



BOARD OF DIRECTORS MEETING

Minutes of April 17, 2013

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 10:00 a.m. Fourteen Directors were present during the meeting:

Michael A. Curto, Chairman	Shirley Robinson Hall
Thomas M. Davis III, Vice Chairman	William Shaw McDermott
Earl Adams, Jr.	Caren Merrick
Richard S. Carter	Warner H. Session
Lynn Chapman	Todd A. Stottlemyer
Frank M. Conner III	Nina Mitchell Wells
Anthony H. Griffin	Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief
Operating Officer

The Chairman welcomed everyone to the April meeting of the Metropolitan Washington Airports Authority Board of Directors.

He reported that during the prior week, *Forbes Magazine* had published a list of the world's 10 best airports, which had been composed by one of its columnists. He noted that Reagan National had been listed among other highly-rated airports, such as Hong Kong, Singapore and Seoul. The commentary had called Reagan National "one of the few U.S. Airports we can be proud of." The Chairman said it could be considered as a tribute to the many dedicated Authority employees. He thanked and congratulated all in connection with the article.

The Chairman stated that Mr. Potter would provide more details about both Airports and other operations, including the monthly update on the progress the Authority is making in addressing the recommendations of the Department of Transportation (DOT) Office of Inspector General's (OIG) audit. He said that he was very pleased with the progress the Authority is making with respect to these recommendations.

He noted that at its March 20 Meeting, the Board had approved a new Contracting Manual, which reflects the best practices of government and industry, as well as emphasizes full and open competition in every aspect of contracting and procurement. The revised Contracting Manual, which became effective April 1, and its implementation closed out a number of the IG's recommendations. The Freedom of Information Policy and the Authority Business Expense Policy, also approved on March 20, closed out additional recommendations.

The Chairman reported that the Authority is well on track to completing its work on all the recommendations in the very near future, which would result in a more efficient and accountable organization to serve the traveling public and continue to be a key economic driver for the National Capital region.

Great progress is also being made on the construction of the Silver Line to Dulles International. Phase 1 remains on track for substantial completion later this summer and the initiation of Phase 2 is approaching. The Chairman reported that price proposals from the five pre-qualified offerors would be due on Friday, April 19, for the major design-build portion of Phase 2, with a final award of the contract expected in May.

I. MINUTES OF THE MARCH 20, 2013 BOARD OF DIRECTORS MEETING

The Chairman then called for the approval of the Minutes of the March 20 Board of Directors Meeting, which were adopted.

II. COMMITTEE REPORTS

a. Dulles Corridor Committee – Tom Davis, Chairman

Mr. Davis announced that he would need to leave the day's Board of Directors Meeting to participate in another meeting with the Chairman of the Appropriations Committee on Capitol Hill. He noted that he would return before the day's Dulles Corridor Committee Meeting began and stated that he was in favor of the agenda items that would be considered later at the day's Board Meeting.

He then reported that the Dulles Corridor Committee had met on March 20. Pat Nowakowski, Executive Director of the Metrorail Project, had provided an update on the tunnel issue relative to Phase 1 of the Dulles Metrorail Project. The engineering analysis performed by Dulles Transit Partners (DTP) had revealed that no issue or problem presently existed with the tunnel. Staff would provide the results of DTP's report to Directors once it completed its due diligence.

Mr. Nowakowski had reported that \$40.4 million had been spent on Phase 1 in February; the total project budget remained at \$2.905 billion. Contingency use through January had been \$385.7 million. He had also reported that the new forecasted completion date is presently September 4.

At the March 20 Committee Meeting, Mr. Davis had suggested that a Washington Metropolitan Area Transit Authority representative attend a future Committee Meeting to provide a thorough update regarding Phase 1.

With respect to Phase 2, Mr. Nowakowski had reported that proposals had been received from all short-listed teams and evaluations were being conducted.

Mark Adams, Deputy Chief Financial Officer, had reported that Toll Road revenues year-to-date had been \$19.5 million, an increase of 20.1 percent over the previous year. Toll transactions had decreased 3.4 percent and electronic payments had increased 5.1 percent, compared to the prior year. Toll Road expenditures of \$4.4 million year-to-date had in-

creased 2 percent from the year before at two months through the budget year.

Staff had reported that it had advised Fairfax and Loudoun County officials of the Traffic and Revenue Study's availability. At the next principals meeting, staff would also confirm that the principals are aware of the Study.

b. Audit – Legal Committee – Shirley Robinson Hall, Co-Chairman

Ms. Hall reported that the Audit – Legal Committee had met earlier that morning in executive session to learn the results of the Financial Statement Audit, conducted by PricewaterhouseCoopers and Bert Smith & Co. She also reported that the Committee had received the required communications and additional insights with respect to both the audit process and financial results.

c. Finance Committee – Frank M. Conner, Chairman

Mr. Conner reported that the Finance Committee had last met on March 20. The Dulles Corridor and Aviation Enterprise Financial Advisors had each provided a report.

The Committee had discussed the pre-solicitation terms for the Traffic and Revenue Study Consultant for the Dulles Toll Road.

Mr. Conner noted that a detailed report could be found in the Summary Minutes of the March 20 Committee Meeting.

d. Strategic Planning and Development Committee – Lynn Chapman, Chairman

Mr. Chapman reported that the Strategic Planning and Development Committee had met earlier that morning. The Committee had recommended that two easements be granted and to authorize the President and Chief Executive Officer to execute them. The first is an easement in favor of Virginia Department of Transportation for the widening of Route 50, which directly impacts approximately .276 acres of Authority proper-

ty at Dulles International. The other is a 24-foot easement in favor of Fairfax County Water Authority for the installation of a water main over the .40 acres of Authority property. Mr. Chapman reported that he would offer both resolutions for Board approval later in the day's Meeting.

Staff had presented informational reports on the management structure of the Aviation Capital Construction Program (CCP) and the Aviation Capital Construction Program Update. Mr. Chapman noted that the Strategic Planning and Development Committee would reconvene after the Board Meeting to receive additional information about air service development.

The Committee had concurred in the pre-solicitation terms for an architectural/engineering/planning firm to provide program management support services for the Aviation CCP and for on-call architectural/engineering design services for campus utility distribution and central plant improvements at Reagan National.

Mr. Chapman reported that complete details of the day's meeting would be included in the April 17 Summary Minutes.

For the record, the Chairman noted that reports for the Business Administration and Executive and Governance Committees had been provided at the March 2 Board Meeting. Those interested in additional details could refer to the summary minutes of these meetings.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported on the monthly update on the Authority's progress in addressing the recommendations of the OIG audit. Much of the month's progress was relative to the implementation of the revised Contracting Manual. As the Chairman had mentioned, the revised Contracting Manual, which the Board had approved last month, is now in effect. It streamlines our processes, clarifies our rules and procedures, and makes sure our purchases are based on full and open competition whenever practical. Mr. Potter said that he was pleased to report that all employ-

ees involved in contracting had received classroom-style training in this new manual and had completed the online Procurement Integrity Training. He noted that it marked a major step as the implementation of the new Contracting Manual and the 100 percent completion of necessary training closed out several of the remaining recommendations from the November IG report.

To date, the Authority had closed out 10 of the IG's 12 recommendations and is on track to close out the final two this summer, well ahead of the one-year November deadline.

The Authority would continue to work with the staff of the IG Office to assure they concur with the measures taken and that all of the recommendations had been satisfactorily addressed.

Mr. Potter noted that Julia Hodge had been serving as Acting Manager of the Internal Control and Compliance Office. He recognized Ms. Hodge and thanked her for her efforts. He then reported that the Authority had selected Jane Kee as its new Internal Control and Compliance Manager. Mr. Potter recognized Ms. Kee and everyone offered their congratulations on her new position.

Mr. Potter reported that Phase 1 is more than 90 percent complete and remains on schedule for substantial completion and turnover to the Washington Metropolitan Area Transit Authority this year. As noted earlier, Phase 2 plans are also progressing. On March 8, the Authority had received technical proposals for the major design-build portion of the project from the five short-listed proposers who are being considered. He noted that staff would open and read the price proposals for the contract, including six stations, 11.4 miles of track and the guide-way systems, on April 19 at 2 p.m.

He noted that while the price is the final determining factor of the decision to award a contract, the final award of the Phase 2 construction contract would not be made at the price-proposal opening. Before an actual award of this contract can be made, the Authority would still need time to review the terms and conditions of the price proposal. Mr. Potter reported that the Authority expected to complete these reviews in time to make a contract award in May.

Mr. Potter reported that the Governor of Virginia had signed the transportation bill that provides an additional \$300 million in funding for Phase 2, which will help reduce the amount of future toll increases for toll users of the Dulles Toll Road. He noted that the signing of this legislation is a welcome event and that the Authority would continue to extend its thanks to the Governor, the leaders of the Senate and House, supporters in the General Assembly and the many community leaders who contributed in these efforts.

He also reported that DOT had informed the Authority that it, along with its funding partners, are advancing in the Letter of Interest review process for federal Transportation Infrastructure Finance and Innovation Act (TIFIA) assistance for the Silver Line project. The Authority would continue to coordinate with DOT and its local partners as its TIFIA request continued to advance through the process.

With regards to aviation, Mr. Potter reported that President Obama's proposed Fiscal Year 2014 budget contains multiple items that could affect Reagan National and Dulles International. He noted, however, that the budget also recognizes the need for greater investment in the nation's largest airports by including a provision that would allow large hub airports reduced access to funds granted under the Airport Improvement Program (AIP) in exchange for receiving greater flexibility in setting local user fees known as Passenger Facility Charges. This proposal, which the Administration estimates would save the federal government \$450 million nationwide in the first year, would better enable large international airports to locally finance airport infrastructure projects while reducing overall federal spending on their airports. Mr. Potter reported that the money could then be used for deficit reduction or to preserve other Federal Aviation Administration programs, such as maintaining air traffic control towers serving smaller communities or helping fund the development and implementation of the NextGen air traffic control system.

Mr. Potter said that while the proposal is a good first step, the Authority would like to see Congress go further and remove the cap on the PFCs in exchange for foregoing all AIP grants. He noted that airports would then be given the flexibility to make decisions on a local level, with the participation of airlines that use Reagan National and Dulles International and the FAA, to address specific needs. Mr. Potter stated that the Authority

had formed an alliance with other large airports to work on explaining the details and impacts that the administration of this proposal would have on Reagan National, Dulles International, other airports and to members of Congress.

With regards to the federal budget, Mr. Potter reported that both Reagan National and Dulles International are beginning to feel the effects of federal budget cuts known as sequestration. At Reagan National, the impact of sequestration is being felt in security lines with increased wait times in early mornings. At Dulles International, the impact is being felt by international travelers as the volume of travelers increase and Customs and Border Protection adjusts to its new lower staffing levels. He noted that the wait times at customs throughout the day had increased by an average of 10 to 15 minutes. At peak times, passengers could experience a wait of an additional 30 minutes.

Mr. Potter reported that staff is closely monitoring the situation at each Airport and is working with the Transportation Security Administration and Customs to address the delays as much as possible and limit any inconvenience to passengers. Presently, the best advice to passengers is to plan ahead and allow extra time at the Airports, particularly during the busier parts of the day.

He then reported on other passenger experiences, which were being improved in other ways. The Authority had just ended its Cherry Blossom-themed promotion, which had filled both Airports with pink products to match the blossoms and festive mood around the region. The celebration had included special banners outside the Airports and pink lighting around Reagan National's parking decks and other facilities.

At Reagan National, more improvements aimed at enhancing the passenger experience would soon begin. In Terminal A, the much-anticipated renovation project to upgrade its look and feel, expected to be completed this year, would soon be under way. The lobby would be redesigned to include new flooring, lighting, baggage carousels and added space at ticketing counters to offer travelers more room when checking in. These changes will enhance the overall experience for customers in Terminal A.

At Dulles International, Mr. Potter reported that the Authority is pleased to welcome a new international carrier. Etihad Airways had begun direct service to Abu Dhabi on March 31 and had opened its premium passenger lounge a few days later. The inaugural flight had been greeted by a ceremonial water arch and passengers had been treated to a wonderful welcome reception. With the arrival of Etihad Airways, Mr. Potter noted that Dulles International presently had 24 international carriers serving 50 destinations around the world but the number would increase in June when Brussels Airlines began its non-stop service.

On April 3, Signature Flight Support, a Fixed Base Operator for general aviation aircraft, had hosted a ribbon cutting for its new aircraft maintenance facility at Dulles International. The event had also celebrated Signature's new status as an approved Embraer jet aircraft service center. The TECHNICAir-branded facility is a significant investment, which will create new jobs and further solidify Dulles International as the National Capital region's premier gateway to the world. Signature will handle the maintenance for additional general aviation planes flying to Dulles International, which will make the Airport an even more attractive destination for smaller aircraft.

Staff at Dulles International is completing final preparations for a full-scale emergency exercise to be held on the morning of Saturday, May 4. Full-scale exercises, which involve responders from Operations, Police, Fire/Rescue and the Authority's mutual aid community partners, are required by the FAA on a triennial basis. A similar exercise for Reagan National would be held in the fall.

Mr. Potter reported that Chris Browne, Vice President and Airport Manager, had been recognized by the National Air Transportation Association (NATA) for his excellent work. NATA had selected Mr. Browne as the recipient of its Airport Executive Partnership Award, which celebrates his cooperative approach to airport management in assuring the highest levels of safety, security, service and success. Mr. Potter recognized Mr. Browne and everyone offered their congratulations.

Lastly, Mr. Potter shared a letter from a father of a "special needs child," who had lost a stuffed animal, called "Big Bear," while flying into Reagan National for the beginning of a family spring break trip. Corporal Angel

Ruiz of the Authority's Police Department had made a major difference in the family's experience when he went out of his way to find Big Bear and return him. Mr. Potter thanked and congratulated Corporal Ruiz, who was in attendance at the day's meeting, for demonstrating the Authority's commitment to its customers and its mission of public service.

Mr. Potter said that he agreed with the Chairman's earlier assessment that the Authority can be proud of its facilities and the wonderful job that the dedicated men and women do to serve the customers.

Ms. Wells noted the approval of the new Travel Policy for Directors and employees and asked Mr. Potter to provide a status report. Mr. Potter said that he had been disappointed with the article because a substantial amount of work that staff does is to generate business and increase the number of passengers that use Reagan National and Dulles International Airports. In order to attract foreign air carriers, it was necessary for staff to travel to these destinations. Though the article had signaled out Mark Treadaway, Vice President of Air Service Planning and Development, Mr. Potter said that he was very proud with the results of those trips, citing the strong international growth that had occurred over recent years. When the amounts of money spent on these international trips are compared to that generated for the Authority, there are no questions about the value of the Authority's investment. Mr. Potter noted staff's efforts to minimize its spending by sometimes traveling to five different countries in six days. The Authority's international travel had proven beneficial, as evidenced with the addition of Etihad Airways and Brussels Airlines at Dulles International, as well as other services recently added to increase international flights offered at the Airport. Mr. Potter stated that the airlines, Authority and the entire region benefit from these additional services. He said that every dollar spent is important and that staff will review its travel to make sure that the money continues to be spent wisely.

Ms. Merrick stated that she believed that the Authority's travel budget is reasonable considering its impact to the region in terms of business development efforts.

With regard to President Obama's budget, which Mr. Potter had referenced earlier, Mr. Session noted that it included America Fast Forward Bonds, a new concept equivalent to Build America Bonds that could offer flexibility in the bond market. He suggested that staff monitor the concept. Mr. Session also noted that the PFC, currently at \$4.50, had not increased since 2000. In the 2014 Federal Budget, the President is proposing an increase in PFCs to \$8, which Mr. Session said could be viewed as a "catch up". He noted that the airport community collectively supported the increase. With the slight reduction in AIP funding, attempting to enhance non-aeronautical revenue would be an additional onus.

For the record, the Chairman stated that the day's *Washington Post* article that Mr. Potter had referenced noted that the Board would review the Business Expense Policy that day. The Chairman reported that the Board had approved the Policy on March 20. He then congratulated Mr. Browne for his recent accomplishment and noted that most people could relate to the "Big Bear" story.

b. Executive Vice President's Report

Ms. McKeough acknowledged the impacts of sequestration on airport users and announced two activities planned at the Airports that would provide passengers entertainment and enjoyment. The Authority will participate in the Annual Congressional Arts competition hosted by Congresswoman Eleanor Holmes Norton. Art students compete annually for recognition in the national competition. At Reagan National, the Authority will display the artwork of District of Columbia participants. The exhibit will be displayed on the baggage claim level from the middle of May until July. At Dulles International, the Authority will join ANA and Korean Airlines to celebrate Asian Pacific Heritage month in May; a series of events and live performances will be presented in the terminals.

Ms. McKeough referenced updated information that had been distributed that morning to the Directors, which corrected the U.S. aviation benchmark statistics. She reported that throughout the U.S. aviation industry, there had been an average decrease in passengers of 1 percent in February. The Authority's combined system had resulted in an increase of passengers of almost 1 percent, which had been largely due to increased

passenger activity at Reagan National. Approximately 1.4 million passengers had been served at the Airport in February 2013, which represented an increase of 9.5 percent in activity at Reagan National compared to February 2012 results. Ms. McKeough noted that the increased flight activity at Reagan National had occurred between March and June 2012; therefore, some flights now being operated had not been operational in February 2012.

At Dulles International, Ms. McKeough reported that international passenger activity had increased 5 percent in February 2013 compared to February 2012 activity. Domestic activity at Dulles International had decreased approximately 12 percent in February compared to last year. Ms. McKeough reported that historically, February represented the slowest month for passenger activity at both Airports. Based on the carriers servicing Dulles International in February, there had been a 17 percent decrease in airline seats available, compared to February 2012. Cargo tonnage activity had decreased approximately 8 percent compared to the same period in the prior year. She noted that the majority of the cargo activity was transported in the belly of passenger aircraft and decline was still attributed to economic challenges and size of aircraft. International cargo activity had decreased approximately 2 percent compared to the prior year. Ms. McKeough noted that staff would continue to monitor the cargo activity closely. As reported earlier that day, the Authority had added several Middle Eastern carriers to its cargo providers, including Etihad Airways.

IV. NEW BUSINESS

a. Amendment to the Bylaws Regarding the Indemnification Policy

The Chairman reported that the Executive and Committee had discussed the amendment to the Bylaws at its March 20 Meeting, and he had recommended that the full Board consider it. He noted that additional information, which had resulted from the March 20 Committee Meeting, had been provided to the Directors. The Chairman moved that the Board amend the Bylaws regarding the Indemnification Policy, which provides generally that the Authority will supply legal representation to and will indemnify Directors from personal liability whenever they are made a party or a participant in a judicial, administrative or investigate proceed-

ing based upon their status as a member of the Board or conduct they have undertaken as a Board Member. The amendment to the Bylaws regarding the Indemnification Policy was unanimously approved by all Directors, except Mr. Davis, who was not present at that time; a copy is attached.

b. Virginia Department of Transportation Request for Easement at Dulles International

Mr. Chapman moved the adoption of the following resolution, which was unanimously adopted by all Directors, except Mr. Davis, who was not present at that time:

WHEREAS, The Virginia Department of Transportation is widening Route 50 from four lanes to six lanes throughout portions of Fairfax and Loudoun Counties;

WHEREAS, A portion of this project impacts Airports Authority property at Dulles International Airport;

WHEREAS, In order to complete this project, the Virginia Department of Transportation has requested an easement over 0.276 acre of Airports Authority property; and

WHEREAS, The Strategic Planning and Development Committee has reviewed the proposed easement, as presented by staff, and recommended that it should be granted; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to execute the easement to the Virginia Department of Transportation as identified in the documents presented to the Board of Directors at its April 2013 Meeting; and

2. 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.

c. Fairfax County Water Authority for Easement across the Dulles International Airport Access Highway and Dulles Toll Road

Mr. Chapman moved the adoption of the following Resolution, which was adopted by all Directors, except Mr. Davis, who was not present at that time, and Mr. Griffin, who did not participate in the vote:

WHEREAS, The Fairfax County Water Authority is undertaking a project to address low water system pressures during periods of peak usage in the McLean area of Fairfax County, which includes installing a new 24-inch water main;

WHEREAS, The water main installation crosses the Dulles International Airport Access Highway and the Dulles Toll Road, as well as the entrance and exit ramps at Spring Hill Road;

WHEREAS, In order to complete this installation, Fairfax County Water Authority has requested an easement approximately 24 feet in width and 730 feet in length (approximately 0.40 acre) over Airports Authority property; and

WHEREAS, The Strategic Planning and Development Committee has reviewed the proposed easement, as presented by staff, and recommended that it should be granted; now, therefore be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to execute the easement to the Fairfax County Water Authority as identified in detail in the documents presented to the Board of Directors at its April 2013 Meeting; and

2. 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.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

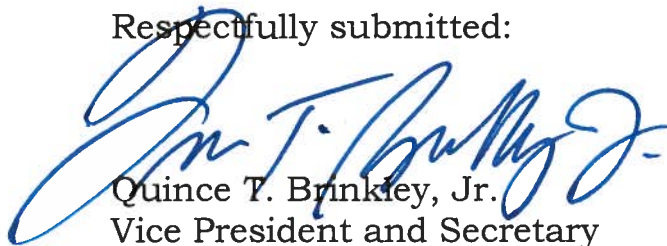
For the record, the Chairman reported that he and Mr. Potter had received a letter from Mr. Vance T. Ayres, Executive Secretary – Treasurer of the Washington DC Building Trades Council, which outlined the unique experience of the work force on Phase 1, most notably, the stellar safety record. A copy of the letter is attached as part of the record for the day's Meeting.

The Chairman announced that Shirley Hall will serve as the District of Columbia representative on the Nominations Committee.

The Chairman noted that the Strategic Planning and Development Committee would reconvene immediately after the Board Meeting so that Mr. Treadaway could provide additional details about the Air Service Development report.

The Meeting was thereupon adjourned at 10:37 a.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Quince T. Brinkley, Jr.", is written over the typed name and title. The signature is fluid and cursive.

Quince T. Brinkley, Jr.
Vice President and Secretary



BYLAWS

ARTICLE I

Organization of the Authority

Section 1. Board of Directors. Created on October 18, 1986, by Chapter 598 of the 1985 Virginia Acts of Assembly, as amended, and the Regional Airports Authority Act of 1985, D.C. Law 6-67, as amended, the Metropolitan Washington Airports Authority consists of seventeen Members. All powers, rights and duties of the Authority are thus conferred upon its Members, who are collectively known as “the Board of Directors,” hereinafter referred to as “the Board.” Individual Members of the Authority are known as “Directors.”

a. There are seventeen Directors: seven appointed by the Governor of the Commonwealth of Virginia, four appointed by the Mayor of the District of Columbia, three appointed by the Governor of the State of Maryland, and three appointed by the President of the United States.

b. Directors (i) may not hold elective or full time, non-career appointive public office; (ii) serve without compensation, except that the Directors are entitled to reimbursement of their expenses incurred in attendance at meetings of the Authority or while otherwise engaged in the discharge of their duties, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the Directors appointed by the President of the United States are not required to reside in that area, and must be registered voters of states other than Maryland, Virginia and the District of Columbia.

c. Appointments to the Authority are for a period of six years, except as otherwise provided by law for initial appointments.

d. Each Director may be removed or suspended from office only for cause, and in accordance with the laws of the jurisdiction from which he or she is appointed.

e. No Director may serve after the expiration of his or her term, unless reappointed. Any person appointed to fill a vacancy serves for the unexpired term. Each Director is eligible for reappointment for one additional term.

Section 2. Officers. The Board shall annually elect from its membership a Chairman and Vice-Chairman and shall elect from its membership, or elect and employ from its staff, a Secretary and a Treasurer or a Secretary/Treasurer, and prescribe the powers and duties of each officer. It may appoint from the staff an Assistant Secretary and an Assistant Treasurer, or an Assistant Secretary/Treasurer, who shall, in addition to other duties, discharge such functions of the Secretary and Treasurer, respectively, as may be directed by the Board. The Chairman and the Vice-Chairman may use any reasonable titles of their own choosing, such as Chair, Chairwoman, or Chairperson.

Section 3. Term of Office. The term for each elected office is one year, commencing January 1 of the year following the annual meeting. All officers, as long as they continue to serve as a Director or staff, hold office until the next January 1, or until their successors are elected or appointed and qualified, whichever may be the later.

ARTICLE II

Duties of the Board

The Board shall establish policy and provide direction to the President and Chief Executive Officer to acquire, operate, maintain, develop, promote and protect Ronald Reagan Washington National and Washington Dulles International Airports, including the Dulles Corridor, with its Dulles Toll Road and Dulles Metrorail Extension. The Board shall provide world class air transportation facilities with timely improvements at both Airports. The Board shall see that the laws pertaining to the purposes and functions of the Authority are faithfully observed and executed. In carrying out their duties on the Board, Directors appointed by the President shall ensure that adequate consideration is given to the national interest. The Board will employ staff, consistent with Article V, and adopt appropriate procedures to carry out these duties.

ARTICLE III

Powers and Duties of the Officers of the Board

Section 1. The Chairman. The Chairman is the first among equals and is dedicated to advancing the work of the Board and fostering common ground and consensus to move the Board's work forward in support of the Authority's mission. The Chairman is accountable to the Board, and serves as liaison between the Board and the Chief Executive Officer.

The Chairman presides at all meetings of the Board; establishes and appoints all Committees and the Chairmen thereof; determines the jurisdiction of all Committees; serves as an *ex officio* member of all Committees; executes documents on behalf of the Authority as prescribed by the Board; and performs such other duties as the Board may from time to time direct.

Section 2. The Vice-Chairman. The Vice-Chairman performs the duties and has the powers of the Chairman during the absence or incapacity of the Chairman from any cause. A certification by any seven Directors as to such absence or incapacity from any regular or special meeting is conclusive evidence thereof. Upon the resignation or death of the Chairman, the Vice-Chairman automatically becomes the Chairman for the unexpired term.

Section 3. The Secretary. The Secretary is the custodian of all records and of the Seal of the Authority and keeps accurate minutes of the meetings of the Board and its Committees. The Secretary has the authority to cause copies to be made of all minutes and other records and documents of the Authority and to certify under the official seal of the Authority that such copies are true copies. The Secretary affixes the Seal of the Authority to legal instruments and documents as required. The Secretary gives notice of all meetings of the Authority as required by law or by these Bylaws and distributes the agenda and related materials not less than 48 hours before the regular meetings of the Board. The Secretary is responsible for assuring that the public is fully informed as to the time, place, and agenda of all Board and Committee Meetings, and that records of these meeting are readily available. The Secretary, if a Director, becomes, *ex officio*, the Acting Chairman in the event the offices of the Chairman and Vice-Chairman are both vacant, or in the event that the Chairman and the Vice-Chairman are both unable to perform their duties by reason of absence or incapacity.

Section 4. The Treasurer. Except as may be required in any instrument under which any revenue or other bonds are issued by the Authority, the Treasurer shall have the care and custody of and shall be responsible for all monies of the Authority from whatever sources received. The Treasurer shall be responsible for the deposit of such monies in the name of the Authority in a bank or banks approved by the Board and shall be responsible for disbursements of such funds for purposes authorized or intended by the Board. The Treasurer, and any Assistant Treasurer, shall be bonded in an amount and with surety acceptable to the Board and shall make periodic accounting for all such funds as determined by the Board. The Treasurer's books shall be available for inspection by any Director during business hours.

Section 5. Other Duties. In addition to the duties and powers herein set forth, the Chairman, the Vice Chairman, the Secretary and the Treasurer have the duties and powers commonly incident to their offices and such duties as may be imposed by law or as the Authority may from time to time by resolution specify.

ARTICLE IV

Committees

Section 1. Committee Roster. The Chairman shall prepare a list of Committees, their members, and their jurisdiction.

Section 2. Committee Meetings. Each Committee Chairman schedules the Committee's meetings and sets the agenda. Except for the Audit Committee, all Committee meetings are normally held in public session.

Section 3. Subcommittees. Each Committee Chairman may establish special or *ad hoc* subcommittees that report to the full Committee, with the concurrence of the Chairman.

Section 4. Attendance . Any Director may attend and participate in any Committee meeting, but only members of the Committee count towards a quorum and may vote.

ARTICLE V

Chief Executive Officer, and Other Employees

Section 1. Chief Executive Officer. The Board shall appoint a President and Chief Executive Officer. He or she shall, except as otherwise provided by the Board, be in charge of management and operations of the Airports and any other activities of the Authority as prescribed by the Board. The President and Chief Executive Officer shall sign documents on behalf of the Authority as prescribed by the Board. The President and Chief Executive Officer shall discharge his or her duties in accordance with delegations of authority, and otherwise as directed by the Board.

Section 2. Chief Operating Officer. The Board shall appoint, upon the recommendation of the President and Chief Executive Officer, an Executive Vice President and Chief Operating Officer, who shall be initially responsible for the operational activities of the Authority, reporting to and exercising authority delegated to him or her by the President and Chief Executive Officer.

Section 3. Employees. The President and Chief Executive Officer shall staff the Authority in accordance with a plan approved by the Board. All selections for managerial positions reporting directly to the President and Chief Executive Officer and the Executive Vice President and Chief Operating Officer are subject to approval by the Board.

ARTICLE VI

Offices, Books and Records

Section 1. Offices. The Board shall maintain the principal office of the Authority at or near either Ronald Reagan Washington National Airport or Washington Dulles International Airport.

Section 2. Books and Records. Except as may be otherwise required or permitted by resolution of the Board, or as the business of the Authority may from time to time require, all of the books and records of the Authority shall be kept at its principal office. Such books and records shall be available during ordinary

business hours for inspection by any member of the public, in accordance with the Authority's Freedom of Information Policy.

Section 3. Minutes. All approved minutes of Board or Committee meetings shall be open to public inspection during ordinary business hours.

Section 4. Documents Posted on the Authority Website. The Secretary shall post the following documents on the Authority website, with links shown at http://mwaa.com/board_members.htm:

- a. Schedules of upcoming Board and Committee Meetings, for at least six months
- b. Approved Minutes of Board and Committee Meetings
- c. The Roster of Committees, their members, and jurisdiction
- d. The Bylaws
- e. The Code of Ethical Responsibilities for Members of the Board of Directors
- f. Schedules, Agendas and non-privileged documents prepared for the next meetings, after they have been provided to the Directors

ARTICLE VII

Meetings of the Board

Section 1. Meetings Open to the Public. All meetings of the Board and its Committees are open to the public, except during executive sessions.

Section 2. Regular Meetings. A regular meeting of the Board shall be held at the principal office of the Authority on the third Wednesday of every month. When such day is a legal holiday or for any other reason inappropriate as a meeting day, the regular meeting shall be held on such other day as may be determined by the Chairman. The Secretary shall provide notice of a rescheduled meeting at least one week before the rescheduled date.

Section 3. Annual Meeting and Election of Officers. The regular meeting held in the month of November in each year is the annual meeting for the election of a Chairman, Vice-Chairman, Secretary and Treasurer. If the annual meeting is omitted, or the Board fails for any reason to elect a Chairman after

repeated ballots, the election shall be on the agenda of each subsequent regular or special meeting until a Chairman is elected. If a vacancy occurs in any of the four offices, and is not filled under other provisions of these Bylaws, after appropriate notice the Board may at a subsequent meeting elect a successor to complete any unexpired term.

Section 4. Special Meetings. Special meetings may be called at any time by the Chairman. Upon receipt of a written request for a special meeting from any seven Directors, the Chairman shall call a meeting. Written notice of each special meeting, specifying the time and place of the meeting, and the purpose or purposes of the meeting, shall be given to the Directors by the Secretary. Notice is sufficient if sent by mail at least seventy-two hours in advance of the date and time of the meeting or by e-mail or otherwise in writing within twenty-four hours before the time of the meeting, if given to the Directors in person. Formal notice to any person is not required provided all Directors are present or those not present have waived notice in writing, filed with the records of the meeting, either before or after the meeting.

Section 5. Schedule. While Committee meeting schedules may vary because of unpredictable duration, Board Meetings will begin at the advertised time. Any Committee meeting running into the Board Meeting time will suspend its session until the Board Meeting has been adjourned. Executive sessions, if any, shall be scheduled, if possible, before Committee meetings begin or after the last Committee meeting of the day in order to minimize inconvenience to the public.

ARTICLE VIII

Voting

Section 1. Quorum. Nine Directors constitute a quorum for the transaction of all business at a regular or special meeting. A majority of the members of a Committee, not including the *ex officio* member, constitutes a quorum for the transaction of all Committee business.

Section 2. Majority Voting. Action by the Board is by a simple majority vote of the Directors present and voting except where otherwise provided by the Bylaws. Ten affirmative votes are required to approve bond issues, the annual budget of the Authority, and the appointment of a President and Chief Executive

Officer. Ten affirmative votes are required to grant exceptions to competitive procurement procedures for contracts over \$200,000.

Section 3. Participation by Telephone. Directors unable to attend a meeting may participate by telephone, but may not vote.

ARTICLE IX

Transaction of Business

Section 1. Regular, Special and Committee Meetings. Any business of the Authority may be considered at any regular meeting of the Board. Only items of business identified in the agenda distributed by the Secretary forty-eight hours in advance of the meeting may be acted upon at a regular meeting. Other matters may be acted upon if nine or more Directors vote to waive this notice provision. When notice of a special meeting is sent, only matters specified or described in the notice may be considered at the special meeting, except that with the unanimous consent of the Directors present any other matter may be considered. Business within the jurisdiction of a Committee may be considered at any meeting of the Committee. Only items of business identified in the agenda distributed by the Secretary forty-eight hours in advance of the meeting may be acted upon at a Committee meeting. Other matters may be acted upon if a majority of the Members of the Committee vote to waive this notice provision.

Section 2. Order of Business. Unless waived by a vote of seven or more Directors, the order of business at a regular meeting of the Board is:

- a. Approval of the minutes of the previous meeting.
- b. Committee Reports.
- c. Reports of Chief Executive Officer and staff.
- d. Unfinished business.
- e. New business.
- f. Other business and adjournment.

Section 3. Executive Session. All regular, special and committee meetings of the Board shall be open to the public, except that at any time the presiding officer may, without objection, order that the Board or Committee consider a matter or matters in the categories described below in executive session closed to the public. Before an executive session begins, the presiding officer shall announce the matters to be discussed. At the discretion of the presiding officer, others who can contribute to the discussion, including appropriate employees, outside counsel and consultants, may attend an executive session, with the understanding that they are honor bound not to divulge what takes place there. Only the following items or matters may be considered in the executive session:

a. Personnel matters such as employment, appointment, assignment, promotion, demotion, performance appraisal, discipline, resignation, salaries and benefits, and interviews of Directors, officers, and employees of the Authority, and applicants for the same.

b. Personal matters not directly related to the Authority's business in order to protect the privacy of individuals.

c. Existing or prospective contracts, business or legal relationships to protect proprietary or confidential information of the Authority, any person or company; the financial interest of the Authority; or the negotiating position of the Authority.

d. Financial matters, including the indebtedness of the Authority and the investment of Authority funds, particularly where competition or negotiation is involved. The annual budget may be discussed in executive session in its earliest stages, but should otherwise be dealt with in open session. From time to time certain sections may be considered in executive session, particularly where public discussion could compromise the Authority's relationships with its employees or tenant airlines.

e. Consultation with legal counsel and briefings by staff, consultants and/or attorneys, pertaining to actual or potential litigation, pending or proposed legislation, compliance with a specific constitutional, statutory or judicially imposed requirement, or other legal matters, and discussions of such matters by the Board without the presence of counsel, staff, consultants, or attorneys.

f. Discussion of security plans and other law enforcement measures for the protection of the public from terrorism and aircraft hijacking.

g. Discussion of the following matters and information presented in or by audits or audit reports: matters involving airport security and information security; personally identifiable information or sensitive information in personnel actions and procurement matters, including vendor proprietary information and employee names, unique titles, or recommendations to discipline or terminate employees; matters related to actual or potential litigation involving the Airports Authority that may invoke the attorney-client privilege; and matters that the professional standards applicable to financial statement auditors and the Vice President of Audit, when conducting a financial statement audit, require to be discussed in executive session.

Section 4. Actions in Executive Session. No resolution, contract, or motion, adopted, passed or agreed to in an executive session, other than a request to the staff for information, is effective unless the Board or Committee, at an appropriate time following such session, reconvenes in public or open session and takes a vote of the Directors on such resolution, contract, or motion, and the subject of the resolution, contract, or motion is reasonably identified in the open session. This shall not be construed to require the Board or Committee to divulge information that is proprietary or actions that are not final.

Section 5. Other Business. After completion of the agenda, the Chairman, Directors, or the President and Chief Executive Officer may, for information purposes, place any matter or matters on the agenda or other business that either deems to require the attention of the Board.

Section 6. Procedure. Roberts Rules of Order, as amended, is the authority for all matters of procedure not otherwise covered by these Bylaws. A point of order as to procedure raised by any Director in the course of a regular, special or committee meeting is resolved by a ruling of the Chairman. The vote of a majority of the Directors present is required to overrule the Chairman. The Secretary serves as parliamentarian.

ARTICLE X

Directives and Regulations

Section 1. General. The Board will adopt, amend and repeal as necessary: 1) internal directives and procedures for operating the Airports, including delegations of authority, and 2) regulations which may have the force and effect of law, pertaining to the use, maintenance and operation of its facilities and governing the conduct of persons and organizations using its facilities.

Section 2. Regulatory procedure. Unless the Board determines that an emergency exists by unanimous vote of all Directors present, the Board shall, prior to the adoption of any regulation or alteration, amendment, or modification thereof:

a. Make such regulation or amendment thereof in convenient form available for public inspection in the office of the Authority for at least ten days.

b. Publish a notice in a newspaper or newspapers of general circulation in the District of Columbia, Montgomery County and Prince George's County, Maryland, and in the local political subdivisions of the Commonwealth of Virginia where the Authority facilities are located declaring the Authority's intention to consider adopting such regulation or amendment thereof and informing the public that the Authority will hold a public hearing at which any person may appear and be heard for or against the adoption of such regulation or such alteration, amendment, or modification, on a day and at a time to be specified in the notice, after the expiration of at least ten days from the day of the publication thereof; and

c. Hold the public hearing, or appoint a hearing officer to hold a public hearing, on the day and at a time specified in such notice or any adjournment thereof, and hear persons appearing for or against such regulation or amendment thereof.

d. In accordance with the Metropolitan Washington Airports Act of 1986, adoption by the Board of the regulations of the Federal Aviation Administration that governed the Airports at the time the Airports were transferred to the Authority were not subject to this procedure.

Section 3. Inspection of regulations. The Authority's regulations are available for public inspection in the Authority's principal office.

Section 4. Force and Effect of Law. The Authority's regulations relating to

a. Air operations and motor vehicle traffic, including, but not limited to, motor vehicle speed limits and the location of and payment for public parking;

b. Access to and use of Authority Facilities, including but not limited to solicitation, handbilling, picketing and the conduct of commercial activities; and

c. Aircraft operation and maintenance;

have the force and effect of law, as do any other regulations of the Authority that contain a determination by the Board that it is necessary to accord the same force and effect of law in the public interest; provided, however, that with respect to motor vehicle traffic rules and regulations, the Board will obtain the approval of the traffic engineer or comparable official of the local political subdivision in which such rules or regulations are to be enforced.

ARTICLE XI

Miscellaneous

Section 1. Code of Ethics. The Board shall adopt a code of ethics and financial disclosure to assure the integrity of all decisions by the Board and employees of the Authority. The code shall provide that each Director and his or her immediate families may not hold a substantial financial interest in any enterprise that has or is seeking a contract or agreement with the Airports Authority or is an aeronautical, aviation services, or airports services enterprise that otherwise has interests that can be directly affected by the Airports Authority. Exceptions may be made if the financial interest is fully disclosed to the Board and the Director does not participate in decisions that directly affect such interest.

Section 2. Representation and Indemnification. The Authority shall defend and indemnify each Director as follows. For purposes of subsections (a)

through (e) of this section, the term Director includes Officers elected or appointed by the Board.

a. *Legal Representation.*

(i) A Director shall be provided legal representation by the Authority, at no cost to the Director, whenever the Director is made or required to become a participant in a Proceeding, as defined in subsection (f), whether as a defendant or respondent, a witness, a deponent, the recipient of a subpoena for physical materials, or otherwise, as the result of an action of another person *other than the Authority itself*, and due to the Director's status as a member of the Board or to conduct in which the Director is alleged to have engaged while acting as a member of the Board; provided, that legal representation shall not be provided for a Director when a Legal Representation Exclusion, as defined in subsection (c), is applicable; and provided further, that the Director shall be required to reimburse the Authority for its actual cost of providing legal representation if, at the conclusion of the Proceeding, it is determined, pursuant to subsection (d), that the Director has not satisfied the Standard of Conduct.

(ii) A Director shall immediately notify the General Counsel of any Proceeding to which the Director has been made or is required to become a participant. The General Counsel shall refer the notice to the Legal Committee of the Board for a determination whether the Director is eligible for legal representation under paragraph (i). Following an affirmative determination by the Committee, the General Counsel shall obtain legal counsel for the Director at the Authority's expense. Throughout the Proceeding, the General Counsel will maintain a financial oversight of the Director's legal representation to ensure that it is being provided in an efficient and cost effective manner. However, that oversight shall not interfere with or alter the duties of loyalty and representation that legal counsel owes to the Director.

(iii) In the event a Director elects not to accept legal representation provided by the Authority under paragraph (i) and to obtain his or her own counsel in the Proceeding, the Director shall be responsible for the entire cost of such representation, and none of the cost shall be eligible for indemnification by the Authority.

b. *Indemnification.* A Director shall be indemnified and held harmless by the Authority for any judgment or order entered in a Proceeding

against and imposing a personal financial liability upon the Director, or for any settlement approved by the Board in a Proceeding that imposes such liability upon the Director, when the judgment or order, or settlement, arises from or is based upon the Director's status as a member of the Board or upon conduct in which the Director engaged while acting as a member of the Board; provided, that such indemnification shall not be provided for a Director in the event an Indemnification Exclusion, as defined in subsection (c), is applicable; it is determined, pursuant to subsection (d), that the Director has not satisfied the Standard of Conduct; or the Director refuses to assign to the Authority all claims that the Director has or may have against any person, including an insurer, that arise from or relate to the events or circumstances giving rise to the judgment or order, or settlement, for which the Director is being indemnified.

c. *Exclusions.*

(i) *Legal Representation Exclusions.* A Director shall be not be eligible for legal representation under subsection (a) in any of the following circumstances:

(1) The Proceeding is an Individual Criminal Action in which the Director is charged with a criminal offense based upon the Director's personal conduct, rather than his or her institutional conduct as a member of the Board;

(2) The Proceeding is an Investigative Matter in which a Director is being investigated for having engaged in personal conduct that, if true, would form the basis for an Individual Criminal Action against the Director; or

(3) The *sole* conduct in which the Director is alleged to have engaged and which is the subject of the Proceeding consists of fraudulent or dishonest activities, the intentional misuse of the Director's position as a member of the Board, the intentional violation of a fiduciary or other duty owed to the Authority, or activities undertaken for personal financial gain or the financial gain of members of the Director's immediate family or other relatives;

provided, however, that in the event a Director prevails "on the merits," as defined in subsection (d)(v), of a Proceeding described above in subparagraph (1), (2) or (3) and thereafter satisfies the Standard of Conduct, the Director shall be indemni-

fied for the reasonable legal costs the Director actually incurred in the course of the Proceeding.

(ii) *Indemnification Exclusion.* A Director shall not be eligible for indemnification under subsection (b) for any of the following judgments or order:

(1) Any judgment or order in a Criminal Action; or

(2) Any judgment or order in a Civil Action that is based solely upon any of the conduct described in subparagraph (2) or (3) of paragraph (i).

d. *Standard of Conduct.* A Director shall be required to reimburse the Authority for its cost in providing the Director with legal representation during a Proceeding under subsection (a), and a Director shall not be eligible for any financial indemnification under subsection (b), if the Director does not satisfy the Standard of Conduct when applicable to the Director and as applied in accordance with this subsection. Provisions describing the circumstances in which the Standard of Conduct is applicable, defining the Standard of Conduct, and explaining the manner in which the Standard of Conduct shall be applied are set out below in this subsection.

(i) *Applicability.* A Director shall be required to satisfy the Standard of Conduct whenever the Director's participation in a Proceeding is based, in whole or in part, upon personal conduct in which the Director is alleged to have participated as a member of the Board; the Standard of Conduct shall not be applicable when a Director's participation in a Proceeding is based solely upon other factors (e.g., his or her status as a member of the Board, participation in a vote or other action taken by the Board, or ability to contribute to the Proceeding's fact-finding process (e.g., as witness, deponent, producer of documents)).

(ii) *Standard.* A Director shall be deemed to have satisfied the Standard of Conduct when it is determined that, based upon the circumstances surrounding the Director's conduct that were known or reasonably should have been known by the Director, the Director was acting with both a good faith belief and a reasonable belief that the conduct was within the scope of the Director's duties and responsibilities as a member of the Board and was consistent with the interests of the Authority;

(iii) *Decision-maker.* The determination whether a Director has satisfied the Standard of Conduct shall be made in good faith by the Board based upon a majority vote of disinterested Directors or in good faith by an independent counsel selected by such members of the Board.

(iv) *Timing.* The determination whether a Director has satisfied the Standard of Conduct is to be made as soon as practicable after the conclusion of the Proceeding in question.

(v) *Effect of Proceeding Outcome.* Except as otherwise provided in this paragraph, while the outcome of the Proceeding may be a factor in deciding whether a Director has satisfied the Standard of Conduct, it shall not be determinative on this question. Thus, the fact that a Proceeding concludes in a manner that is favorable to, or adverse to, a Director shall not conclusively determine whether the Director, when engaging in the personal conduct that was alleged in the Proceeding, satisfied the Standard of Conduct. However, when a Director prevails on the merits of a Proceeding other than a Proceeding described above in subsection (c)(i), the Director shall be deemed to have satisfied the Standard of Conduct; prevailing “on the merits of a Proceeding” shall mean that the substance of the claims or allegations made in the Proceeding that were based upon the Director’s personal conduct were considered and were dismissed, denied or otherwise rejected by the Proceeding’s decision-maker and, for this reason, whether in whole or in part, the Proceeding was terminated, the Director was dismissed from the Proceeding, or the Director’s participation in the Proceeding otherwise was ended.

e. *Definitions.*

(i) *Proceeding* means any Civil Action, Criminal Action, Administrative Proceeding or Investigative Matter, as defined below in this subsection, but *excluding* any such action, proceeding or matter that has been filed by the Authority at the direction of the Board and names a Director as defendant or respondent or has been filed or initiated by a federal, state or local government agency at the request of, or as the result of a complaint filed or similar submission made by, the Authority at the direction of the Board, and any Removal Proceeding.

(ii) *Civil Action* means any civil lawsuit filed in a federal or state court that seeks monetary (including damages for bodily injury, personal

injury or property damage, or civil penalties), injunctive or other form of relief against a Director or the Authority, and any appeal filed by the plaintiff or petitioner in such a lawsuit from a decision of a court of record; the term does not include an appeal filed by a Director in such a lawsuit (unless, in a particular matter, the Board determines that a Director's appeal is to be considered a part of the Civil Action).

(iii) *Criminal Action* means any criminal action filed in a federal or state court in which a Director or the Authority is named as a defendant or respondent, and any appeal filed by the prosecuting entity in such a criminal action from a decision of a court of record; the term does not include an appeal filed by a Director in such an action (unless, in a particular matter, the Board determines that a Director's appeal is to be considered a part of the Criminal Action).

(iv) *Institutional Criminal Action* means a Criminal Action that alleges a violation of criminal law that is based upon conduct of the Authority or of the Board, as a whole, rather than the conduct of one or more particular Directors.

(v) *Individual Criminal Action* means a Criminal Action that alleges a violation of criminal law that is based upon the conduct of one or more particular Directors.

(vi) *Administrative Proceeding* means a process that is initiated by a federal, state or local government agency as the result of a complaint, charge or similar submission filed with the agency by an individual or entity that makes allegations regarding, and that may seek a remedy against, a Director or the Authority, and provides for the agency to consider information presented by the filing party and the Director or Authority, to assist the parties in reaching a resolution of the matter complained about, or to enter a decision on the matter which may be advisory only.

(vii) *Investigative Matter* means any investigation initiated by a federal, state or local government agency that may result in the assessment by the agency or another government agency of a civil penalty, or in the filing by the agency or another government agency of a Civil Action or Criminal Action, against a Director or the Authority.

(viii) *Removal Proceeding* means a civil lawsuit in a federal or state court or any other form of proceeding filed or otherwise initiated by a Director that contests a decision by an appointing official to remove the Director from the Board or filed or otherwise initiated by an appointing official or another person or entity that seeks the removal of a Director from the Board.

f. *Director Removal.* This subsection addresses Removal Proceedings and the Authority's indemnification, if any, of the legal representation costs incurred by a Director in a Removal Proceeding. Removal Proceedings and the legal costs incurred by a Director in connection with a Removal Proceeding are addressed solely by this subsection and not otherwise in this Section 2.

(i) *Written Request.* A Director who wishes to initiate or is the subject of a Removal Proceeding may submit a written request to the Board that the Authority indemnify the Director for the reasonable costs of legal representation the Director will incur in the Removal Proceeding. This written request shall include the following: documents showing the reasons for the decision to remove the Director or the grounds on which the Director's removal is sought; a statement of the reasons for the Director's belief that the removal decision is legally invalid or that the grounds for the removal are legally insufficient; a statement of the reasons for the Director's belief that it is in the best interest of the Authority for the removal decision to be contested or the request for removal to be opposed; and an identification of any other sources of indemnification, actual or potential, including insurers, that are or may be available to the Director in connection with the Removal Proceeding.

(ii) *Board Referral.* Upon receipt of a request made under paragraph (i), the Board, acting in good faith through its disinterested members, shall select an independent counsel and refer the Director's request to that counsel for action under paragraph (iii).

(iii) *Independent Counsel Review and Recommendation.* The independent counsel shall review the written request submitted by the Director to the Board and make such further inquiry as the counsel deems necessary. The independent counsel acting in good faith shall then determine whether approval of the request would be in the best interest of the Authority, shall state in writing the reasons for the determination and, based upon the determination, shall recommend that the Authority approve or disapprove the Director's request for indemnification.

(iv) *Decision.* Except as otherwise provided in this paragraph, the Chairman and Vice Chairman of the Board and the General Counsel shall review the determination, the reasons therefor and the recommendation of the Independent Counsel, and acting in good faith shall approve or disapprove the Director's request for indemnification. Any such approval shall be subject to the Director's eventual satisfaction of the Standard of Conduct in accordance with paragraph (vi) below. If the Director's request is not approved, the Director shall be responsible for the costs of the independent counsel; if the request is approved, the Authority shall be responsible for such costs. When the Chairman or Vice Chairman is the Director making the request for indemnification, such officer shall, for purposes of exercising the responsibilities described in this paragraph, be replaced by the Chairman of the Board's Legal Committee.

(v) *Advancement of Costs.* Following a decision to approve the Director's request, the Chairman and Vice Chairman of the Board and the General Counsel, if requested by the Director, may authorize advance payments of legal representation costs to the Director while the Removal Proceeding is pending; provided, that no advance payments shall be made unless the Director enters a written agreement with the Authority in which the Director represents that, with respect to the Director's conduct that is given or alleged as the basis for his or her removal, the Director either did not engage in the conduct or did so in compliance with the Standard of Conduct, and agrees to repay all advance payments made by the Authority if it is later determined in accordance with paragraph (v) that, with respect to such conduct, the Director has not satisfied the Standard of Conduct.

(vi) *Application of Standard of Conduct.* In the event a Director prevails in a Removal Proceeding, the Director shall be deemed to have satisfied the Standard of Conduct, as defined in subsection (d)(ii) above. In the event a Director does not prevail in a Removal Proceeding, that outcome may be a factor in deciding whether the Director, with respect to the conduct that is the basis for the removal, has satisfied that Standard of Conduct, but shall not conclusively determine this question which shall be determined by the Board or an independent counsel selected by the Board.

Section 3. Minority and women-owned business participation. The Board shall maintain a policy for providing minority and women-owned business participation in the contracts of the Authority, and monitor its implementation.

ARTICLE XII

Amendments

These Bylaws may be amended or repealed in whole or in part by resolution of the Board adopted by at least ten Directors at any regular meeting or special meeting, provided that notice of intention to present such resolution is given to all Directors at least two days in advance of the meeting at which the motion to adopt such resolution is to be made. Such notice may be given by any Director, or by the Secretary at the request of any Directors, and shall specify the subject matter of the proposed amendment or repeal. The notice of intention to amend or repeal these Bylaws shall include a specific reference to the Article subject to the proposed amendment or repeal, together with the suggested changes, or a “redline” draft showing existing text and suggested changes.

Adopted March 4, 1987

Amended: January 8, 1992; April 1, 1992; September 6, 2000; January 3, 2001; June 5, 2002; August 8, 2007; April 20, 2011; January 4, 2012; February 15, 2012; October 17, 2012; January 16, 2013; and April 17, 2013.

WASHINGTON, D.C. BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

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Dear Mr. Potter and Mr. Curto,

We speak for thousands of workers who have worked or are still working on Phase I of the Dulles Metrorail Extension. We built Phase 1, and now we want to build Phase 2. We are the best-trained, most experienced work force available anywhere for Phase 2, and we want to be given the opportunity to ensure the safe and successful continuation of this vital transit project.


The size, scale, and scope of the Silver Line are unique to the DC Metro area, if not the country. Phase 1 employed construction trades folks in a variety of specialties to construct five transit stations, a 2,400-foot train tunnel, 6 miles of elevated track, escalators, elevators, bridges, pedestrian walkways, and more. Phase 2 will encompass more of the same. No other workforce in this region, or outside of it, can claim to have more experience than us doing this type of work.

We also have and will continue to maintain an excellent safety record on all projects we work on. Many of us have had OSHA-10 and CPR/First Aid training that helps us identify potential safety hazards which as usual keeps all accidents to record lows consistently on all the projects we work on.

Furthermore, we are intimately familiar with the specific demands of this project and have and will continue to meet all special needs. All of us take advantage of training opportunities through our trade unions to develop and adapt our skills to specific needs. As a result, we are literally tailor made to build Phase 2.

The contractor for Phase 2 will be selected shortly, and hiring the most appropriate, most experienced, best-trained workforce is extremely critical. Just as MWAA will ensure that the winning bidder purchase the correct equipment and materials, we ask that you ensure the winning contractor hire the most appropriate workforce for the success of the project. For the efficiency of time and cost, let alone our safety and skill levels the winning bidder should be asked to make arrangements to retain and recruit the workforce used on Phase 1 to complete Phase 2.

Thank you,


Vance T. Ayres
Executive Secretary-Treasurer
Washington DC Building Trades Council
(Representing over 25,000 members and their families)



"BUILDERS OF THE NATION'S CAPITAL"