BOARD OF DIRECTORS MEETING

Minutes of June 8, 2011

The regular 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 9 a.m. All thirteen Directors were present during the meeting:

Charles D. Snelling, Chairman
Thomas M. Davis III, Vice-Chairman
Robert Clarke Brown
Richard S. Carter
William W. Cobey Jr.
Frank M. Conner III
H.R. Crawford
Michael A. Curto
Shirley Robinson Hall
Dennis L. Martire
Michael L. O'Reilly
Mame Reiley
Warner H. Session

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. MINUTES OF THE MAY 4, 2011 BOARD OF DIRECTORS MEETING AND THE MAY 18, AND JUNE 1, 2011 SPECIAL BOARD OF DIRECTORS MEETINGS

The Chairman called for approval of the Minutes of the May 4, May 18 and June 1 Meetings, which were unanimously adopted.

II. COMMITTEE REPORTS

a. <u>Business Administration Committee</u>

Mr. Crawford reported that the Business Administration Committee had not met in May, but had held a special meeting immediately before the day's Board Meeting to catch up on two contractual matters. The first he said was in the nature of housekeeping. In October 2010, the Airports Authority had received a protest on the Concession Management Services Contract after the Board had approved the award to MarketPlace Development in September. Since then, the Legal Committee had directed that the original proposals be reevaluated. To allow for this process, the President and CEO had extended the incumbent Westfield contract for a year from its expiration date of June 30, 2010.

The reevaluation process had taken longer than expected, and a further extension had become necessary. Only the Board could extend a contract beyond a year; the Committee was proposing to extend it six months, with a thirty-day cancellation notice provision, so that a further Board-approved extension would not be necessary. Mr. Crawford said that he would offer a resolution later in the day's meeting.

The Committee had deferred the recommendation for the custodial services contract at Dulles International and the Dulles Toll Road for further discussion.

b. Dulles Corridor Committee

Ms. Reiley reported that the Dulles Corridor Committee had last met on May 18. Mr. Brown had chaired the meeting in her absence.

The Committee had first met in executive session to discuss three Dulles Metrorail contracts that would require amendments to make them consistent with Federal Transit Administration standards. Remaining issues on one of the contracts had since been resolved, and two amended contracts were ready for approval. Ms. Reiley said that she would offer a resolution later in the meeting.

The Committee had then heard the April Metrorail Phase 1 Cost Summary and Project Update. Pat Nowakowski, Executive Director of the Metrorail Project, had reported that expenditures to date had increased $38 million and that the overall forecast for the project had been reduced by $1 million. In an unusual development, $1.3 million had been credited back to the contingency fund in April, leaving the balance at $122 million, of which $35 million had been obligated.

Discussion of the monthly report on the Dulles Enterprise Fund had been deferred, as Andy Rountree, Vice President and Chief Financial Officer, had not been available. Any questions about the written report should be raised at the next Committee meeting.

c. Executive Search Committee

Mr. Session reported that the Executive Search Committee had met on May 4 in executive session to discuss further the selection of a new Chief Executive Officer.

d. Finance Committee

Mr. Brown reported that the Finance Committee had last met May 4 and again May 18. A special meeting had been held in public session May 4 on the costs of the Phase 2 Metrorail project. He had hoped the media might pick up some of the relevant facts.

Mr. Brown said he had discussed the importance of getting the facts out with Ms. Reiley, who chaired the Dulles Corridor Committee. The financial advisors and Mr. Rountree had provided the information beginning with a presentation on the history of the cost estimates for the entire project. The project cost was first set in 2005, when the Commonwealth was still managing the project and had submitted a new starts application to the Federal Transit Administration (FTA). At that time, the Phase 1 cost was $1.8 billion and the Phase 2 cost was $2.5 billion. The funding agreements were then set, and Phase 1 went forward with design and engineering, and was ultimately taken to bid. By the time Phase 1 went to contract in 2009, the cost had grown to $2.6 billion. This was not an overrun; it was the result of complete engineering, costed out and bid. If Phase 2 had escalated in the same way, it would have reached $3.6 million in 2009; that was about where the cost was currently.

When the preliminary engineering was done on Phase 2 in the fall of 2010, the cost came in at $3.8 billion. The Board asked the staff to work on the problem, and it proceeded to reduce the costs of the tunnel station at the Airport by $330 million. It was still the Locally Preferred Alternative; the engineers, however, had been able to shorten the tunnel section. So far, that was the only cost element on which substantial cost reduction had been done. Staff was currently about to let contracts for value engineering and for an independent cost estimator. The Airports Authority was also engaged with the FTA, whose own contractor would look at the costs.

The cost of the project was large; it was expensive to build transit in urbanized areas. But the funding costs for Phase 1 and Phase 2 had all been agreed to several years ago.

With respect to the Toll Road, Mr. Brown observed that the original toll had been 50¢, where it had stayed for 20 years. Few things cost what they did 20 years before. One reason the tolls had been so low was because the original cost of the Toll Road had only been $40 million, very inexpensive for an expressway through an urbanized area. It was inexpensive because the Airports management, both as a federal agency and later as the Airports Authority, made the right-of-way available without charge. This feature was extremely unusual for any major transportation project. Ms. Reiley asked what the value of the right-of-way had been; Mr. Brown said he did not know, but that the finance team should analyze the question. Mr. Davis pointed out that the value would depend on the underlying zoning; if zoned as open land, the cost would be different. The Chairman observed the number would nevertheless be quite large.

The Committee had also heard a presentation on future tolls. At the time the Airports Authority had issued its original bonds for the project in 2009, after a public hearing, the Airports Authority had announced three toll increases of 25¢, the first for January 2010, the second for January 2011, and the last in January 2012. There would have to be additional ratemaking hearings in the future, before any additional increases. No one could predict what they might be, but it was no secret to anyone that they would be going up. Exactly how that would happen would depend on the ultimate cost of the project as bid, the borrowing cost of the project, and project scope, which was being discussed with the Secretary of Transportation. Toll policy would also be critical; peak-hour pricing, frequent use discounts and automatic toll collection were all possible in the future. Urban toll facilities elsewhere were heading in that direction; the Greenway was already so priced, and the hot lanes were to be priced that way.

All the items that affected tolls paled in comparison to the impact of a Transportation Infrastructure Financial and Innovation Act (TIFIA) loan from the Government. TIFIA would reduce tolls about 30 percent. Because the tunnel station was so much a subject of debate, even though it was a small part of the overall project, the financial advisors had analyzed the difference in tolls with and without it. They said the difference in tolls would be an average of 50¢ over a thirty-year period. That difference would disappear with a TIFIA loan.

The Committee had also discussed the source of the Airports Authority's 4.1 percent share of costs. It was chiefly to be provided by future Passenger Facility Charge revenues from Reagan National. The cost would be $256 plus financing costs of about $71 million, less a $13 million credit for land contributed to the rail yard. The total obligation would be $304 million.

The Committee had also considered other alternatives for funding, such as setting tolls on the Access Highway, peak hour pricing, and extending the life of the Airports Authority's permit to operate the Toll Road, which would allow for longer term financing. The Commonwealth had been showing greater interest in the project; it might be willing to support the project with its new Transportation Infrastructure Bank. The Commonwealth had also shown solicitousness about toll projects elsewhere; for a major project in Tidewater and for the hot lanes on Interstate 495, the Commonwealth was prepared to make substantial contributions to keep toll rates down. Its interest in toll rates its citizens had to pay might lead to some support, either a cash injection or credit support.

Finally, the financial advisors had told the Committee of the next steps. First, the engineers were honing in on hard numbers in the cost estimates. Next, there would be a new traffic and revenue study by Wilbur Smith; the existing study had been made in 2009 based on 2008 traffic data, which was unusually low.

Mr. Brown said the bottom line was that, although there was a great deal of interest in the Airport station, there would not be much difference in toll rates because of it, and a TIFIA loan would all but eliminate a difference. The project was expensive; that was what it would take for a major project.

Mr. Davis asked if TIFIA were not available, what alternatives would be left. He observed that extending the Airports Authority operations of the Toll Road would help, and that interest rates would be critical. One of the advantages of TIFIA was to front-load or back-load certain payments. Did any other program help in that regard? Mr. Brown said there was another federal program called "RIF", historically a rail program, which the Department of Transportation (DOT) had already paired with a TIFIA loan in Denver. It might require some adjustment to work for the Metrorail project, but the program, unlike TIFIA, was undersubscribed. Mr. Davis asked if repeated TIFIA applications could be made from year to year; Mr. Brown turned to Bryan Grote, one of the financial advisors, who said that applications could be made over five years.

Mr. Conner asked if a full report would be available on the negotiations with the Secretary of Transportation, particularly as to the Airports Authority's strategy. The Chairman said it would be offered later in an executive session. Mr. Brown said all were working together with the Secretary; there were no passive participants. The Chairman said that he warmly welcomed the Secretary's interest, and that the Airports Authority team was making many suggestions to move the effort forward.

Mr. Brown continued with a report on the Finance Committee's May 18 meeting, which he characterized as more conventional. The financial advisors for the aviation program had reported first. With respect to a $55 million Merrill Lynch swap executed in July 2001, Bank of America had acquired Merrill Lynch and was transferring all Merrill Lynch swap transactions to itself. Advisors and staff had reviewed the proposed transfer, and agreed that it should go forward. A resolution would be offered later to authorize the transaction.

The 2011 Plan of Finance for the aviation program was well under way. A swap would be going live in the fall; staff was considering issuance of variable rate bonds to refinance it. Proposals had been sought for funding by bank facilities. The plan was to issue about $215 million new money bonds to fund the Capital Construction Plan. Some refunding would be included; rates were continuing at a low rate for the time being, and the Airports Authority should take advantage of them.

On the Dulles Corridor side, the Airports Authority had issued an RFP to members of the underwriting syndicate for a direct pay letter of credit to support the issuance of $300 million in commercial paper notes. For a number of years, there had been a commercial paper program on the aviation side; it also made sense for the rail side. Commercial paper made it possible for the Airports Authority to meet the needs of construction programs if it was not possible to get into the long-term bond market. After reviewing the proposals, advisors and staff had recommended JPMorgan, which had offered a very attractive proposal.

Also on the Toll Road side, the advisors and staff had met with the funding partners and were continuing to do so, to get all participants dealing with the same numbers.

The Committee had heard reports on other toll roads, including the Greenway's traffic and revenue, and a bit about the North Texas Tollway's recent special project bond issue and TIFIA loan. The Committee then turned to the 2010 Consolidated Annual Financial Report ("CAFR"), which now covered both the aviation and toll road side. Though the 2010 financials had received a clean opinion letter from the auditors, the 2009 financials had to be restated over to address capitalized interest, depreciation, and classification of certain assets and liabilities. This restatement did not have any effect on debt service coverage, additional bonds test, or, most importantly, rates and charges.

Aviation bond coverage stood at 1.47 at the end of 2010. On a Generally Accepted Accounting Principles basis, net aviation operating income had been $30 million, and net remaining revenue had been $100 million, with the Airports Authority's share at $39 million, under the terms of the existing use and lease agreement.

The Committee had also heard an investment committee report; the total portfolio at the end of the first quarter had been $1.9 billion, slightly down from year 2010. $1.06 billion of the portfolio had been for aviation; $800 million for the Dulles Corridor. Unrestricted available cash was 459 days on the aviation side, almost two years on the toll road side, or 661 days.

At the end of April, one-third through the year, the Airports Authority was at 31 percent of budgeted expenses and 31 percent of budgeted income. Debt service coverage through April had been 1.35.

e. <u>Strategic Development Committee</u>

Mr. Conner reported that the Strategic Development Committee had last met May 18. The session had been short because of the length of other meetings that day. In executive session the Committee had heard a report from L&L Consulting, LLC on the status of the organization study.

III. INFORMATION ITEMS

a. <u>President's Report</u>

Lynn Hampton reported that there had been two meetings with Secretary of Transportation Ray LaHood on the Phase 2 project. Staff from the Airports Authority and the funding partners, Loudoun and Fairfax Counties, as well as the Washington Metropolitan Area Transit Authority and DOT had attended.

Earlier in the week, there had been a "topping off party" for the reconstructed Dulles Jet Center, the hangar used for private jets. The prior building had collapsed in a snowstorm in February 2010.

The Federal Aviation Administration reauthorization bill was moving again, but it appeared that an agreement would not be reached. There were still differences over levels of the airport improvement program funding, the essential air service program, and a provision that would overturn longstanding labor provisions and draw a veto. It appeared therefore that the result would be the twenty-first temporary extension of the aviation programs.

The Commonwealth Transportation Board had designated a new north-south corridor of statewide significance from Route 7 near Dulles to I-95 in Prince William County. This effective bypass of the metropolitan area would be very helpful to support cargo development.

At the end of the month, a cargo delegation would be leaving for Ethiopia to meet with Ethiopian Airlines cargo staff and flower growers; the delegation would include Mark Treadaway, Vice President of Air Service Planning and Development, and former Vice Chairman Leonard Manning.

Staff was working with Flughafen Wien, the Vienna Airport, on the terms for a sister airport exchange program, and the Chairman of the Management Board, Dr. Christoph Herbst, who had visited the Airports Authority in May.

Two art exhibits would be opening during the week. The first, Representative Eleanor Holmes Norton's art competition from the District of Columbia schools, would be on display through the end of July in the Reagan National terminal. At Dulles International, in the international arrivals area, a permanent exhibit would feature work of children in the area, with portraits done on porcelain from ten schools.

Ms. Hampton said she would be presenting the annual update on the Airports Authority to the Washington Airports Task Force on June 16.

The Chairman then announced that the Dulles Corridor Rail Association on June 6 had presented Ms. Hampton with an award for leading the Metrorail project during the past year.

b. Executive Vice President's Report

Margaret McKeough reported that staff continued to work with the FTA on matters it had asked the Airports Authority to address during its review of the procurement processes, and noted that the President had received a positive response from the agency on the Airports Authority's initial submission. The main issue would be an amendment to the Contracting Manual, which would be before the Board in August.

The runway construction night work at Reagan National had been proceeding well, without interference to air carrier operations. On the south end of the National Hall, a new Qdoba Mexican restaurant had opened.

The Oracle software was scheduled to go live on June 22. Also, the semi-annual meeting with the airline corporate representatives would be held June 23.

Delta and USAirways had filed a modified plan for the slot swap at LaGuardia and Reagan National. The new plan would release 8 pairs of slots for DOT to award to new carriers at Reagan National.

There was still little news about the Southwest-AirTran merger. It appeared that there would not be a single operating certificate for the new carrier until 2012; in the meantime, the carriers were working more intensely on airports where they had a larger presence.

Air France had inaugurated its A380 service between Paris and Dulles International earlier in the week. She congratulated the engineering and operations offices for their work in implementing the adjustments needed for Dulles International to accommodate the enormous aircraft.

April passenger traffic had been up slightly for the entire U.S. industry, with average growth just under 2 percent. At Reagan National, the growth had been about 3 percent. Dulles International, however, had served just fewer than 2 million passengers, comparable to April 2010. International traffic had been up 14 percent, but domestic traffic had been down about 5 percent resulting in an overall Airport performance consistent with 2010.

Year-to-date, both Airports showed growth, 7 percent at Reagan National and 2 percent at Dulles International. Cargo had been down about 3 percent in April, with a 14 percent decrease in domestic and a 4 percent increase in international.

Mr. Crawford thanked the President for the good attendance at the recent meeting on business opportunities available at the Airports.

IV. NEW BUSINESS

a. <u>Extension of the Concessions Management Services Contract at Both Airports</u>

Mr. Crawford moved the adoption of the following resolution, which was adopted unanimously by the Members voting, with Mr. Conner recusing himself:

> WHEREAS, Westfield Concession Management, Inc. has held the concessions management contract for both Ronald Reagan Washington National Airport and Washington Dulles International Airport since July 1995, under a contract originally scheduled to expire June 30, 2010;
>
> WHEREAS, The President and Chief Executive Officer extended the term of the contract for twelve months in order to allow for a competitive selection process for a new contract;
>
> WHEREAS, At its September 2010 meeting, the Board of Directors approved the staff recommendation to award the new contract to MarketPlace Development;
>
> WHEREAS, A protest of the award by Westfield led to a reevaluation of the proposal received in September 2010, which reevaluation will not be complete by June 30, 2011; and
>
> WHEREAS, Further extension of the Westfield contract may not be taken by the President and Chief Executive Officer, now, therefore, be it

RESOLVED, That the Westfield Concession Management, Inc. contract is hereby extended until canceled, upon thirty days' notice by the President and Chief Executive Officer, not later than December 31, 2011.

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

b. Recommendation for Custodial Services Contract at Dulles International and the Dulles Toll Road

The Chairman reported that the item had been withdrawn from the day's agenda.

c. Approval of Amendments to Dulles Metrorail Contracts to Include Termination Dates and Contract Values, as Recommended by the Federal Transit Administration

Ms. Reiley moved the following resolution, which was unanimously adopted:

WHEREAS, Contracts for services provided on the Dulles Metrorail Project ("the Project") are subject to Federal Transit Administration (FTA) standards;

WHEREAS, The FTA requires that contracts have a fixed price and termination date;

WHEREAS, A contract with Jacobs Engineering Group, Inc., for project management support services, and a cooperative agreement with the Washington Metropolitan Area Transit Authority for technical services and railcars and equipment for Phase 1 of the Project, both executed in 2007, do not fully meet those standards;

WHEREAS, Because of their continuing nature, the FTA has asked that the Airports Authority modify them; and

WHEREAS, The management has presented proposed modifications to those two contracts at the May Dulles Corridor Committee Meeting, and the Committee has recommended that the Board approves them; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to set the value of the Jacobs Engineering Group contract at $184 million, as currently budgeted for the life of that contract, assuming the exercise of all three extension options; and

RESOLVED, That the President and Chief Executive Officer is authorized and directed to set the value of the cost-reimbursement agreement with the Washington Metropolitan Area Transit Authority at $478,718,200, the current budgeted amount, and to set its termination date as June 30, 2018.

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

d. Novation of the Interest Rate Swap Agreement with Merrill Lynch Capital Services, Inc. to Bank of America, N.A.

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

WHEREAS, The Metropolitan Washington Airports Authority (the "Airports 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 do all acts necessary or convenient in connection with the issuance of its bonds;

WHEREAS, The Airports Authority issued its Airport System Revenue Variable Rate Refunding Bonds, Series 2002C (the "Bonds"), under the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended, and supplemented by a Thirteenth Supplemental Indenture of Trust, dated as of August 1, 2002, each between the Airports Authority and Manufacturers and Traders Trust Company (successor to Allfirst Bank), as Trustee, to refinance certain capital improvements at the Airports;

WHEREAS, The Airports Authority entered into an interest rate swap agreement on July 31, 2001 with Merrill Lynch Capital Services, Inc. ("Merrill"), as the counterparty, (the "Swap Agreement") pursuant to Resolution 01-9 (the "Prior Resolution") to hedge the interest cost of the Bonds;

WHEREAS, Merrill intends to transfer by novation to Bank of America, N.A. ("Bank of America"), and Bank of America wishes to accept the transfer by novation of all the rights, liabilities, duties and obligations of Merrill under and in respect of the Swap Agreement and has requested the Airports Authority to consent to such novation;

WHEREAS, Bank of America has requested the Airports Authority to execute certain documents in connection with the novation of the Swap Agreement, the terms of which are consistent with the existing Swap Agreement; and

WHEREAS, There have been presented at this meeting of the Board of Directors the form of the following documents necessary to consummate the novation of the Swap Agreement, copies of which documents shall be filed with the records of the Airports Authority:

(a) the International Swaps and Derivatives Association ("ISDA") Master Agreement between the Airports Authority and Bank of America (the "Master Agreement");

(b) the Schedule to the Master Agreement between the Airports Authority and Bank of America (the "Schedule");

(c) the Credit Support Annex to the Schedule to the Master Agreement between the Airports Authority and Bank of America (the "Credit Support Annex"); and

(d) the ISDA Novation Agreement among the Airports Authority, as remaining party, Merrill, as transferor, and Bank of America, as transferee (the "ISDA Novation Agreement"); now, therefore be it

RESOLVED, That the proposed form of Master Agreement, Schedule, Credit Support Annex, and ISDA Novation Agreement are approved;

2. That each of the Chairman, the Vice Chairman, the Chairman of the Finance Committee, the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer is authorized and directed to execute the documents identified in paragraph 1, on behalf of the Airports Authority, with such completions, omissions, insertions and changes as are necessary to reflect the transaction to be accomplished by the documents, and that the execution of the documents by any such officer shall constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes

and the Secretary is authorized and directed to affix the seal of the Airports Authority on such executed documents as required, and to attest the same;

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

4. That each of the Chairman, the Vice Chairman, the Chairman of the Finance Committee, the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer is hereby appointed as an "Authorized Representative" and authorized and directed to take any other actions on behalf of the Airports Authority to make effective the documents identified in paragraph 1 and to execute any ancillary documents on behalf of the Airports Authority required to be delivered by these documents or to accomplish the novation;

5. That any acts of an Authorized Representative that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution of the documents identified in paragraph 1 are hereby approved, ratified and confirmed; and

6. Except as modified by the foregoing, the Prior Resolution is otherwise ratified and confirmed and to the extent there is any conflict between the provisions of this Resolution and those of the Prior Resolution, the provisions of this Resolution shall prevail.

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

e. <u>Approval of the Selection of JPMorgan Chase Bank, N.A. as the Provider of a Letter of Credit for the Dulles Toll Road Commercial Paper Notes, Series One</u>

Mr. Brown moved the following resolution, explaining that the resolution would allow for second senior or subordinate liens for the commercial paper, which JPMorgan Chase had accepted. The resolution was adopted unanimously by all Members voting, with Mr. Davis abstaining.

WHEREAS, The staff of the Metropolitan Washington Airports Authority (the "Airports Authority") recently solicited responses from certain banks and other financial institutions to a Request for Proposals & Bids – Letter of Credit or Direct Funded Loan in connection with a commercial paper program or loan, the proceeds of which are to be used to fund the design and/or construction of the Dulles Corridor Metrorail Project, of extensions, modifications and improvements to the Dulles Toll Road and of other transportation improvements within the Dulles Corridor;

WHEREAS, The staff has reviewed the proposals submitted by proposers and has deemed the proposal submitted by JPMorgan Chase Bank, National Association ("JPMorgan Chase") to issue to the Airports Authority a letter of credit to secure a not-to-exceed $300,000,000 commercial paper notes (the "Notes") program the most advantageous;

WHEREAS, The Notes are to be issued under and secured as second senior lien or subordinate lien obligations as provided in the Master Indenture of Trust, dated as of August 1, 2009 (the "Master Indenture"), by and between the Airports Authority and Manufacturers and Traders Trust Company, as Trustee, as amended and supplemented, securing Dulles Toll Road Revenue Bonds; and

WHEREAS, The interest on the Notes will be paid from Net Revenues as provided in the Master Indenture until the Notes are refinanced with the proceeds of long-term bonds issued under the Master Indenture; now, therefore, be it

RESOLVED, That JPMorgan Chase is hereby designated as the letter of credit provider for the commercial paper program to be established by the Airports Authority to assist in financing the design and/or construction of the Dulles Corridor Metrorail Project, of extensions, modifications and improvements to the Dulles Toll Road and of other transportation improvements within the Dulles Corridor; and

RESOLVED, That each of the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Vice President and General Counsel, the Vice President for Finance and Chief Financial Officer, and the Manager of Treasury (collectively, the "Executives") is hereby authorized to negotiate forms of financing documents relating to this commercial paper program with JPMorgan Chase, including, without limitation, forms of a supplemental indenture, reimbursement agreement, fee letter with JPMorgan Chase relating to the payment of facility fees and other fees under the reimbursement agreement, issuing and paying agent agreement, dealer agreement, official statement and other documents, and the forms of such financing documents, in substantially final form, shall be submitted to the Board at a future meeting for approval.

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

V. UNFINISHED BUSINESS

There was no unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Chairman commended the President and staff on the negotiations being headed by Secretary LaHood; he cited particularly the outstanding efforts of Messrs. Rountree, Holly and Nowakowski.

At 10 a.m. the Board went into executive session to discuss contractual matters related to the Dulles Corridor project.

Respectfully submitted:

Quince T. Brinkley, Jr.
Vice President and Secretary

Approved 7/6/11