



## BOARD OF DIRECTORS MEETING

Minutes of October 3, 2007

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle, and was called to order by the Chairman at 9:00 a.m. Eleven 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

Michael David Epstein  
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 SEPTEMBER 5, 2007 ANNUAL MEETING

The Chairman called for approval of the minutes of the September 5, 2007, Annual meeting, which were unanimously approved.

### II. COMMITTEE REPORTS

#### a. Planning and Construction Committee

Mr. Snelling reported that he would deviate slightly from the normal monthly report. He indicated that the Committee's report for the day was four pages long, and that the Board would act on three of the items later in the day's meeting. A copy of the report (attached hereto) was distributed to each Director.

Mr. Snelling then briefly reported on the Committee's regular monthly meeting on September 19.

At that meeting, the Committee reviewed the Capital Construction Program cost report.

The Committee also reviewed the following items, which required Board action later in the day's meeting:

1. Amendment to Reagan National ALP. The Committee received a report on a proposed amendment to the Airport Layout Plan at Reagan National which, involves a change to Runway 1.

2. Electric transmission line easements at Dulles. The Committee received a report on easements that have been requested by Dominion Virginia Power on Authority property near Route 606.

3. Roadway and utility easements at Dulles. The Committee next received a report on roadway and utility easements on Authority property that have been requested by VDOT, Loudoun County and the Loudoun County Sanitation Authority to facilitate commercial and other development that is to take place just west of Route 606.

b. Business Administration Committee

Mr. Crawford reported on the Committee's regular monthly meeting on September 19. He asked that a copy of the Committee report (attached hereto) be included in the record of the meeting.

Steve Baker presented the contract report for June through August 2007. The Authority had awarded \$93.6 million in contracts during that time. Mr. Baker also presented the contract activity by jurisdiction for 2004 through 2006, a request made by Mr. Manning. Mr. Crawford thanked Mr. Baker for providing the information.

Mr. Crawford reported that he had met recently with members of the Council of Governments (COG) regarding reciprocity for taxicabs throughout the Metropolitan Washington region. As a result of the meeting, a COG committee had been established to work on the issue.

Mr. Crawford then reported that Steve Baker and Margaret McKeough had met with Erik Moses, the Director of the District of Columbia's Department of Small and Local Business Development, in an effort to improve the Authority's relationship with the District of Columbia and to enhance the Authority's outreach to the D.C. area.

Mr. Crawford reported that a South African delegation, comprised of entrepreneurs, political leaders and politicians, had visited the Authority on September 24. He thanked Steve Baker and Frank Holly who made presentations to the delegation on the Authority's activities. He also thanked Danielle Morgan, Tour & Education Program Coordinator, and Michael Cooper, Manager, State and Local Governments, who had assisted with the presentations. Several members of the delegation had arrived at Dulles Airport without their luggage, and Mr. Crawford thanked Mr. Cooper and Lisa Makle-Brooks for their efforts in tracking the luggage.

Finally, Mr. Crawford reported he would offer a motion later in the meeting to recommend that the Board approve a goal of at least 15 percent overall DBE participation in the Dulles Rail project.

c. Finance Committee

Mr. Speck reported on the Committee's regular monthly meeting on September 19.

He reported that Authority revenues in August totaled \$45.3 million, and year-to-date revenues totaled \$340.8 million, a \$34.6 million increase from 2006. Expenses for the month of August totaled \$36.9 million. Year-to-date expenses were \$299.9 million. Operating income year to date totaled \$40.9 million, an increase of \$8.1 million from 2006. Through August, the Authority had reached 63.3 percent of budgeted revenue and 61.3 percent of its budgeted expense. Annual construction expenditures through August were \$472 million.

The Committee received a report from the financial advisors on the results of the Series 2007B-C bonds. Long-term interest rates declined nearly 50 basis points between the August Finance Committee meeting and the bond sale. The bonds were sold with a true interest cost of 4.63 percent, the lowest rate the Authority has ever received on its fixed rate bonds. Michael Lexton and Wendy Franklin from Bears Stearns discussed the sale with the Committee. The Authority's overall cost of fixed rate debt was 4.92 percent and when combined with the outstanding variable debt, it was 4.84 percent. The financial advisors also discussed the investment of the debt service reserve and construction funds. Mr. Speck noted that everyone who participated in the recent bond sale had done an outstanding job, and he thanked them all.

Mr. Speck then reported that the Committee received its first financial advisors report for the Dulles Corridor. He noted that the feasibility study for the Dulles Toll Road had begun. The initial report is expected in November, and the final report will be prepared in the spring 2008.

He also reported that the Board approved the interim financing program with Bank of America in July 2007. In completing the documentation, Bank of America requested that the bank's role be styled as "collateral agent", not as trust agreement as originally proposed. Mr. Speck reported that while there was no change to the terms of the agreement, it would be necessary to again ask for Board approval of the new form of documents. He would offer a resolution to approve the terms of the financing later in the day's meeting. The documents will be executed concurrent with the closing of the Dulles Corridor project.

Finally, Mr. Speck reported that the airport consultant contract will expire in early 2008. The holder of the current contract performs the feasibility analysis for the airport bonds, as well as other analytical studies and work on airline rates and charges. Staff presented a paper outlining the terms for the procurement to select a new airport consultant. The Committee discussed the process for procuring a new consultant, and agreed that, before its October meeting, Mr. Speck would develop a proposal that would provide for Committee and Board participation in the procurement.

d. Strategic Development Committee

Mr. Brown reported on the Committee's regular monthly meeting that was held September 19.

Several items were discussed in the regular session:

Energy Utilization Report. The Committee received a staff report on Authority energy utilization that had been requested by Mr. Snelling. Mr. Brown reported that overall utility consumption totaled approximately 5 percent of all Authority operating expenses, with electricity being the largest component at 62 percent, followed by natural gas at 30 percent, and water at 5 percent.

He reported that staff reviewed three principles that underscored the Authority's long-term planning in the energy area. The first was ensuring the availability of future energy supplies and facilitating flexible distribution systems, including measures such as assisting Dominion Virginia Power in its effort to bring additional power to the region, by permitting a new transmission line to locate on Dulles property. The second principle was enhancing the capacity to store energy for use at a later time when costs are higher, including measures such as chilling water during periods when electricity demand is low, and then utilizing the stored (chilled) water during high-peak periods, and constructing large fuel holding tanks (e.g., at Dulles) in connection with the fuel sold to the airlines. And the third principal was designing facilities in an energy efficient manner and maximizing the purchase of energy-efficient equipment and systems.

Staff also identified a number of Authority activities that are designed to reduce current and short-term utility costs. Energy committees exist at both airports that review energy usage patterns and recommend measures to conserve energy and reduce energy costs. Each airport has a demand management program intended to reduce energy consumption. The Authority is testing the use of renewable energy resources, such as a pilot solar program at the Dulles police facility.

The Committee raised a number of questions about increasing the Authority's use of renewable resources and discussed the use of solar panels along airport runway where property was unused and the feasibility of capturing wind power on Authority property. The Committee also discussed the possibility of the Authority generating some of the utilities/energy it required, such as constructing a natural gas or coal-fired co-generation facility, at Dulles.

Mr. Brown reported that a consultant would review the Authority's overall utility usage and would prepare a report early next year.

Finally, Mr. Brown reported that the Committee decided to postpone the monthly air service development report until next month.

e. Audit Committee

Mr. Cobey reported that the Committee's monthly meeting was held September 5.

The Committee reviewed a report on the internal controls in place at the Reagan National parking garages, which are contractor operated, and accepted the recommendation that management undertake a review of the prices now charged for parking.

The Committee also considered an assessment of the Authority's adherence to the requirement that it maintain a system of full and open competition in its procurement of goods and services, and was advised that a high level of adherence was noted during the assessment.

A special Audit Committee meeting had been held on September 18 to consider the Technical Evaluation Committee (TEC) recommendation of a public auditing firm to serve as the Authority's financial statement auditor. The TEC, chaired by the Audit Committee Chairman, also included Jim Bennett, Anne Crossman, Valerie Holt, Leonard Manning and David Speck. The TEC had first met on September 4 to complete the scoring of all proposals, following which the TEC established a short list and a plan for interviews. Mr. Cobey reported that one interview was held on September 18 and that, upon completion of the interviews, the TEC agreed on a recommendation to be made to the Audit Committee. The Audit Committee met immediately thereafter and accepted the TEC recommendation.

Mr. Cobey noted that he would offer a resolution selecting the recommended firm later in the meeting.

f. Information Technology Committee

Ms. Crossman reported on the Committee's regularly scheduled monthly meeting on September 5.

The Committee reviewed a staff paper on the procurement process for the Enterprise Resource Planning (ERP) program. Ms. Crossman reported that the Authority ERP program consultants would join the Information Technology Committee at its meeting later that day.

III. INFORMATION REPORTS

a. President's Report

Mr. Bennett reported on a number of items.

Air Traffic System. Mr. Bennett reported that several articles about congestion and airport delays had appeared in local newspapers. He referenced an article that appeared that day written by Alfred Kahn, former Chairman of the Civil Aeronautics

Board, which addressed congestion and peak-hour pricing for the air traffic control system.

Mr. Bennett reported that the Department of Transportation (DOT) had launched a "New York Aviation Rulemaking Committee" that had been tasked to explore how higher fares could be executed in highly desired markets during daily peak periods. Depending on the interest, Mr. Bennett believed the concept might possibly be explored at other airports, including Reagan National. Theoretically, congestion-pricing mechanisms could replace the slot or perimeter rule at National, with market-based pricing becoming the vehicle for limiting the number of flights during peak periods.

Mr. Bennett reported on other efforts to reduce congestion and airport delays. DOT is also considering the reduction (voluntary and required) of scheduled flights at Kennedy Airport. In addition, DOT is redesigning the airspace in the New York corridor. The desired goal is for much of this redesign work to be completed by the end of the year.

Dulles Metrorail Update. Mr. Bennett reported that the Authority had made its New Starts submission to the Federal Transit Agency (FTA) on September 14, and its request to enter final design submission on September 21. He also reported that the rail team had been meeting frequently with FTA staff to review the technical and financial aspects of the submissions. Thus far, the submissions appear to be complete and the reviews appear to be going well at the staff and technical levels.

Mr. Bennett reported that rail team had moved into its new office space, which the Board had approved July 11. Interested Directors were invited to stop by the office and meet the staff.

Northern Virginia Transportation Alliance. Mr. Bennett reported that the 3<sup>rd</sup> annual session would be held October 4 at the Center for Innovative Technology in Herndon. Frank Holly was among several guest speakers. Interested Directors were invited to attend. Leo Schefer, President, Washington Airports Task Force, would present WATF's efforts to improve ground access to the airports.

Air Cargo at Dulles. Mr. Bennett reported that Ocean Airlines had postponed its scheduled arrival from Milan to Dulles to October 20.

Media Day. Mr. Bennett reported that the Authority would host its 3<sup>rd</sup> annual Media Day on October 9. Each year he provides the media with a status report on Dulles projects, and "unveils" a project. This year the media would tour the Aero Train Station.

Concourse B Extension at Dulles. Mr. Bennett reported that the B concourse extension continued to track on schedule and should be operational in early 2008. He reported that Authority staff had been meeting with the airlines and concessionaires that would use the extended concourse.

Ed Faggen. Mr. Bennett announced that Mr. Faggen had announced his intention to retire from the Authority in March 2008. The Chairman stated that Mr. Faggen had done a phenomenal job as the Authority's General Counsel and that he would be sorely missed.

b. Executive Vice President's Report

Ms. McKeough reported that the U.S. aviation industry experienced a growth rate of approximately 5.2 percent during August 2007. Both Airports exceeded that industry benchmark.

She reported that in August about 1.68 million passengers utilized Reagan National, an increase of 120,000 (7.7 percent) over August 2006. The largest growth was experienced by airlines with the largest market share, US Airways and American Airlines. Year to date, Reagan National had experienced a 1.4 percent growth in passengers.

At Dulles, Ms. McKeough reported that approximately 2.25 million passengers were served in August, an increase of about 200,000 (10.5 percent) over August 2006. The increase reflected both domestic and international passengers, with a growth in domestic passengers of 7.6 percent and in international passengers of almost 20 percent. Year to date, Dulles had experienced an 11 percent growth in passengers.

The Chairman asked how the present statistics compared to the statistics prior to the September 11, 2001. Ms. McKeough responded that the passenger traffic at both airports is now back to pre-9/11 levels.

Ms. McKeough then reported that United Airlines experienced an increase of 6 percent in its domestic activity at Dulles and 27 percent in its international activity in August. On the cargo front, Dulles experienced a 1 percent increase in August 2007 over August 2006. With respect to freight, it increased 2.5 percent in August 2007 over August 2006.

Mr. Speck referenced the August 2007 air traffic statistics and noted that both airports had experienced an increase in passenger traffic despite the decrease in airport operations and asked if it had resulted because aircraft were carrying more passengers. Ms. McKeough reported that a shift in types of carriers, i.e., regional versus main line, could have also occurred.

IV. NEW BUSINESS

a. Proposed Amendment to the Airport Layout Plan for Runway Safety Area Enhancement on Runway 1-19 at Reagan National

Mr. Snelling moved the adoption of the following resolution:

WHEREAS, Federal Aviation Administration (FAA) regulations require airports to provide a safety area for their runways;

WHEREAS, in 1999, the FAA established a Runway Safety Area Program that required airports to comply with then current runway design standards to the extent practicable, including runways which had previously been exempt from those standards;

WHEREAS, Runway 1-19 is the primary and longest runway at Reagan National Airport and handles approximately 85% of the Airport's traffic;

WHEREAS, Runway 1 has a runway safety area length at its departure (north) end that falls short of applicable FAA design standards by 250 feet;

WHEREAS, a relocation of the southern threshold of Runway 1 300 feet to the south, while maintaining its current operating length, will bring the runway into compliance with applicable FAA runway design standards;

WHEREAS, the Authority wishes to bring Runway 1-19 into compliance with these FAA standards;

NOW, THEREFORE, BE IT RESOLVED

1. That the Airport Layout Plan for Ronald Reagan Washington National Airport is hereby amended to relocate the southern threshold of Runway 1 300 feet to the south of its present location, while maintaining the current operating length of both Runway 1 and Runway 19 at 6,869 feet, and to reflect minor modifications to adjacent taxiways and service roadways made necessary by this relocation, all as shown in the attached exhibit, entitled "Proposed ALP Change, R/W 1-19, 300' Relocation"; and

2. That this Resolution shall be affective upon its adoption.

The Secretary reported that prior to the day's meeting, he and Mr. Faggen had discussed the resolution, and he proposed that the following clause replace the fourth WHEREAS clause:

WHEREAS, the Authority wishes to extend by 250 feet the length of the runway safety area at the departure (north) end of Runway 1;

The resolution was thereupon unanimously adopted, with the replacement clause.

- b. Proposed Easements Needed by Dominion Virginia Power to Construct the Brambleton-Greenway Transmission Line

Mr. Snelling moved the adoption of the following resolution:

WHEREAS, Dominion Virginia Power ("DVP") is constructing a new 230kv transmission line, the Brambleton-Greenway Transmission Line, between the existing DVP Greenway substation on Shellhorn Road and a new Brambleton



substation to be located near the intersection of Evergreens Mills Road and an existing DVP transmission line, all in Loudoun County;

WHEREAS, the purpose of this new transmission line is to strengthen DVP's electrical distribution system in Northern Virginia;

WHEREAS, the alignment of this new transmission line has been approved by the Virginia State Corporation Commission;

WHEREAS, a portion of the transmission line's approved alignment falls within the boundaries of Washington Dulles International Airport ("Dulles");

WHEREAS, Dominion Virginia Power seeks easements from the Authority over three separate areas at Dulles that will allow it to construct and maintain this new transmission line;

WHEREAS, these three areas are designated as parcel 024, parcel 025 and combined parcels 029A and 029B on the attached exhibit, entitled "Dominion Proposed Easement," consisting of 1.58, 2.19 and 4.18 acres, respectively;

WHEREAS, the location of the transmission line within these parcels will not interfere with any current or planned airport operations or other activities at Dulles; and

WHEREAS, Virginia Dominion Power will compensate the Authority for these easements by payment a sum equal to their fair market value;

NOW, THEREFORE, BE IT RESOLVED

1. That the President and Chief Executive Officer is authorized to convey three easements to Dominion Virginia Power over land within the boundaries of Washington Dulles International Airport, shown on the attached exhibit as parcel 024, parcel 025, and combined parcels 029A and 029B, for the purpose of locating and maintaining portions of its new Brambleton-Greenway Transmission Line;
2. That the President and Chief Executive Officer is authorized to execute any and all documents necessary or desirable to accomplish the conveyances authorized by paragraph 1 of this Resolution; and
3. That this Resolution shall be effective upon its adoption.

Mr. Brown asked about the amount that Dominion Virginia Power would pay for the easement. Mr. Bennett responded that the financial negotiations had not concluded, and that the easements would not be conveyed until the Authority had satisfactorily resolved the price. He indicated that the Authority would grant an interim right of entry to allow Dominion Virginia Power to begin preliminary work while negotiations continued.

Mr. Epstein moved to amend the pending motion, by revising the first resolved clause to include the phrase, "subject to reaching agreement on the amount of compensation to be provided the Authority." The amendment was accepted by Mr. Snelling.

The resolution, as amended, was thereupon adopted, with all members voting in the affirmative with the exception of the Chairman who abstained.

- c. Proposed Easements Needed for Route 606 Intersection Improvements and for Water Line and Sanitary Sewer Improvements

Mr. Snelling moved the adoption of the following Resolution:

WHEREAS, Virginia Route 606 travels along the western boundary of Washington Dulles International Airport ("Dulles") within an easement from the Authority to the Virginia Department of Transportation ("VDOT");

WHEREAS, VDOT and Loudoun County plan to construct a new roadway, Dulles South Parkway, which will intersect with Route 606 at a location within the boundaries of Dulles;

WHEREAS, in order for the planned intersection of Dulles South Parkway and Route 606 to proceed, an easement from the Authority is needed that allows this intersection improvement to be constructed and maintained on Dulles property;

WHEREAS, the location of this intersection improvement, along with an easement for traffic signals and equipment, is shown on the attached exhibit, entitled "Dulles South Parkway Easement, MWAA Exhibit, August 2007";

WHEREAS, the planned intersection of Dulles South Parkway and Route 606 is consistent with the long-term plans of Dulles and will improve access from Dulles to Route 606;

NOW, THEREFORE, BE IT RESOLVED

1. That the President and Chief Executive Officer is authorized to convey easements to the Virginia Department of Transportation and Loudoun County over land within the boundaries of Washington Dulles International Airport that is identified on the attached exhibit as "Dulles South Parkway Permanent Road Easement," which easement shall be for the purpose of constructing and maintaining the intersection of Dulles South Parkway and Route 606, related storm water drainage easements, and "Traffic Signal and Equipment Easement," which easement shall be for the purpose of installing and maintaining traffic signal and related equipment servicing the intersection;

2. That the President and Chief Executive Officer is authorized to execute any and all documents necessary or desirable to accomplish the conveyances authorized by paragraph 1 of this Resolution; and

3. That this Resolution shall be effective upon its adoption.

The resolution was thereupon unanimously adopted.

d. Authorizing the Conveyance of Water and Sanitary Sewer Easements to the Loudoun County Sanitation Authority

Mr. Snelling moved the adoption of the following Resolution:

WHEREAS, the Loudoun County Sanitation Authority is planning the construction of a new water line and sanitary sewer to serve new developments along Virginia Route 606 adjacent to Washington Dulles International Airport ("Dulles");

WHEREAS, portions of the planned water line and sanitary sewer fall within the boundaries of Dulles;

WHEREAS, the Loudoun County Sanitation Authority has requested two easements from the Authority that would allow the construction of these utility lines on Dulles property;

WHEREAS, these easements are necessary to connect the new water line and sanitary sewer to existing water and sewer lines on Dulles property; and

WHEREAS, the granting of these easements will not interfere with any planned or current operations at Dulles Airport;

NOW, THEREFORE, BE IT RESOLVED

1. That the President and Chief Executive Officer is authorized to convey easements to the Loudoun County Sanitation Authority over land within the boundaries of Washington Dulles International Airport, as shown on the attached exhibit, entitled "Dulles South Parkway Easement, MWAA Exhibit, August 2007," for purposes of locating and thereafter maintaining a portion of a new water line and sanitary sewer;

2. That the President and Chief Executive Officer is authorized to execute any document necessary or desirable to accomplish the conveyance authorized by paragraph 1 of this Resolution; and

3. That this Resolution shall be effective upon its adoption.

The resolution was thereupon unanimously adopted.

e. Authority's Position Regarding the Zone/Meter Taxicab Issue in the District of Columbia

Mr. Crawford reported that the Business Administration Committee recommended that the Board authorize Mr. Bennett to prepare a letter to the Mayor of the District of Columbia conveying the Authority's position on the use of time and distance meters in District of Columbia taxicabs. The Chairman reported that the Board was expressing its support that taxicab fares be based on time and distance meters.

The Secretary reported that in past years the Authority had expressed its preference that all taxicabs operating at Reagan National use time and distance meters.

Mr. Bennett noted that the Authority's 1999 taxicab regulations would have required time and distance meters in all taxicabs picking up passengers at Reagan National. At the request of Mayor Williams in 1999, the Board elected to postpone the requirement because District cabs were undergoing migration. Historically, the Authority had always supported time and distance meters in taxicabs picking up passengers at Reagan National.

Mr. Snelling strongly supported time and distance meters because otherwise, he noted, passengers were unaware of expected fares.

Mr. Crawford moved and Mr. Snelling seconded that the President and Chief Executive Officer send a letter to Mayor Fenty that supports all taxicabs picking up passengers at Reagan National determine fares by the use of time and distance meters.

The motion was passed unanimously.

f. Proposed Amendment to the Interim Financing Program for the Dulles Corridor Enterprise

Mr. Speck moved the adoption of the following resolution:

WHEREAS, by Resolution No. 06-34, the Metropolitan Washington Airports Authority ("Authority") authorized the execution of the Master Transfer Agreement and the Permit and Operating Agreement, each between the Authority and the Virginia Department of Transportation ("VDOT"), to enable the Authority to assume responsibility for the operation of the Dulles Toll Road and apply Toll Road revenues to the construction of the Metrorail extension in the Dulles Corridor and other transportation improvements in the Dulles Corridor (together, the "Dulles Corridor Project");

WHEREAS, the 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 (together, the "Acts"), to finance or refinance the Dulles

Corridor Project, and to undertake all acts necessary or desirable in connection with the issuance of its obligations;

WHEREAS, pursuant to the Acts and in order to proceed with implementation of the Master Transfer Agreement, the Permit and Operating Agreement, and the Dulles Corridor Project, the Authority has determined that:

(a) the Master Transfer Agreement, the Permit and Operating Agreement, and the Authority's operation and maintenance of the Dulles Toll Road and construction of the Dulles Corridor Project are necessary and desirable to the proper operation of the Airports and the furnishing of service to the traveling public and Airport users;

(b) the Dulles Toll Road and the improvements included within the Dulles Corridor Project are "Authority facilities" under the Acts in that they will expand, and improve the quality of, access to Dulles International Airport ("Dulles Airport"), will enhance the quality of service that Dulles Airport offers to the traveling public, and constitute improvements, additions, lands, utilities, roadways, and other types of facilities necessary or desirable in connection with the Airports; and

(c) the Dulles Toll Road and the improvements included within the Dulles Corridor Project are for and advance "airport purposes" under the provisions of the Authority's 1987 Lease with the U.S. Department of Transportation and 49 U.S.C. §§ 49101-49112 in that they will enhance the capacity of Dulles Airport to serve passengers and cargo, will improve the access of passengers and cargo to Dulles Airport, and constitute non-profit, public-use facilities not inconsistent with the needs of aviation;

WHEREAS, by Resolution No. 07-16, the Authority created the Metropolitan Washington Airports Authority Dulles Corridor Enterprise Fund in order to account for the performance of activities related to the Authority's operation and maintenance of the Dulles Toll Road, its construction of the Dulles Corridor Metrorail Project, and other transportation improvements in the Dulles Corridor;

WHEREAS, by Resolution No. 07-19, the Authority authorized the issuance of its tax-exempt Dulles Toll Road Revenue Bond Anticipation Note in a principal amount not to exceed \$150,000,000 (the "Note") to provide funds for the defeasance of certain Dulles Toll Road debt previously issued by the Commonwealth of Virginia and for the payment of expenses incurred in conjunction with the Dulles Corridor Project;

WHEREAS, the Authority desires to supplement and amend Resolution No. 07-19, as set forth in this Resolution; and

WHEREAS, the forms of the following revised documents that the Authority proposes to execute to carry out the issuance of the Note have been

presented at this meeting:

(a) the Note Indenture and Security Agreement (“Indenture”) between the Authority and the Bank of America, N.A., as Noteholder and Collateral Agent (“Bank”), relating to the issuance of the Note; and

(b) the Note, attached as Exhibit A to the Indenture;

NOW, THEREFORE, BE IT RESOLVED

1. That the Note shall be issued pursuant to the Indenture in a principal amount not to exceed \$150,000,000, shall mature and bear interest as provided in the Indenture, and shall be sold to the Bank pursuant to the Commitment Letter that relates to the Note, all upon the terms and conditions specified therein;

2. That the forms of the Indenture and Note are hereby approved, and the payment of the Note is authorized and directed from the Dulles Corridor Enterprise Fund in the manner and in the amounts set forth herein and in the Indenture and Commitment Letter;

3. That there is hereby created the “Dulles Corridor Project Account” within the Dulles Corridor Enterprise Fund into which shall be deposited all net proceeds of the Note not used to pay costs of issuance or to defease the Dulles Toll Road Debt previously issued by the Commonwealth of Virginia, and disbursements by the Authority from such Dulles Corridor Project Account shall only be made to pay costs of the Dulles Corridor Project as permitted by the Permit and Operating Agreement;

4. That, in consideration of the purchase and acceptance of the Note by the Bank and the Bank’s acceptance of the terms of the Indenture, and in order to secure the payment of the Note and the interest and premium, if any, and the performance and observance of all of the covenants, agreements and conditions contained therein and in the Indenture, the Authority does hereby grant and confirm a security interest in, and does confirm, assign, transfer, pledge and grant and convey unto the Bank and its successors and assigns forever, the following property:

(a) amounts on deposit in the accounts of the Dulles Corridor Enterprise Fund constituting “Net Revenues,” as defined in the Indenture;

(b) any unspent proceeds in the Dulles Corridor Project Account;

(c) proceeds from the sale of Permanent Dulles Toll Road Bonds, to the extent needed to pay the Note; and

(d) any and all other property, revenues, funds, rights and interests that is pledged as additional security for the Note by the Authority to the Bank,

which is hereby authorized to receive any such property and to hold and apply the same subject to the terms hereof and of the Indenture;

provided, however, that if the Authority shall pay fully and promptly when due the Note and all liabilities, obligations and sums secured by the Indenture or provide for the payment thereof in accordance with the provisions of the Indenture, and shall promptly and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained in the Indenture, this pledge and the Indenture shall become void and of no further force and effect;

5. That the pledge hereby made shall be valid and binding from and after the time of the delivery of the Note. Pursuant to the Acts, the security so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority with regard to the trust estate, to the extent provided herein, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof;

6. That, upon the occurrence and continuance of any Event of Default under the Indenture with respect to the Note, the Bank may proceed forthwith to protect and enforce its rights by such suits, actions or proceedings as the Bank shall deem expedient, including but not limited to:

(a) directing the Authority to deposit in the Collateral Account with the Bank, provided for in the Indenture, Net Revenues and other Toll Road Revenues previously collected and not expended or irrevocably committed to be spent or otherwise restricted for other purposes, to be applied to repayment of the Note;

(b) directing the Authority to deposit in the Collateral Account with the Bank any uncommitted funds in the Dulles Corridor Project Account, to be applied to repayment of the Note;

(c) instituting a civil action to recover the amount due and owing under the Note;

(d) exercising the rights of a pledgee or secured party under the Uniform Commercial Code, as adopted and in effect in the Commonwealth of Virginia, and other applicable law; and

(e) exercising all other rights and remedies set forth in the Indenture, which are hereby incorporated herein by reference.

7. Notwithstanding any provision in this Resolution, Resolution No. 07-19 or the Indenture to the contrary, there shall be no right of acceleration with

respect to the Note, and the remedies provided herein with respect to reaching funds or accounts of or maintained by the Authority shall be limited to the funds and accounts specifically pledged in the Note and then only for so long as an Event of Default exists;

8. That, if payment of all principal of and interest on the Note in accordance with its terms and as provided in the Indenture shall be made or provided for, and if all other sums payable by the Authority under the Indenture with respect to the Note shall be paid or provided for, then the pledge, liens, estates and security interests granted herein shall cease with respect to the Note;

9. That the Authority shall use its best efforts to issue Permanent Dulles Toll Road Bonds in the amount necessary to retire the Note prior to the final maturity of the Note;

10. That recourse for a claim against the Authority arising under the Indenture and/or the Note shall be limited to the Dulles Corridor Enterprise Fund and to the Authority's interest in revenues from operation of the Dulles Toll Road, in accordance with the terms of the Permit and Operating Agreement, and recourse shall not be had against the Authority's interest in any other facility, property, interest, revenues, fund or account or other asset, including any asset used in and revenues derived from the Authority's operations of its Airports;

11. That recourse may not be had for any claim against the Authority against any member, director, officer, agent or employee, past, present or future, of the Authority, or any successor body, as such, either directly or through the Authority, or any such successor body, under any constitutional provision, statute, rule of law, or charter provision or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise; and

12. That, to the extent that there is a conflict between the provisions of this Resolution and those of Resolution No. 07-19, the provisions of this Resolution shall prevail.

13. That, except as specifically set forth herein, Resolution No. 07-19 is hereby ratified and confirmed, including the authorization for the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Vice President for Finance and Chief Financial Officer, and the Secretary and Assistant Secretary, to execute and deliver the Note and Indenture and such additional security documents and certificates, and to take such additional actions as they consider necessary in connection with the issuance and delivery of the Note and the Indenture and with the implementation of Resolution No. 07-19, as supplemented by this Resolution.

The resolution was thereupon unanimously adopted, with all eleven Directors present voting in the affirmative.



