



BOARD OF DIRECTORS MEETING

Minutes of July 1, 2009

The regular monthly meeting was held in the Conference Rooms 1A/1B/1C at 1 Aviation Circle and was called to order by the Chairman at 9:00 a.m. The following Directors were present during the meeting and David Speck participated by phone:

H.R. Crawford, Chairman
Robert Clarke Brown
William W. Cobey Jr.
Frank M. Conner III
Michael David Epstein
Jack A. Garson

Leonard Manning
Dennis L. Martire
Michael L. O'Reilly
Mame Reiley
Charles D. Snelling

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

I. MINUTES OF THE JUNE 3, 2009 BOARD MEETING

The Chairman called for approval of the minutes of the June 3, 2009 meeting, which were unanimously adopted.

II. COMMITTEE REPORTS

a. Business Administration Committee

Mr. Manning chaired the Business Administration Committee meeting on June 17, 2009. He reported that Steve Baker provided a report on the new airport contracts awarded during the months of April and May 2009 totaling \$97.6 million. Mr. Baker provided statistics about LDBE, MBE/WBE participation, and DBE participation. The largest single contract awarded in May 2009 totaled \$24.7 million and was awarded to Turner Construction Company for the "South Bag Basement EDS In-Line Bag Screening" system at Dulles. Mr. Baker noted that City General, Inc., a DBE firm participated as a subcontractor, and is located in Washington, D.C.

Paul Malandrino reported on the proposal to adopt a regulation to impose fees on hotel shuttles by the Airports Authority. A public notice of the hearing appeared in the *Washington Post* on February 13, 2009, and hearings were held on March 2 and March 3 at Reagan National and Dulles Airports, respectively. Mr. Malandrino reported that the hotel industry uniformly opposed the \$2.50 fee and urged the staff to work to find a solution that would be satisfactory to the industry and the Airports Authority. After considering the public comments, staff revised the recommendation eliminating the \$2.50 per trip fee and proposed replacing it with a permit system. For vehicles carrying 16 passengers or fewer, the annual fee would total \$500 per vehicle, and for vehicles carrying more than 16 passengers, the annual fee would total \$750 per vehicle. Each permitted vehicle would be allowed 300 monthly trips through the Airport's commercial lanes. The permittee would pay a \$1 fee for each trip in excess of 300 trips per month. Staff's recommendation to the Committee would take effect on January 1, 2010. A motion was made and accepted. Mr. Manning noted that later in today's meeting he would offer a resolution to adopt the Regulation to impose fees on hotel shuttles.

b. Dulles Corridor Committee

Ms. Reiley chaired the Dulles Corridor Committee meeting on June 17, 2009. Ms. Reiley reported that staff (Andy Rountree) provided a status report on the Dulles Toll Road operation and transitional plans underway. Mr. Rountree stated that the Airports Authority is planning to fully implement the operational model approved by the Board, and replace VDOT as a contractor during the last quarter of this year.

A discussion occurred regarding ensuring that Airport costs were accounted for separately from Toll Road costs. Mr. Rountree explained that Toll Road-related costs would be entered using individual cost centers to properly track costs associated with each operation. Directors discussed the corporate logo, its use and the work location of employees.

Sam Carnaggio presented the Dulles Corridor Metrorail Project Phase 1 monthly cost summary.

At the conclusion of the meeting, Mr. Manning announced that the Chairman was being honored as one of the 50 Most Powerful Minority CEOs and Corporate Executives for 2009 on June 25, 2009 at the Capital Hilton Hotel.

The Chairman announced that he had nominated Jim Bennett and that Mr. Bennett was selected as DC Chamber's 2009 Business Leader of the Year. The event will be held on October 17, 2009 at the Marriott Wardman Park Hotel. The Board Office will distribute additional information on this event.

c. Finance Committee

Mr. Brown chaired the Finance Committee meeting on June 17, 2009. Mr. Brown reported that the aviation financial advisors discussed the results of the recent sale of the Series 2009C and 2009D Bonds. He noted that the refunding bonds had been issued at a true interest cost of 5.17 percent. The Airports Authority continued to benefit from the non-AMT status of the Bonds; over \$95 million was sold retail. Mr. Brown reported that \$138.8 million Series 2009D Bonds will be marketed later today. He noted that for the first time in the Airports Authority's history, half of the Bonds would be sold in daily mode; the other half in weekly mode. Together, the Series 2009C and Series 2009D Bonds will refund \$432 million of outstanding PFC Notes, fund a debt service reserve account, and pay the cost of issuance on the Bonds. The aviation financial advisors discussed the need to replace letters of credit on some of the outstanding variable rate debt, which was the subject of today's Special Finance Committee meeting. At that meeting, the finance staff recommended that in light of the Regions Bank downgrade and its deterioration and lack of quality for the paper it supports, the Letter of Credit provider would be substituted with Wachovia Bank (now a part of Wells Fargo). Later in today's meeting, Mr. Brown would offer a resolution to replace the Letter of Credit on the Series 2003 D-2 Bonds and to rename Wachovia Bank as the remarking agent for the bonds. At today's Special Finance Committee meeting, the Committee agreed with staff's recommendation that the Board appoint additional co-managing underwriters for the Dulles Toll Road Revenue Bond financing program. Mr. Brown would offer a resolution for this effort later in today's meeting.

Mr. Brown reported that at its June meeting, the Committee approved the authorizing resolution for the inaugural financing of the Dulles Toll Road. The Committee recommended an authorization up to \$1.3 billion, which is substantially larger than the Airports Authority's past issuances. Mr. Brown noted that the amount issued would depend on the future market. Mr. Brown stated that the Board wanted to ensure that the Finance Team would have the necessary authority to maximize the borrowing needed by the Airports Authority.

Before the Committee approved the recommendation, the Board requested that the Deputy CFO read Article V, Section 510(c) in the Master Trust Indenture

regarding the Board's responsibility with respect to setting toll rates and maintaining its independent authority to set those tolls. Mr. Brown stated that he believed it would be beneficial for Michael Vaccari, Senior Counsel of Nixon Peabody LLP, the firm serving as the counsel to the Airports Authority's underwriters on the Metrorail/Dulles Toll Road financing, to summarize the Board's disclosure responsibilities.

Mr. Vaccari explained that his job is to assist the underwriters in fulfilling their responsibilities under the Federal securities law. In particular, this effort includes making an investigation into the statements contained in the Airports Authority's Official Statement so as to form a reasonable belief in the accuracy and completeness of the material included therein. This inquiry seeks to assure that the statements in the Official Statement are accurate in all material respects and that nothing material has been omitted from the Official Statement.

In furtherance of these responsibilities, Mr. Vaccari reviewed with the Board sections of the Official Statement that described the primary security features of the Dulles Toll Road credit. Mr. Vaccari reviewed the paragraph on the cover describing the security for the bonds and the paragraph in bold caps explaining that the debt is solely the obligation of the Airports Authority. Mr. Vaccari highlighted the material under the caption "Security for the Bonds and Pledge of Toll Road Revenues", including the description of the rate covenant and the Airports Authority's covenant to maintain certain coverage ratios, and establish tolls sufficient to produce revenues to satisfy these coverage ratios. He reviewed the material under the caption "Security and Sources of Payment for the Bonds."

The discussion also highlighted the material under the caption "Financing Plan for the Dulles Corridor", including the funding sources described in this section and the amount of debt currently projected to be issued by the Airports Authority to fund the project. This explanation was followed by a discussion of the sections "Debt Service Requirements on the Series 2009 Bonds" and "Estimated Debt Service Coverage on Bonds Outstanding after Issuance of Series 2009 Bonds." Mr. Vaccari explained that while these sections are currently blank, the intention is to fill them in with data that will include certain assumptions as to toll rates that will be required to produce revenues sufficient to generate the necessary coverage. He noted that the level of toll rates assumed is described in the Traffic and Revenue study, drafts of which have been made available to the Board and the final of which will be included in the Official Statement.

The Chairman confirmed that all Directors had a fiduciary responsibility to the Airports Authority and served as an independent agency and that the Board could

not deviate. Mr. Brown reaffirmed that the Master Indenture of Trust included a covenant to protect the Airports Authority's exclusive rights to set the tolls.

d. Information Technology Committee

In Mrs. Crossman's absence, Mr. Snelling chaired the June 3, 2009 Information Technology Committee meeting and provide the report for today's meeting. At the June 3 meeting, George Ellis was joined by the Program Management Office staff Colleen Von Hoene, Ken Macdonald, and Charlie O'Connor. Margaret McKeough reported that the ERP contract was awarded to International Business Machines (IBM) and that the Enterprise Resource Planning (ERP) project has officially begun. She noted that staff was recommending a different approach to hosting the ERP enterprise software. George Ellis explained that the recommended approach would be cost effective, without compromising the quality of service provided to employees over the life of the ERP. This recommendation would reduce the total cost of the Airports Authority's ownership by purchasing, maintaining and managing the data elements at its facility.

Ms. McKeough reported that the 2010 Budget would address the additional staffing requirements and third-party consultant contract resources needed to accomplish in-house hosting.

Mr. Snelling reported that Mrs. Crossman favored the proposal, as did he. Mr. Snelling inquired about safeguards to prevent the contractor from using a loophole (break/fix scenario) that could result because of Airports Authority staff's decisions. Mr. O'Connor explained that a disaster recovery plan would be in place to mitigate these risks. Mr. Snelling requested that Ms. McKeough provide information that the Airports Authority was satisfied that contractors were accepting all responsibility for its errors, and not using the individual hosting service operation as an option, if problems occurred.

Ms. McKeough noted that the resolution adopted by the Board in March 2009 included IBM hosting services as an optional clause. Although base services were not being amended, the report was presented for Committee concurrence and clarity. Although only Committee concurrence was required, the Committee accepted and recommended to the Board the staff recommendation as provided to the Committee.

e. Planning and Construction Committee

In Mr. Epstein's absence, Mr. Cobey chaired the Planning and Construction Committee meeting on June 17, 2009. Mr. Epstein reported that Phil Sunderland gave an overview of a request for an additional easement to be extended to Dominion Virginia Power (Dominion) in connection with the construction of the Brambleton-Greenway Transmission line, as well as, changes to the request. Mr. Sunderland noted that staff's recommendation has been revised to allow Dominion to extend its easement 15 feet to the west and 300 linear feet at the northern portion of the easement area. Mr. Sunderland confirmed that the Airports Authority did not have any unresolved easement issues. The Committee voted and approved the recommendation for the Board to authorize the President and CEO to execute an expanded easement. Later at today's meeting, Mr. Epstein would offer a resolution.

Diane Hirsch, Manager of the Airports Authority's Design Department, requested concurrence from the Committee to issue an RFQ to hire an Architect/Engineer (A/E) Design firm to perform the task of design services for the Dulles Toll Road. After reviewing the criteria, Mr. Garson suggested that the name of the insurance company and coverage amount be included in the submission requirements for the offerors and be considered. Mr. Bennett defined the role of the consultant as task order planning and design, and noted that the master and the task order planning and design were two different solicitations. A motion was made and accepted.

At the Special Planning and Construction Committee meeting earlier today, the Committee received the monthly Capital Construction Program cost report; an update on the I-495 HOT Lanes project and its impact on the Dulles International Airport Access Highway; and a recommendation for the award of the on-call architectural/engineering/planning services contract for the Dulles Toll Road. The Committee approved the recommendation. Summary minutes and a detailed Committee report from today's Special meeting will be provided with materials for the September 2, 2009 Board meeting.

All committee reports were approved.

III. INFORMATION ITEMS

a. President's Report

Mr. Bennett welcomed Frank M. (Rusty) Conner III and Dennis L. Martire to the Board and acknowledged Earle Horton III who is still undergoing his confirmation process.

Mr. Bennett reported on the abrupt shut down of the Registered Traveler (RT) Program, known as "Clear", and its impacts on the Airports Authority and the industry nationwide. Mr. Bennett stated that the lanes for RT members have been shut down and that the computers with member's personal information have all been secured. He stated that because Clear was unable to meet its financial obligations, the RT lanes were closed. Mr. Bennett noted that the contractor is working to securely destroy the members' confidential personal information stored on the company's computers. Mr. Bennett reported that the Transportation Security Administration is overseeing the process of destroying the information, and to ensure that the process is consistent with their standards for managing passengers' travel information. He stated that two other RT companies, Vigilant and FLO, are still in operation and will accept the Clear card at a limited number of airports. He stated that he is unsure about the future of the RT program; however, most importantly, its members' information has been secured and is not at risk. Mr. Bennett reported that Vigilant and FLO are considering a merger and may purchase the Clear database to expand their services.

Mr. Bennett reported on the June 23, 2009 Dulles Corridor Advisory Committee (DCAC) meeting. The Airports Authority team briefed the DCAC on the status of rail construction and the transfer of the Toll Road from the Virginia Department of Transportation. Mr. Bennett reported that the Airports Authority presented an outline to establish toll rate increases, effective January 2010. The June 23 meeting was effective, and the DCAC acknowledged the need to increase toll rates. Mr. Bennett stated that at a joint Dulles Corridor and Finance Committee meeting to be held on July 15, 2009, staff will present a recommendation on a toll rate increase, and that the Airports Authority proceed with the regulatory rate setting process. Mr. Bennett thanked Chairman Crawford for attending and chairing the June 23 DCAC meeting.

Mr. Bennett reviewed issues about the pressure to change the slot and perimeter rule at Reagan National. He stated a bill was recently introduced that would allow airlines currently using slots to service large hub airports within the

perimeter to exchange slots; and give them authority to fly to any airport outside the perimeter area. This bill would, in effect, eliminate the perimeter rule and allow airlines to fly to airports of their choice. Mr. Bennett explained that the House of Representatives' version of the Federal Aviation Administration (FAA) reauthorization bill would allow 10 slots that are currently used in either the early morning or the late evening, to be moved to prime time slots at Reagan National. The Senate has not introduced an FAA reauthorization bill yet. Mr. Bennett stated that people will try to amend the current bill to include additional slot language. He noted that a potential bill offered by the Senate may address the interests of the low-cost carriers to get into the Airport. Mr. Bennett stated that airline officials are discussing additional slots which will have a significant affect on airport service patterns. He noted that the outcome of these bills is game changes to the Airports Authority.

Mr. Bennett reported that the additional slots will significantly affect the Airport's service patterns and will create an extremely challenging environment to manage at the Airport. Ms. Reiley inquired about the impact on the Airport if legislation was passed to eliminate the slot and perimeter rule. She stated that most of the members of Congress lived outside of the perimeter and this issue is of great concern.

Mr. Bennett stated that the bill is known as the Senators John Ensign (NV) and Barbara Boxer (CA) bill, and is an attempt by US Airways to increase its operations to fly beyond the perimeter at Reagan National. He stated that if the legislation passes, an additional four or five Trans Continental daily flights that currently fly from Dulles would shift to Reagan National, and potentially cause other changes throughout the region. Ms. Reiley asked if there were any safety concerns and Mr. Bennett responded negatively.

Mr. Bennett went on to report that the issues are directly related to the slot and perimeter rule and the recently introduced FAA reauthorization bill. The low-fare carriers want more slots at Reagan National which may not be included in the Senate bill, but they would try to get an amendment to the Senate bill for additional slots. He stated that currently the airlines have the right to buy, trade and sell slots that might soon be available at Reagan National. Mr. Bennett stated that there are many issues around the slot and perimeter rule that Airports Authority staff is tracking. He explained that most of the slot discussion relates to unused slots in the morning and evening hours and reallocating them to primetimes, which are technically not being added to the airport. Mr. Bennett agreed with Mr. Brown's statement that airlines are taking unused general aviation slots, which are approximately 11 or more per hour (when no corporate

aircraft are using them), and allocating them to air carriers throughout the day. Mr. Bennett noted that Reagan National terminal facilities are not designed to accommodate the increased level of commercial operations so the facilities will be impacted, causing the airfields to be out of balance with the land-sight facilities. Mr. Garson inquired about the unused general aviation slots, and Mr. Bennett explained that the FAA currently authorizes general aviation or unscheduled aircraft an additional 12 takeoffs or landing during each hour for a total of 62 slots per hour. These slots are divided into three major groups: corporate or general aviation (owned by the federal government); commuter (aircraft with 76 seats or less); and 37 large air carrier slots. Mr. Bennett noted that the general aviation slots have not been used since September 11, 2001 because of airport security restrictions.

Mr. Garson asked who owns the rights to the general aviation slots, and Mr. Bennett replied that they belong to the Government. He stated that the reservation system allows a corporate or general aviation operation to come into the airport after someone has called to reserve a slot. Mr. Snelling explained that a call is placed three days in advance before a slot is assigned. Mr. Snelling stated that general aviation is a political matter nationwide, and that the airport industry is against slots being given away. He noted that the Airports Authority has not given up trying to get the slots returned at Reagan National.

Mr. Bennett reported that advocates of the slot and perimeter rule changes would argue that it is in the Airports Authority's best interest to eliminate them, but he disagrees with this assessment. He stated that the Airports Authority operates an airport system and the mission is clearly defined. He continued noting that the representations to the community and the operation of the airports have been based upon federal law that governs how many planes are used at our Airports, and restrictions in terms of where they can fly. Mr. Snelling stated that the Airports Authority should be more proactive about these issues and educate the public. He stated the values that Mr. Bennett has discussed about Reagan National are important and are in danger of being lost. Mr. Bennett stated that the Airports Authority has been actively engaged with the Metropolitan Washington Council of Governments and affirmed its opposition to Congress about the proposed changes, visits with the region's delegation and is working with Senate representatives. Mr. Garson suggested Directors act cohesively with their contacts to address this issue before Congress returns for its fall session. Mr. Bennett responded that Maryland has been very helpful to the Airports Authority on this issue. Mr. Crawford stated that he had accompanied Mr. Bennett to several Congressional offices and the conversations were centered around the delegations power to vote. Ms. Reiley

suggested that through the power of the press, the public should be made aware of the circumstances around this issue, especially if it appears that members of Congress are trying to change the regulation for their own personal reasons. She stated that the Airports Authority has a responsibility to the community to manage the sound and safety issues and to handle the number of passengers using the Airport.

Mr. Bennett reported that a new dedicated ramp from the Dulles Greenway to Dulles is complete, and that traffic will no longer be routed to Route 28 in order to enter the Airport. He reported that the Airports Authority will be participating with VDOT and Loudoun County to begin preliminary engineering for widening Route 606 on the western side of Dulles. Mr. Bennett stated that the new taxi dispatch fee at Reagan National is in effect; departing taxis will collect the fee from passengers leaving the Airport.

Mr. Bennett noted that the Airports Authority is soliciting statements of interest on the green initiatives, including the installation of charging stations for electric cars at its parking facilities as previously discussed with the Board. Mr. Bennett stated that the Airports Authority is looking for a firm interested in presenting a solar demonstration project at both Airports.

Mr. Bennett reported that the Airports Authority is soliciting statements of interest from the development community for several collateral land parcels around the Dulles. The goal is to determine whether there is sufficient interest by the development community for those parcels, and to solicit input from developers so that staff could prepare an RFP for non-airline revenue business for the Airport.

Mr. Bennett noted that the draft environmental impact statement on the runway safety improvements at Reagan National is available for public comment. The public comment period also opened for an updated storm water permit at Dulles.

Mr. Brown commented on the positive results of the DCAC meeting. He commended Mr. Bennett and other Airports Authority staff for coordinating meetings with the community to explain the Airports Authority's plans for future toll rate increases.

Mr. Bennett acknowledged the support of Mr. Crawford and Mr. O'Reilly for assisting the Airports Authority's effort in accomplishing its goals. Mr. Crawford commended staff on their detail-oriented presentations.

b. Executive Vice President's Report

Ms. McKeough reported that May 2009 passenger traffic statistics for both Airports were not as encouraging as the results reported for April 2009. She noted that passenger traffic declines at both Airports for May 2009 were smaller than the 11 percent U.S. aviation industry. Ms. McKeough reported that unlike the narrow decline reported for April, the declines in May were consistent with the broader declines experienced by the aviation industry during the first quarter of 2009. At Reagan National, traffic declined 5 percent in May 2009, compared to May 2008. Year-to-date activity resulted in a decline of approximately 4 percent at Reagan National.

At Dulles, traffic declined 8 percent in May 2009, compared to May 2008 results. Domestic passenger traffic decreased 8.5 percent while international traffic decreased 6 percent. Ms. McKeough noted that cargo activity at Dulles continues to be depressed resulting in a consistent decline of approximately 20 percent in freight volume moving through the Airport. Year-to-date activity resulted in a passenger decline of approximately 7 percent at Dulles.

Although a passenger traffic decline was predicted in the financial forecasting for 2009, Ms. McKeough reported that the Airports Authority remained financially stable because of its conservative forecasting and expenditure controls.

IV. NEW BUSINESS

a. Recommendation to Amend the Metropolitan Washington Airports Regulation to Impose Fees by Hotel Shuttles

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

WHEREAS, on January 22, 2009, the Business Administration Committee authorized the staff to publish notice of a proposed regulation that would assess a fee of \$2.50 per trip for shuttle buses operated by or on behalf of hotels;

WHEREAS, in accordance with Airports Authority regulatory procedures, on February 13, 2009, staff published notice of upcoming public hearings on the proposed regulation, and thereafter conducted those public hearings, one on March 2, 2009 at Reagan National Airport and another on March 3, 2009 at Washington Dulles International Airport;

WHEREAS, in light of comments at the public hearings, staff revised the proposed regulation to establish an annual fee for hotel shuttles based on the passenger capacity of the shuttle vehicles, to eliminate most of the per trip fees called for by the originally proposed regulation, and to provide a 50 percent reduction in fees for alternate fuel vehicles;

WHEREAS, on May 28, 2009, staff presented the revised proposal to representatives of the local Chambers of Commerce, where it received a positive response; and

WHEREAS, the Business Administration Committee considered the revised proposed regulation at its June 17, 2009 Meeting and recommended its adoption by the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED

1. That the Metropolitan Washington Airports Authority Regulations ("Regulations") are hereby amended by the addition of a new Section 6.6, which is attached to and incorporated into this Resolution;
2. That the effective date of this new Section 6.6 of the Regulation shall be January 1, 2010; and
3. 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.

- b. Recommendation to Authorize Issuance of up to \$1.3 Billion of Dulles Toll Road Revenue Bonds, Series 2009

Mr. Brown moved the adoption of the following revised resolution, distributed at today's Special Finance Committee meeting:

WHEREAS, in 1986, the Metropolitan Washington Airports Authority (the "Airports Authority") was established pursuant to Chapter 598, Virginia Acts of Assembly of 1985, as amended, and the District of Columbia Regional Airports Authority Act of 1985, as amended (the "Acts");

WHEREAS, on June 7, 1987, pursuant to the Agreement and Deed of Lease, dated March 2, 1987, between the United States, acting through the

Secretary of Transportation, and the Airports Authority (the "Federal Lease"), which was authorized by the United States Congress pursuant to the Metropolitan Washington Airports Act of 1986, codified at 49 U.S.C. §§ 49101-49112 (the "Federal Act"), the Airports Authority assumed operating responsibility for Ronald Reagan Washington National Airport ("Reagan National") and Washington Dulles International Airport ("Dulles International" and, together with Reagan National, the "Airports"), including the road that provides direct access to Dulles International known as the Dulles Airport Access Highway, for a term of 50 years, which was subsequently extended to 2067;

WHEREAS, on January 10, 1983, the United States of America, acting through the Federal Aviation Administration, granted a Deed of Easement to the Commonwealth of Virginia (the "Commonwealth") to certain property within the right-of-way of the Dulles Airport Access Highway for the purpose of enabling the Commonwealth to construct and thereafter operate a limited access toll highway, known as the Dulles Toll Road (the "Dulles Toll Road");

WHEREAS, on a number of occasions following its establishment, the Airports Authority has granted a deed of easement to the Commonwealth to certain additional property within the right-of-way of the Dulles Airport Access highway for the purpose of enabling the Commonwealth to widen or make other improvements to the Dulles Toll Road;

WHEREAS, on July 11, 2004, the Virginia Department of Rail and Public Transportation and Dulles Transit Partners, LLC, entered into the Comprehensive Agreement to Develop the Dulles Corridor Rapid Transit Project relating to the development, design and construction of the extension of the Metropolitan Washington, D.C. Metrorail system from the West Falls Church Metrorail Station to and through Dulles International, ending at a new station on Virginia Route 772 (the "Metrorail Project"), to be located in part within the Dulles Airport Access Highway right-of-way;

WHEREAS, on December 20, 2005, the Airports Authority submitted a proposal to the Governor of the Commonwealth for the Airports Authority to operate the Dulles Toll Road, to construct the Metrorail Project and improvements to the Dulles Toll Road and to other roads, highways and transportation facilities in the Dulles Corridor (the "Capital Improvements"

and, together with the Metrorail Project, the "Dulles Corridor Project") and to fund the Dulles Corridor Project with revenues from the Dulles Toll Road;

WHEREAS, on December 29, 2006, the Virginia Department of Transportation ("VDOT") and the Airports Authority entered into the Master Transfer Agreement Relating to the Dulles Toll Road and the Dulles Corridor Metrorail Project (the "Master Transfer Agreement"), which sets forth the terms and conditions of the transfer of the Dulles Toll Road to the Airports Authority, and the Dulles Toll Road Permit and Operating Agreement (the "Permit and Operating Agreement"), which provides the terms and conditions of a permit pursuant to which the Airports Authority will operate the Dulles Toll Road and collect revenues for a term of 50 years;

WHEREAS, on October 29, 2008, the Secretary of the United States Department of Transportation issued a Certificate of Compliance with the Agreement and Deed of Lease to the Airports Authority certifying that (i) the Dulles Toll Road is a part of the airport property that is subject to the Federal Lease, (ii) the operation, maintenance and improvement of the Dulles Toll Road constitute an airport purpose within the meaning of the Federal Lease and (iii) the operation and maintenance of the Dulles Toll Road by the Airports Authority, and the construction of the Metrorail Project, using revenues from the Dulles Toll Road, by the Airports Authority on property subject to the Federal Lease would not violate any terms of, and would not constitute a default under, the Federal Lease;

WHEREAS, on November 1, 2008, VDOT transferred the Dulles Toll Road to the Airports Authority pursuant to the Master Transfer Agreement, and issued a permit to the Airports Authority authorizing it for the following 50 years, among other things, to operate, maintain and improve the Dulles Toll Road, to establish, charge and collect tolls and other fees for the privilege of using the Dulles Toll Road, and to retain, use, pledge and assign revenues from such tolls and other fees, all in accordance with the terms and conditions of the Permit and Operating Agreement;

WHEREAS, on November 1, 2008, the Airports Authority issued the Dulles Toll Road Revenue Bond Anticipation Note, Series 2008A (the "BAN"), to provide funds for a portion of the cost of the Metrorail Project;

WHEREAS, the Board of Directors (the "Board of Directors") of the Airports Authority has determined that the Airports Authority's operation and

maintenance of the Dulles Toll Road and the construction of the Metrorail Project are necessary and desirable for the operation, maintenance, protection, promotion and development of the Airports and the furnishing of service to the traveling public and the users of the Airports;

WHEREAS, the Board of Directors has determined that the Dulles Toll Road and the improvements included within the Dulles Corridor Project are "Authority Facilities" under the Acts in that they (i) expand and improve the quality of the access to Dulles International, (ii) enhance the quality of service that Dulles International offers to the traveling public and (iii) constitute improvements, additions, extensions, lands, utilities, roadways and other types of facilities necessary or desirable in connection with the Airports;

WHEREAS, the Board of Directors has determined that the Dulles Toll Road and the improvements included within the Dulles Corridor Project are for and do advance "airport purposes" under the Federal Lease and the Federal Act in that they enhance the capacity of Dulles International to serve passengers and cargo, improve the access of passengers and cargo to Dulles International and constitute non-profit, public-use facilities not inconsistent with the needs of aviation;

WHEREAS, under the Acts, the Airports Authority is authorized to issue revenue bonds, notes and other obligations to finance or refinance the Dulles Corridor Project and to undertake all acts necessary or desirable in connection with the issuance of these obligations;

WHEREAS, the Board of Directors desires to authorize the issuance of:

(i) Dulles Toll Road First Senior Lien Revenue Bonds, Series 2009A (Current Interest Bonds) (the "Series 2009A Bonds") to finance certain Capital Improvements and to pay the cost of issuance of the Series 2009A Bonds;

(ii) Dulles Toll Road Second Senior Lien Revenue Bonds, Series 2009B (Current Interest Bonds) (the "Series 2009B Bonds") to refund the outstanding BAN, finance a portion of the cost of the Dulles Corridor Project and pay the cost of issuance of the Series 2009B Bonds;

(iii) Dulles Toll Road Second Senior Lien Revenue Bonds, Series 2009C (Capital Appreciation Bonds) (the "Series 2009C Bonds") to

finance a portion of the cost of the Dulles Corridor Project and pay the cost of issuance of the Series 2009C Bonds;

(iv) Dulles Toll Road Second Senior Lien Revenue Bonds, Series 2009D (Convertible Capital Appreciation Bonds) (the "Series 2009D Bonds") to finance a portion of the cost of the Dulles Corridor Project and pay the cost of issuance of the Series 2009D Bonds; and

(v) Dulles Toll Road Second Senior Lien Revenue Bonds, Series 2009E (Current Interest Bonds) (Federally Taxable-Issuer Subsidy-Build America Bonds) (the "Series 2009E Bonds" and, together with the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C Bonds and the Series 2009D Bonds, the "Series 2009 Bonds") to finance a portion of the cost of the Dulles Corridor Project and pay the cost of issuance of the Series 2009E Bonds;

WHEREAS, the Board of Directors desires to set forth guidelines for determining the interest rate or rates, maturities and other terms of the Series 2009 Bonds;

WHEREAS, the forms of the following documents have been presented to the Board of Directors at this meeting:

(a) the Master Indenture of Trust (the "Master Indenture"), dated as of August 1, 2009, by and between the Airports Authority and Manufacturers and Traders Trust Company, as the trustee (the "Trustee");

(b) the First Supplemental Indenture of Trust (the "First Supplemental Indenture"), dated as of August 1, 2009, by and between the Airports Authority and the Trustee, relating to the issuance of the Series 2009A Bonds;

(c) the Second Supplemental Indenture of Trust (the "Second Supplemental Indenture"), dated as of August 1, 2009, by and between the Airports Authority and the Trustee, relating to the issuance of the Series 2009B Bonds, the Series 2009C Bonds and the Series 2009D Bonds;

(d) the Third Supplemental Indenture of Trust (the "Third Supplemental Indenture" and, together with the Master Indenture, the First Supplemental Indenture and the Second Supplemental

