a manner to achieve the most favorable net effective interest rate on the entire long-term debt of the Authority, including the Series 2007B-C Bonds; provided, that the determinations made pursuant to this paragraph 3 shall comply with the following requirements: (i) the maximum term of the Series 2007B Bonds and any Series 2007C Bonds shall not exceed 31 years; (ii) the Series 2007B Bonds shall be subject to redemption at a redemption premium not to exceed 3 percent of the principal amount thereof; (iii) the underwriter's discount relating to the Series 2007B Bonds and any Series 2007C Bonds shall not exceed 1 percent of the principal amount thereof; (iv) the true interest cost of the Series 2007B Bonds shall not exceed 7 percent; (v) the maximum interest rate for any Series 2007C Bonds shall not exceed 12 percent; and (vi) the Series 2007B Bonds and any Series 2007C Bonds shall be offered to the public at a price of not less than 95 percent and not more than 110 percent of the principal amount thereof, plus accrued interest;

4. That the payment or redemption of the Refunded CP Notes with proceeds of the Series 2007B Bonds and any Series 2007C Bonds, together with other funds, is authorized in the manner and the amounts set forth in the CP Refunding Agreements;

5. That the purchase of a policy of municipal bond insurance to be issued by Ambac Assurance Corporation is authorized, in an amount and to the extent determined by the Chairman, or Vice-Chairman, of the Board and the Chairman of the Finance Committee;

6. That the Chairman, or the Vice Chairman, of the Board is authorized and directed to execute, by manual or facsimile signature, the Supplemental Indentures, the Purchase Contracts, the Broker-Dealer Agreements, the Series 2007B-C Bonds, the Official Statements, the Auction Agent Agreement and the CP Refunding Agreements, in substantially the forms submitted to the Board of Directors, all of which forms are hereby approved, with such changes, insertions, completions and omissions as are necessary to reflect the bond principal amount, series designation, and other terms of the Series 2007B-C Bonds determined pursuant to paragraph 3 of this Resolution, and the execution of these documents by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Board of Directors;

7. That the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Authority or a facsimile thereof on the Supplemental Indentures, the Purchase Contracts, the Broker Dealer Agreements, the Series 2007B-C Bonds, the Official Statements, the Auction Agent Agreement and the CP Refunding Agreements that have been executed by the Chairman or Vice Chairman of the Board, to attest the same, by a manual or facsimile signature, and to deliver the Series 2007B-C Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Supplemental Indentures;

8. That the Chairman and the Vice Chairman of the Board, the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer are each authorized with respect to the Series 2007B-C Bonds to execute a tax certificate on behalf of the Authority in implementation of the covenants and agreements set forth in the Supplemental Indentures, and to make any election permitted by the Code that is determined by such officer to be to the advantage of the Authority; and the representations, agreements and elections set forth in the tax certificate shall be deemed to be the representations, agreements and elections of the Authority, as if the same were set forth in the Supplemental Indentures;

9. That the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer are each authorized to execute, deliver and file all other certificates and instruments related to the issuance and sales of the Series 2007B-C Bonds, including Internal Revenue Service Form 8038, any reimbursement agreement relating to any Debt Service Reserve Fund surety bond, and any agreement for the investment of proceeds from the sale of the Series 2007B-C Bonds, and to take any further action as the Officers may consider necessary or desirable in connection with the issuance and sales of the Series 2007B-C Bonds;

10. That any authorization provided in this Resolution to execute a document shall include authorization to deliver the document to the other parties thereto; and

11. That any other acts of the Chairman and the Vice Chairman of the Board, the Chairman of the Finance Committee, the President and Chief Executive Officer, the Vice President for Finance and Chief Financial Officer or any other Officer of the Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the issuance and sales of the Series 2007B-C Bonds are hereby authorized.

The motion was passed unanimously, with all 13 Members present voting, and the proposed resolution was adopted as Resolution No. 07-28.

b. Proposed Resolution Authorizing Actions in Connection with the 2007 Forward Starting Interest Rate Swap Agreements

Mr. Speck moved the adoption of the proposed resolution that authorizes alternative actions with respect to the 2007 forward starting swap agreements:

WHEREAS, the Metropolitan Washington Airports Authority ("Authority") is authorized to issue revenue bonds, notes and other obligations under the Virginia Acts of Assembly of 1985, 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 undertake all acts necessary or desirable in connection with the issuance of its obligations;

WHEREAS, the Authority intends to issue one or more series of bonds under the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended and supplemented ("Master Indenture"), in 2007 ("Series 2007B-C Bonds") and in 2008, 2009, 2010, 2011 and 2012 ("Future Bonds"), in order to finance or refinance certain capital improvements at the Airports;

WHEREAS, in 2005, the Authority executed forward starting interest rate swap agreements with Wachovia, N.A., and Bank of Montreal ("Counterparties"), each with an effective date of October 1, 2007 (collectively, the "Swap Agreements"), in order to hedge the interest cost of bonds that the Authority anticipated issuing in the fall of 2007;

WHEREAS, if and to the extent warranted by market conditions, the Authority intends that all or a portion of the Swap Agreements will go into effect on October 1, 2007, in connection with the Series 2007C Bonds, and that any Swap Agreements that do not go into effect on October 1, 2007 (which may be all or a portion of those Swap Agreements), will be deferred by extending their effective date in order to hedge the interest cost of a portion of the Future

Bonds, subject in any case to compliance with all applicable provisions of the Master Indenture and of this Resolution; and

WHEREAS, copies of the following documents relating to each of the Swap Agreements have been filed in the records of the Authority:

- (a) an ISDA Master Agreement in the form executed by the Authority ("Master Agreement");
- (b) a Schedule attached to the Master Agreement ("Schedule"); and
- (c) a Confirmation ("Confirmation");

NOW, THEREFORE, IT IS RESOLVED

1. That the Chairman, or the Vice Chairman, of the Board and the Chairman of the Finance Committee are hereby jointly appointed as representatives of the Authority ("Authority Representatives") with respect to the Swap Agreements and related Master Agreements, Schedules and Confirmations;

2. That the Authority Representatives are authorized, until October 1, 2007, to decide (i) whether to allow all or a portion of the Swap Agreements to become effective on October 1, 2007, and (ii) to defer the Swap Agreements that do not take effect on October 1, 2007, which may be all or a portion of the Agreements, by extending their effective date and by approving the final revised terms and conditions of the applicable Master Agreement, Schedule and Confirmation, including, but not limited to, the notional principal amount of the revised Swap Agreements, their amortization schedule, their nominal effective date, their final maturity date, their pricing and the designation of the series of Future Bonds to which they relate; provided, that in reaching the decisions they are authorized by this paragraph to make, the Authorized Representatives shall seek to achieve the most favorable net effective interest rate on Authority debt arising from the Series 2007B-C Bonds and the Future Bonds; and, provided further, that the Authorized Representatives may approve the deferral of any Swap Agreement only if (i) the revised Swap Agreement complies with the derivatives policy approved by the Authority on November 5, 2003, (ii) the fixed swap interest rate related to the notional principal amount in the revised Swap Agreement does not exceed 7 percent per annum, (iii) the maximum term of the revised Swap Agreement does not exceed 35 years from its effective date, and (iv) the floating interest rate in the revised Swap Agreement is based on an index estimated to correspond to the expected interest rate of the underlying Future Bonds;

3. That the Authority Representatives are authorized and directed to execute any amendments, supplements or other documents, including revisions to Master Agreements, Schedules and Confirmations, necessary or desirable to implement the decisions they make pursuant to paragraph 2 of

