

RESOLUTION 05-3

RESOLUTION APPROVING A DERIVATIVES POLICY FOR VIRGINIA PORT AUTHORITY

WHEREAS, the General Assembly of the Commonwealth of Virginia (the “Commonwealth”) pursuant to § 2.2-9517 (the “Authorizing Legislation”) of the Code of Virginia of 1950, as amended (the “Code”), has authorized the Commonwealth and all agencies, authorities, boards and institutions of the Commonwealth (each, a “state entity”) to enter into any contract or arrangement (“Ancillary Contracts”) that is determined to be necessary or appropriate to place the obligation or investment of the state entity, as represented by bonds or investments, in whole or in part, on the interest rate cash flow or other basis desired by the state entity; and

WHEREAS, the Commonwealth Treasury Board has established Guidelines for Ancillary Contracts (the “guidelines”) under the authority of § 2.2-2416 (8) of the Code; and

WHEREAS, the Virginia Port Authority may in the future desire to enter into interest rate or currency swap agreements, or other derivative instruments as contemplated by the Authorizing Legislation and the guidelines for the benefit of the Authority; and

WHEREAS, the Virginia Port Authority staff, together with its Financial Advisor and Bond Counsel, have prepared an Interest Rate and Currency Derivatives Policy (“the Policy”); and

WHEREAS, the Board of Commissioners has reviewed the Policy and finds that it will further the interests of the Commonwealth and the Virginia Port Authority; and

NOW THEREFORE BE IT RESOLVED, the Virginia Port Authority Board of Commissioners hereby approves the Policy. In addition, the Executive Director is hereby authorized to make future changes to the Policy that are made solely to conform with future changes to the guidelines, or to clarify existing language, without further action of the Board.

PASSED AND ADOPTED this 22nd day of March 2005.

John G. Milliken, Chairman

Attest:

Debra J. McNulty, Secretary