

MEMORANDUM OF UNDERSTANDING
BETWEEN THE COMMONWEALTH OF VIRGINIA AND THE
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
CONCERNING THE DULLES CORRIDOR METRORAIL PROJECT
AND DULLES TOLL ROAD

This MEMORANDUM OF UNDERSTANDING is entered in this twenty-fourth day of March 2006, between the Commonwealth of Virginia, acting by and through the Secretary of Transportation ("Commonwealth"), and the Metropolitan Washington Airports Authority ("Authority").

WHEREAS, the Commonwealth of Virginia, Virginia Department of Transportation, is the owner and operator of the Dulles Toll Road which extends from the vicinity of Interstate 495 to Route 28; and,

WHEREAS, the Dulles Toll Road has been constructed upon property owned by the federal government and leased to the Authority, pursuant to several deeds of easement to the Commonwealth of Virginia for the construction of the Dulles Toll Road; and,

WHEREAS, the Authority has submitted a Dulles Corridor Proposal to the Governor of the Commonwealth of Virginia which proposes that the Dulles Toll Road be transferred to the Authority in consideration of the Authority operating the Dulles Toll Road and using toll revenues as a non-federal source of funding to construct the Dulles Corridor Metrorail Project and for other transportation improvements in the Dulles Corridor; and,

WHEREAS, it is the intent of the Authority and the Commonwealth to set forth a general understanding between the parties regarding the Authority's proposal to acquire and operate the Dulles Toll Road and to construct the Dulles Corridor Metrorail Project and to set forth certain terms, conditions and principles which will be further defined in Project Agreements between the Authority and various agencies of the Commonwealth;

NOW, THEREFORE, based on a mutual desire to move forward in developing the Project Agreements to address the Dulles Corridor Proposal submitted by the Authority and to set forth the parties' mutual understanding of certain terms and conditions which will be set forth in those Project Agreements, the parties agree as follows:

1. The Commonwealth of Virginia, acting by and through the Virginia Department of Transportation and the Commonwealth Transportation Board, will transfer

possession and control over the Dulles Toll Road right-of-way and all improvements thereto to the Authority pursuant to a permit, lease, or other instrument, and subject to all applicable, federal, state and local laws and regulations.

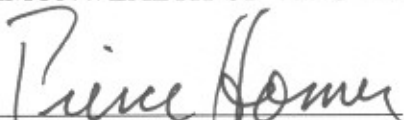
2. The Authority will assume all operation and maintenance responsibility of the Dulles Toll Road, subject to such terms and conditions as may be agreed to by the Commonwealth (which, for the purposes of this Memorandum of Understanding, includes agencies of the Commonwealth) and the Authority.
3. Upon assumption of the operation and maintenance of the Dulles Toll Road, the Authority will assume control of the rate setting using an open public process, including one or more public hearings in the Corridor as prescribed in its regulatory process and conduct briefings with local non-federal partners as referenced in Paragraph 7. The Authority will collect the tolls and be accountable therefore.
4. Upon assumption of the operation and maintenance of the Dulles Toll Road, the Authority will defease or assume, as provided by law, bond indenture, regulation or agreement, all debt and other financial obligations of the Commonwealth regarding the Dulles Toll Road, including the financial obligation to Fairfax County.
5. The Authority will assume, and agree to the assignment of, the current Comprehensive Agreement dated as of June 11, 2004, between the Virginia Department of Rail and Public Transportation and Dulles Transit Partners, LLC to "Develop the Dulles Corridor Rapid Transit Project" (herein referred to as the Dulles Corridor Metrorail Project or Project).
6. The Authority recognizes that the Washington Metropolitan Area Transit Authority (WMATA) has been designated as the ultimate owner and operator of the Dulles Corridor Metrorail Project. The Authority will develop such agreements as may be necessary between the Authority and WMATA to design and construct the Dulles Corridor Metrorail Project.

7. The Authority will develop local funding agreements with the local non-federal partners consistent with the provisions of the financial analysis contained in the March 2, 2005, Record of Decision of the Federal Transit Administration.
8. The Authority will be obligated to design and construct Phases 1 and 2 of the Project as defined and per the conditions described in the March 2, 2005, Record of Decision of the Federal Transit Administration and the July 12, 2005, Record of Decision of the Federal Aviation Administration on the Environmental Impact Statement for the Project, as they may be amended from time to time, on an expedited schedule. It is the goal and intent that such design and construction shall be substantially complete and the Project operational not later than the completion date contemplated by the terms of federal grants as may be issued by the Federal Transit Administration for the Project or as agreed to by the Commonwealth and the Authority.
9. The Commonwealth shall transfer funds that are dedicated and programmed for the design and construction of the Project after subtracting therefrom all costs and expenses incurred by the Commonwealth up to the time the Comprehensive Agreement is assigned to the Authority. As a condition of transfer of possession and control of the Dulles Toll Road, the Commonwealth and the Authority will agree on the assignment and transfer of all revenues collected on the Dulles Toll Road to the Authority to be used in the execution of the Project Agreements.
10. The Commonwealth, through the Virginia Department of Transportation and Virginia Department of Rail and Public Transportation, will continue to provide services and support to the Project and other transportation improvements in the Corridor on a contract basis.
11. As part of future maintenance, operations, construction, and improvements of the Dulles Toll Road, the Authority shall incorporate HOT Lanes and/or other congestion pricing methods on the Dulles Toll Road consistent with the Commonwealth's then current plan and programs for highway system management in Northern Virginia, provided such plan and programs are not inconsistent with the plan for the Dulles Corridor Metrorail Project.

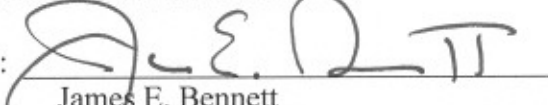
12. The Authority shall consider private proposals, either through the Commonwealth of Virginia's Public-Private Transportation Act of 1995, or laws and regulations applicable to the Authority, for proposals to operate and maintain the Dulles Toll Road, including, but not limited to, the development and operation of HOT lanes and other congestion pricing methods on the Dulles Toll Road.
13. Revenues collected from the Dulles Toll Road shall be used for any and all costs related to the operation, maintenance and debt service of the Dulles Toll Road, and the design, construction and financing of the Dulles Corridor Metrorail Project. After sufficient revenues have been collected and set aside for the purposes set forth in the preceding sentence, any remaining revenues may only be used for costs related to highway and other transportation improvements in the Dulles Corridor, and transit capital and operating expenses in the Dulles Corridor.
14. The parties understand the need for due diligence and each pledges to the other its cooperation to facilitate the exchange of information and documents.

Each party understands that time is of the essence and will dedicate its resources towards the accomplishment of the objective of this MEMORANDUM OF UNDERSTANDING. Within thirty days of the execution of this MEMORANDUM OF UNDERSTANDING, the parties shall begin negotiating the terms and conditions for Project Agreements necessary to carry out the mutual understandings set forth herein.

COMMONWEALTH OF VIRGINIA

By: 
Pierce R. Homer
Secretary of Transportation

METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

By: 
James E. Bennett
President and Chief Executive Officer