



SPECIAL BOARD OF DIRECTORS MEETING

Minutes of October 20, 2010

A special meeting of the Board of Directors was held in the Board Conference Room at 1 Aviation Circle and was called to order by the Chairman at 1:30 p.m. The following Directors were present during the meeting:

Charles D. Snelling, Chairman
Robert Clarke Brown
Frank M. Conner III
Michael David Epstein

Jack A. Garson
Leonard Manning
Dennis L. Martire
David G. Speck

The Secretary and Executive Management were present:

E. Lynn Hampton, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief Operating Officer

I. NEW BUSINESS

- a. Recommendation to Approve a Proposed Resolution Authorizing Issuance of the Airport System Revenue Refunding Bonds, Series 2010E and 2010F

Mr. Snelling moved the adoption of the following resolution:

WHEREAS, the Metropolitan Washington Airports Authority ("Airports Authority") desires to authorize the issuance of Airport System Revenue Refunding Bonds, Series 2010E (the "Series 2010E Bonds"), and Airport System Revenue Refunding Bonds, Series 2010F (the "Series 2010F Bonds" and together with the Series 2010E Bonds, the "Series 2010 Bonds") which may be issued in one or more series or subseries in an aggregate principal amount not to exceed \$485,000,000 to refinance a portion of the costs of certain capital improvements ("Projects") at Ronald Reagan Washington National Airport and Washington Dulles International Airport and for other purposes identified below;

WHEREAS, the Airports Authority desires to set forth guidelines for determining the interest rate or rates, maturities and other terms of the Series 2010 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 Series 2010 Bonds, to the extent that these bonds are subject to Section 147 of the Code;

WHEREAS, the Airports Authority adopted Resolution No. 10-37 appointing Morgan Keegan & Company, Inc. and Barclays Capital Inc. as senior managers for the issuance of the Series 2010E Bonds and the Series 2010F, respectively;

WHEREAS, the Airports Authority desires to authorize the current refunding of all of its outstanding Airport System Revenue Bonds, Series 1998B (the "Refunded 1998B Bonds") and certain Airport System Revenue Bonds which were issued between 2004 and 2008 (the "AMT Bonds") and the advance refunding of all or a portion of its outstanding Airport System Revenue Bonds, Series 2001B (the "Refunded 2001B Bonds"), Airport System Revenue Refunding Bonds, Series 2003B (the "Refunded 2003B Bonds"), and Airport System Revenue Refunding Bonds, Series 2004A (the "Refunded 2004A Bonds" and together with the Refunded 1998B Bonds, the Refunded 2001B Bonds, the Refunded 2003B Bonds, and the AMT Bonds, the "Refunded Bonds") with a portion of the proceeds of the Series 2010 Bonds,

WHEREAS, the Airports Authority may purchase all or a portion of the AMT Bonds from the owners thereof with a portion of the proceeds of the Series 2010F Bonds and the Airports Authority desires to appoint an agent (the "Manager") to purchase such AMT Bonds issued between 2004 and 2008 and to provide for the cancellation of such AMT Bonds following the purchase thereof;

WHEREAS, there have been presented to the Board of Directors forms of the following documents that the Airports Authority proposes to execute in connection with the issuance of the Series 2010 Bonds, except Part II of the Official Statement (defined below), the form of which was presented to and approved by the Board of Directors in Resolution No. 10-23, copies of which documents shall be filed in the records of the Airports Authority:

- (a) the Thirty-ninth Supplemental Indenture of Trust (the "Thirty-ninth Supplemental Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company (successor to Allfirst Bank), as Trustee (the "Trustee"), relating to the issuance of the Series 2010 Bonds, which supplements the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended (the "Master Indenture");
- (b) the Series 2010E Bonds, attached as Exhibit A to the Thirty-ninth Supplemental Indenture;
- (c) the Series 2010F Bonds, attached as Exhibit B to the Thirty-ninth Supplemental Indenture;
- (d) the Bond Purchase Agreement relating to the Series 2010E Bonds (the "Series 2010E Purchase Contract"), between the Airports Authority and Morgan Keegan & Company, Inc., (the "Series 2010E Underwriter");
- (e) the Bond Purchase Agreement relating to the Series 2010F Bonds (the "Series 2010F Purchase Contract" and together with the Series 2010E Purchase Contract, the "Purchase Contracts"), between the Airports Authority and Barclays Capital Inc. (the "Series 2010F Underwriter" and together with the Series 2010E Underwriter, the "Underwriters");
- (f) the Official Statement relating to the public offering of the Series 2010 Bonds, which shall include a Part II that was submitted to the Board of Directors prior to the date hereof (the "Official Statement");
- (g) the Refunding Agreements between the Airports Authority and the Trustee relating to the refunding of the Refunded 1998B Bonds, the Refunded 2001B Bonds, the Refunded 2003B Bonds, and the Refunded 2004A Bonds (collectively, the "Refunding Agreements"); and
- (h) the Manager Agreement (the "Manager Agreement") between the Airports Authority and Barclays Capital Inc., as the Manager, relating to the purchase of certain AMT Bonds;

NOW, THEREFORE, BE IT RESOLVED

1. That the Underwriters are authorized to distribute the Official Statement to prospective purchasers of the Series 2010 Bonds;
2. That the Series 2010 Bonds shall be issued in book entry form pursuant to the Master Indenture and the Thirty-ninth Supplemental Indenture and such bonds shall be sold to the respective Underwriters pursuant to the Purchase Contracts, all upon the terms and conditions specified therein;
3. That the Chairman or Vice Chairman, and the Chairman of the Finance Committee (and if timing and schedule permit, with the advice and consent of the Finance Committee) (the "Authority Representatives") are authorized until December 31, 2010, and directed to jointly determine, after each series of the Series 2010 Bonds have been priced in the market, the following:
 - (a) whether to use a portion of the proceeds of the Series 2010F Bonds to currently refund any of the AMT Bonds by the purchase and cancellation thereof;
 - (b) whether to issue (i) the Series 2010E Bonds to currently refund the Refunded 1998B Bonds, and (ii) the Series 2010F Bonds to advance refund the Refunded 2001B Bonds, the Refunded 2003B Bonds, and the Refunded 2004A Bonds;
 - (c) the exact principal amount, series, and subseries designation of the Series 2010 Bonds, provided that the aggregate principal amount of the Series 2010E Bonds shall not exceed \$35,000,000, and the aggregate principal amount of the Series 2010F Bonds shall not exceed \$450,000,000;
 - (d) the interest rate or rates of each series of the Series 2010 Bonds;
 - (e) the maturity or maturities of each series of the Series 2010 Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;
 - (f) the provisions for redemption of each series of the Series 2010 Bonds prior to maturity;
 - (g) the amount and extent of any credit facility for any Series 2010 Bonds and the provider thereof;

(h) the amount of the debt service reserve requirement, if any, and the provider of any Debt Service Reserve Fund surety bond for each series of the Series 2010 Bonds;

(i) the amount of the purchase price for each series or subseries of Series 2010 Bonds;

(j) the amount of the Refunded 1998B Bonds, the Refunded 2001B Bonds, the Refunded 2003B Bonds, and the Refunded 2004A Bonds to be refunded pursuant to the Refunding Agreements; and

(k) the amount and series of AMT Bonds to be purchased pursuant to the Manager Agreement;

all in a manner to achieve the most favorable net effective interest rate while balancing the Airports Authority's exposure to interest rate and market risks on the entire long-term debt within the Airports Authority's Aviation Enterprise Fund, including the Series 2010 Bonds; provided, that the determinations made pursuant to this paragraph 3 shall comply with the following requirements: (i) the maximum term of the Series 2010 Bonds shall not exceed 31 years; (ii) the Series 2010 Bonds shall be subject to redemption at a redemption premium not to exceed three percent (3%) of the principal amount thereof; (iii) the underwriter's discount relating to the Series 2010 Bonds shall not exceed two percent (2%) of the principal amount thereof; (iv) the true interest cost of the Series 2010 Bonds shall not exceed nine percent (9%) per annum; (v) the Series 2010 Bonds shall be offered to the public at a price of not less than 95 percent (95%) and not more than 115 percent (115%) of the principal amount thereof, plus accrued interest; and (vi) the refunding or purchase of the Refunded Bonds with a portion of the proceeds of the Series 2010 Bonds shall be consistent with the criteria for issuing bonds for such purpose as described in the report of the financial advisors' dated October 20, 2010 the text of which is attached hereto and incorporated herein;

4. That the payment, redemption or purchase of, the Refunded Bonds with a portion of the proceeds of the Series 2010 Bonds, together with other funds, and cancellation of the AMT Bonds as determined in paragraph 3, is authorized and directed in the manner and the amounts set forth in the Refunding Agreements and the Manager Agreement, and the Board of Directors hereby appoints Barclays Capital Inc. as the Manager for the purchase of the AMT Bonds and approves the cancellation of such AMT Bonds in the manner provided in the Master Indenture;

5. That the Chairman or the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Thirty-ninth Supplemental Indenture, the Series 2010 Bonds, the Purchase Contracts, the Official Statement, the Refunding Agreements, and the Manager Agreement, forms of which are hereby approved, with such changes, insertions, completions and omissions as are necessary to reflect the bond principal amounts, the series or subseries designations of the Series 2010 Bonds, and other terms of each series of the Series 2010 Bonds determined pursuant to, and actions authorized in, 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;

6. That the Secretary is authorized and directed to affix the Seal of the Airports Authority or a facsimile thereof on the Thirty-ninth Supplemental Indenture, the Series 2010 Bonds, and the Refunding Agreements after their execution by the Chairman or Vice Chairman, to attest the same, by a manual or facsimile signature, and to deliver the Series 2010 Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Thirty-ninth Supplemental Indenture;

7. That the Chairman, the Vice Chairman, the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer are each authorized and directed, with respect to the Series 2010 Bonds, to execute a tax certificate on behalf of the Airports Authority in implementation of the covenants and agreements set forth in the Thirty-ninth Supplemental Indenture and to make any election permitted by the Internal Revenue Code of 1986, as amended, that is determined by such officer to be to the advantage of the Airports Authority; and the representations, agreements and elections set forth in the executed tax certificate shall be deemed to be the representations, agreements and elections of the Airports Authority, as if the same were set forth in the Thirty-ninth Supplemental Indenture;

8. That the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer are each authorized and directed to execute, deliver and file all other certificates and instruments related to the issuance and sales of the Series 2010 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 2010 Bonds, and to take any further action as the officers may consider necessary or desirable in connection with the issuance and sale of the Series 2010 Bonds, the re-

funding of the Refunded Bonds including the purchase and cancellation thereof, and any other actions authorized in paragraph 3 of this Resolution;

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

10. That any 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 officer of the Airports Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the execution, delivery and performance by the Airports Authority of the Thirty-ninth Supplemental Indenture are hereby authorized, and the authorizations granted herein to such officers of the Airports Authority shall apply equally to any person serving in such capacity on an interim or acting basis, except that the Board of Directors reserves unto itself the authority to appoint or remove any person or entity named, appointed or described in this Resolution or in the form of the Thirty-ninth Supplemental Indenture or Manager Agreement presented to the Board of Directors who is to serve as underwriter, trustee, manager or in any similar role relating to the Series 2010 Bonds or the Refunded Bonds.

Mr. Conner noted that a new version of the proposed resolution, which contained only minor revisions, had been distributed at the day's Finance Committee Meeting. The resolution was thereupon unanimously adopted with all eight Directors voting.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

b. Appointment of Co-Managers for Airports System Revenue Bonds, Series 2010E and 2010F

Mr. Snelling moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, the Metropolitan Washington Airports Authority (the "Airports Authority") is preparing for the issuance of its Airport System Revenue Refunding Bonds, Series 2010E and Airport System Revenue Refunding Bonds, Series 2010F (collectively, the "Series 2010E-F Bonds") which may be issued in one or more series or subseries in an aggregate principal amount not to exceed \$485,000,000;

WHEREAS, the Airports Authority has selected a syndicate of investment banking firms that may serve as underwriters for financing and refinancing the costs of certain capital improvements at Ronald Reagan Washington National Airport and Washington Dulles International Airport;

WHEREAS, in Resolution No. 10-37, the Airports Authority selected investment banking firms from the syndicate to serve as senior managing underwriters for the issuance of each series of the Series 2010E-F Bonds; and

WHEREAS, the Airports Authority now desires to appoint investment banking firms from the syndicate to serve as co-managing underwriters for the sale of its Series 2010E-F Bonds;

NOW, THEREFORE, BE IT RESOLVED

1. That BofA Merrill Lynch and Siebert Brandford Shank & Co., L.L.C. are appointed as the co-managing underwriters for the sale of the Series 2010E Bonds; and
2. That J.P. Morgan Securities LLC and Loop Capital Markets are appointed as the co-managing underwriters for the sale of the Series 2010F Bonds; and
3. That this Resolution shall be effective upon its adoption.

c. Enterprise Resource Planning Project Update and Recommendation

Mr. Snelling moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, The 2008 Budget included an authorization of \$59.2 million for the Enterprise Resource Planning ("ERP") Program;

WHEREAS, In 2009, the Board of Directors authorized the expenditure of \$39.2 million of the original 2008 authorization to complete Phase 1 of the ERP Program; and

WHEREAS, Prospective additional costs in the amount of \$11.5 million have arisen as a result of necessary delays to the "go live" date from October 2010 to April 2011;

NOW, THEREFORE, BE IT RESOLVED

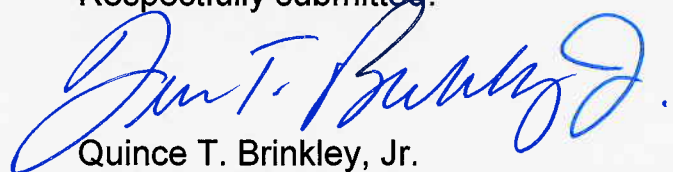
1. That an additional \$11.5 million is hereby authorized for expenditure on Phase 1 of the ERP Program; and
2. That this Resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

II. OTHER BUSINESS & ADJOURNMENT

There being no further business, the meeting was adjourned at 1:35 p.m.

Respectfully submitted:



Quince T. Brinkley, Jr.
Vice President and Secretary

Approved 11/3/10