BOARD OF DIRECTORS MEETING

Minutes of June 19, 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 10:20 a.m. Fifteen Directors were present during the meeting;

Michael A. Curto, Chairman
Thomas M. Davis III, Vice Chairman
Earl Adams, Jr.
Richard S. Carter
Lynn Chapman
Bruce A. Gates
Anthony H. Griffin
Shirley Robinson Hall
Barbara Lang
Elaine McConnell
William Shaw McDermott
Caren Merrick
Warner H. Session
Nina Mitchell Wells
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 June meeting of the Metropolitan Washington Airports Authority Board of Directors.

Chairman Curto officially welcomed Bruce Gates, who had been appointed by the Governor of Virginia, to the Board. Mr. Gates is senior vice president of external affairs for Altria Client Services in Richmond and has an extensive background in government affairs having represented a number of major companies and industries in Washington. Chairman Curto said that the Authority is pleased to have his experience and expertise.

While the Authority Board Meetings always contain discussions of important information and business decisions, they also have become opportunities to report on ongoing work to improve the Authority's operations and governance. Chairman Curto noted that all were aware that new policies and structures had been put in place to strengthen the Authority's operations and accountability. He reported that part of that effort is the work staff is doing in response to last year's audit by the Department of Transportation's Office of Inspector General. Chairman Curto stated that later in the meeting, Mr. Potter would provide another update on that effort.

In addition to implementing new policies and procedures, Mr. Potter and staff, working with the Board, had set up new organizational structures to assure compliance and to optimize performance. Several new senior executives and staff had recently joined the Authority to help in this effort to lead the organization forward.

Chairman Curto said that Mr. Potter would provide an additional report later that day on the Authority's progress in addressing an audit conducted by KPMG initiated by the Board. This review focuses on the administrative aspects of the rail project. While this audit had concluded that the rail project is being managed well, Chairman Curto said that it had also offered some excellent recommendations for administrative improvements, which the Authority is working to implement. Chairman Curto stated that the initiatives are steps in the right direction and congratulated everyone involved in the process, noting that there is still more to do. He said that the Authority's progress thus far is encouraging and that the Authority remains committed to continuing this important job.

Chairman Curto reported on positive news at both Airports. At Reagan National, construction work is under way to upgrade Terminal A, which will make it much more pleasant and efficient for passengers. Much of the work that would be done over the next few months would occur after hours to minimize any service disruption to passengers. Once completed, it will be a major enhancement to the passenger experience at Reagan National.

At Dulles International, international activity on traffic continues to grow. Chairman Curto reported that Brussels Airlines had recently begun service at the Airport. He noted that international travel is a major growth area for the airline industry; Dulles International is the leading airport in the region for people traveling in and out of the United States.

In the financial area, Chairman Curto reported that the Board would discuss a recommendation to approve authorization to issue airport system revenue bonds. He indicated that other items, including the procurement of new shuttle buses for both Airports, would also be discussed later in the Meeting.

I. MINUTES OF THE MAY 15, 2013 BOARD OF DIRECTORS MEETING

The Chairman then called for the approval of the Minutes of the May 15 Board of Directors Meeting, which were adopted.

II. COMMITTEE REPORTS

a. Business Administration Committee – Warner H. Session, Chairman

Mr. Session reported that the Business Administration Committee had met that morning and on May 15. The day's committee report would provide information only about the May 15 Meeting. Items covered that day would be reported at the July Board Meeting.

Steve Baker, Vice President for Business Administration, had reported on the first quarterly report compiled using the Oracle system, which measured the Authority's performance with respect to small and local business participation in the Local Disadvantaged Business Enterprise (LDBE) program. He had also discussed the minority and female business participation in the federal DBE program. Richard Gordon, Manager, Equal Opportunity Programs, had reviewed the corresponding slides highlighting aggregate achievements, including awards and payments, for all LDBE construction contracts; DBE construction contracts; LDBE goals and services contracts; and Dulles Corridor Metrorail Phase 1 contracts. Directors and staff had discussed the Oracle system and its capabilities, and other similar software, which could aid in the Authority's contract compliance process.

Chris Browne, Vice President and Airport Manager, had presented a recommendation to purchase airport shuttle buses at both Airports. He had reported that the Authority is implementing a multi-year program to replace the aging shuttle bus fleet. In 2012, the Authority had purchased 19 new buses using an existing Metropolitan Washington Council of Governments (COG) purchasing agreement awarded competitively to New Flyer of America Inc., by Fairfax County. In accordance with the Contracting Manual, staff had determined that it would be in the Authority's best interest and would receive the best purchase price by using the COG's purchasing agreement. The Committee had approved staff's recommendation, and Mr. Session said that he would offer a resolution later that day for Authority staff to purchase the airport shuttle buses.

Liz Bryan, Manager of the Procurement and Contracts Department, had presented an information paper on the utilization of "other than full and open competition". She had reported that the presentation would help Directors gain an understanding on the use of other than full and open competition with a focus on "sole source". The paper had provided information to define sole source; to determine when sole source contracting is appropriate; and to comply with guidelines in place before contracting through the sole source method. Staff had also presented a forecast of potential sole source awards for the remainder of the year, as well as the Authority's guidelines for sole source contracting. Directors and staff had discussed whether LDBE requirements can be included in sole source contracts. Staff indicated that it would consider LDBE participation in sole source contracts on a case-by-case basis and would be careful not to include any impediments to limit participation when drafting solicitations.

Mark Adams, Deputy Chief Financial Officer, had reviewed the quarterly procurement report, including acquisitions made during the quarter; contract modifications and task orders issued, including dollar value; contract actions approved by the Board during the quarter; planned procurements for the next quarter; and identified employees with contracting delegation authority.

b. Dulles Corridor Committee – Tom Davis, Chairman

Mr. Davis inquired whether a report on change orders could be provided later that day in the Audit - Legal Committee Meeting. He requested that the Board receive a list of the change orders on a monthly basis. After minimal discussion regarding the threshold to use as a guide by which to provide change orders, it was agreed that parameters of reporting would be discussed at the July 17 Dulles Corridor Committee Meeting.

Mr. Davis reported that the Dulles Corridor Committee had met that morning and on May 15.

At the day's Meeting, staff had presented the recommendation for approval of a lease for the Dulles Corridor Metrorail Project – Phase 2 office. Pat Nowakowski, Executive Director of the Metrorail Project, had reported that the Evaluation Committee had scored the lease of 198 Van Buren Street in Herndon, VA as the highest-rated proposal based on financial considerations; lease terms and conditions; schedule for occupancy; and location. The Committee had approved the recommendation. Mr. Davis reported that he would offer a resolution later in the day's meeting for Board approval of the lease.

On May 15, staff had presented the Dulles Corridor Metrorail Project Monthly Cost Summary and Project Update. Mr. Nowakowsi had reported that $36 million had been spent on Phase 1 in March and that the total project budget had remained at $2.905 billion. He had noted that contingency use through February had been $391.7 million and contingency used/obligated in March had been $1.3 million. Mr. Nowakowski had reported that the forecasted substantial completion date is presently September 9.

Mr. Mark Adams had reported that Toll Road revenues year-to-date had been $40.5 million, an increase of 21.2 percent over the same period last year. Toll transactions had decreased 2.7 percent compared to the prior year, but are 1.8 percent higher than the amount forecasted for 2013. Toll Road expenditures of $8.6 million year-to-date had increased 7.4 percent from the prior year.

c. <u>Finance Committee</u> – Frank M. Conner, Chairman

In Mr. Conner's absence, Chairman Curto reported that the Finance Committee had met earlier that morning and on May 15. At the day's Meeting, the Finance Committee had approved and recommended that the Board approve the issuance of Airport System Revenue and Refunding Bonds for Series 2013A-C. Chairman Curto reported that he would offer the authorizing resolution, which will require a recorded vote of at least 10 Directors' approval, later in the day's Meeting. He noted that information on the remaining agenda items discussed at the day's Committee Meeting would be provided at the July Board Meeting.

At the May 15 Committee Meeting, the Financial Advisors for the Aviation Enterprise had reported on the upcoming financing.

The Financial Advisors for the Dulles Corridor Enterprise had provided an update on the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program.

With respect to the budget reprogrammings for the first quarter of 2013, Andy Rountree, Vice President for Finance and Chief Financial Officer, had informed the Committee that reprogramming totaling $1.38 million had occurred within the Aviation Capital Operating & Maintenance Investment Program.

Mr. Mark Adams had reported on the quarterly report on the investment program.

Mr. Rountree had reported that the year-end reconciliation and the audit had been conducted by PricewaterhouseCoopers (PwC) and was now completed. He had also reviewed the April 2013 Financial Report for the Aviation Enterprise. Mr. Rountree had reported that year-to-date revenue was $224.3 million; year-to-date expenses were $185.9 million; and operating income was $38.4 million.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter welcomed Bruce Gates to the Board. He said that once again, the Authority is fortunate to have such a highly qualified volunteer join the Board.

Mr. Potter introduced the two newest senior management team members approved by the Board at last month's meeting. He indicated that Anthony Vegliante is the new Vice President for Human Resources and Goutam Kundu is the new Vice President for Technology. Mr. Potter stated that Mr. Kundu had been previously employed by the U.S. Mint where he managed the Information Technology function. He had also managed information technology systems for organizations including the Washington Suburban Sanitary Commission and the Farm Bureau Insurance Agency. Mr. Kundu greeted the Board and expressed his appreciation for the opportunity to work at the Authority.

Mr. Potter noted that Mr. Vegliante had had a long career with the U.S. Postal Service, where he dealt with multiple assignments regarding labor and human resources. Mr. Vegliante stated that he had been employed at the Authority for a month and is excited about the future and bringing new ideas to the human resources area.

Chairman Curto extended a welcome to them on behalf of the Board.

Mr. Potter reported that the Authority is entering an extremely busy period over the next several months. He would provide an update on the Phase 1 closeout of the Dulles Metrorail Project; preparations to begin Phase 2, including the finalization of the Silver Line financing plan; discuss important improvements underway at Reagan National; the proposed merger of U.S. Airways and American Airlines; and the growth in international service at Dulles International.

With respect to the Silver Line project, Mr. Potter noted that there had been several news reports speculating about the completion date and questions about delays and the quality of the train control system. He assured both the Board and the traveling public that safety is always a top priority at the Authority. The Authority will conduct all required tests to ensure that everything on the Silver Line is performing as expected. Mr. Potter reported that he had met with the contractors on June 17 to discuss how to bring the project to closure. At that meeting, the contractors had reported that they are on track for project completion on September 9. Mr. Potter noted that the Authority is undergoing a very fluid period with the many tests that are being conducted. He stated that all involved are working hard to bring Phase 1 to closure in a first class, professional manner and to deliver a safe system to the Washington Metropolitan Area Transit Authority.

With regard to Phase 2, Mr. Potter stated that many learning experiences from Phase 1 would help the Authority to better manage the Phase 2 project. With the closeout of Phase 1 underway and the transition of Phase 2 about to begin, Mr. Potter stated that lots of demand had been placed on staff, especially within the procurement and finance departments. Procurement staff is finalizing Phase 1 contract issues and beginning the administration and monitoring process for Phase 2 contracts, and the finance staff is working to resolve any Phase 1 budgetary issues and to ensure that required documentation for future grants for Phase 2 are completed. Mr. Potter reported that the workload for many employees would double because of their responsibilities to close out Phase 1 and to prepare for Phase 2 to begin.

Mr. Potter noted that later in the day he would discuss the findings of the 2012 KPMG audit requested by the Audit - Legal Committee to assess the accuracy and reliability of the rail project's budget, schedule and cost reports. KPMG had also assessed the effectiveness and efficiency of the Authority's management controls relative to planning, organizing, and directing the design and construction of Phase 1; the ability to detect overcharges and other errors in invoicing; compliance with contract provisions governing such items as change orders and cost reimbursements; and the reliability of reporting processes.

The KPMG audit had concluded that the processes and controls are "working as intended to allow for effective management of the project." Mr. Potter said that the Authority is pleased with the positive conclusion, but, noted as with most audits, a number of areas had been recommended for improvement.

Mr. Potter noted that 80 percent of the KPMG audit recommendations had been completed and that he wanted the Authority to be 100 percent compliant as it entered into the Phase 2 project.

Mr. Potter stated that later in the day's Meeting he would discuss another transition underway with respect to the Authority's recordkeeping system. He noted that a paper-based record system existed in Phase 1 and had created issues for staff to easily retrieve information. In Phase 2, the Authority is transitioning to an electronically-based system, known as Oracle, which would allow easy access to retrieve documents. He noted that additional employees would be assigned to the Rail Office to ensure that the transition from Phase 1 to Phase 2 occurs smoothly. This transition to Phase 2 is expected to take approximately one to two years. Mr. Potter explained that because there had been concern that the Authority did not have a single point of financial control at the Rail Office, Mark Tune, Controller, would relocate there. He noted that Mr. Tune had overseen the Authority's transition from Ross to Oracle. In his new position at the Rail Office, he would oversee the transition from Prism to Oracle for Phase 2, which will create a modern and transparent system. Accounting and budget staff are currently located at the Rail Office to help with the Phase 1 closeout. Additional employees would be assigned there to perform accounting, budget and procurement responsibilities for Phase 2.

Mr. Potter reported that a number of issues had been cited in the KPMG report concerning the quality of the data that existed, as similarly identified in the IG audit. Mr. Potter stated that the Authority had responded to such concerns by hiring an internal control and compliance staff. The Board had approved three positions, two of which had been filled. Mr. Potter stated that the last position would be dedicated to the rail project to ensure that all forms are properly completed and that staff generates the data necessary to be in compliance with the current audit, as well as any federal requirements when the Authority sought grants or a TIFIA loan. Mr. Potter reiterated the need to learn from the KPMG audit and to ensure that procurement, budget and all other systematic areas resulted in a smooth transition to Phase 2. He said that the Authority will rely on the experience of Mr. Kundu and Mr. Tune for a successful transition from Prism to Oracle as the Authority begins Phase 2.

With respect to Phase 2, Mr. Potter reported that the Authority is working collaboratively with Loudoun and Fairfax Counties to move ahead with the TIFIA loan request. As reported earlier, the TIFIA loan process is a complex one, particularly since the Authority and two other entities are seeking multiple loans for a single project. Staff is working diligently on the TIFIA process.

In reference to other audits, Mr. Potter reported on the progress made with the IG's recommendations. He stated that prior to the issuance of the final IG report in November 2012 the Authority had fulfilled all recommendations made in the interim report. Since last November staff had focused on bringing all 12 IG recommendations to closure. Mr. Potter stated that the Authority's goal is to comply and implement the recommendations as quickly as possible and seek concurrence with DOT, the accountability officer and the IG. To date, four of the 12 recommendations had been completed and concurrence received from DOT, Lynn Deavers and the IG. Six recommendations had not yet received IG concurrence; the final two are scheduled to be completed by the end of the month. Mr. Potter noted that all twelve recommendations would be completed much sooner than November, our deadline.

Mr. Potter reported that the Authority had established a program to have its procurement personnel certified by the National Institute of Government Purchasing and the Institute of Supply Management. The Authority also intends to include a workforce review of its Procurement function, which it plans to complete by the end of September.

In an effort to address the last remaining open recommendation involving Human Resources policies and procedures, Mr. Potter reported that the Authority had formulated new guidelines for hiring and promotions, which are in final review by senior management and implementation is planned in the near future. He stated that management believed these efforts will help make the Authority a more efficient, accountable and effective organization and strengthen the public's trust.

Mr. Potter stated that staff continues to monitor developments in the proposed merger between U.S. Airways and American Airlines, including a hearing that would be held later that day on Capitol Hill. The merger could certainly affect operations and facilities at the Airports, particularly

Reagan National. Mr. Potter said that staff will keep the Board updated as the plans for this merger move forward.

As Chairman Curto had reported, work is under way at Reagan National to renovate Terminal A – the older part of the Airport – to make it more pleasant and efficient for passengers. Mr. Potter noted that some might have seen the large, life-size illustrations on the walls in the terminal that display how the renovated ticket lobbies and other areas will look once the work is complete. Everything possible is being done to minimize inconvenience to the traveling public during the renovation to modernize Terminal A.

With respect to passenger activity at Dulles International, Mr. Potter reported that international business continues to grow. As the Chairman had noted, the newest carrier, Brussels Airlines, had begun service at Dulles International the prior day. United Airlines is set to add more international service this month with additional flights to Canada.

Also at Dulles International, Mr. Potter stated that an excellent example of cooperation with other public service organizations in the community is occurring. The Authority is entering into a joint venture with Arlington County for a new state-of-the-art firearms training facility on the Airport property. Mr. Potter reported that the Authority had maintained a shooting range for a number of years, which Arlington County and other police agencies had been using. The Arlington County Board had recently entered into an official agreement with the Authority to help build a new facility that will improve the training experience of the Authority's police department, as well as other law enforcement agencies in the area.

Mr. Potter reported that the Solar Impulse had touched down on one of the runways at Dulles International on June 16. The appearance of the experimental aircraft is quite unusual. It has wings as wide as a 747 and its weight is comparable to a small car. The plane is completely powered by the sun and had been designed and built by researchers in Switzerland. Mr. Potter explained that it used solar cells to make its own power and then stored it in batteries so it can fly at night. According to those who had witnessed the landing, it had been quite amazing to see this thin little airplane with enormously long wings, resembling a giant insect, come floating down from the night sky with long rows of lights glowing along each wing. Because it looked so odd, police departments and the Airport had received calls about an unidentified flying object. Mr. Potter noted that the Solar Impulse is on a cross-country trip that began in California and will end in New York. The Solar Impulse is on display for a week at the Smithsonian Institution's Udvar Hazy Center. Mr. Potter stated that is good to know that research in the area of clean energy is being explored for the future of aviation and that Dulles International is playing a role.

Mr. Potter reported that Dulles International had received a different type of recognition the prior week. A dating website called "Meet at the Airport. Com" had named the Vino Volo wine bar in Concourse C as "the second-best airport bar or restaurant in the country at which to have a date." The news articles had noted the restaurant's cozy seating and its location next to the gate for United Airlines' evening flights to Paris as the criteria for the recognition.

Mr. Session inquired about updates on the initial impacts of sequestration, in particular the queuing of the Transportation Security Administration (TSA) lines. Mr. Potter stated that passenger wait times were sometimes longer than they had been last year. He noted that staff is particularly concerned as the peak traveling period had begun. Mr. Potter reported that the airport community and the travel industry, in general, had been working closely with Congress and the Administration to secure additional staffing, resources and innovation. He strongly encouraged passengers to join global entry, which will expedite their process through customs and reduce the TSA wait times. Mr. Potter reported that staff would continue to monitor the impacts of sequestration and that the entire airport community and travel industry is actively engaged to prevent wait times from increasing further.

In regards to Mr. Potter's comments on the KPMG audit, Chairman Curto asked that Mr. Potter keep the Board apprised of additional resources needed as the transition from Phase 1 to Phase 2 begins. Chairman Curto acknowledged approval of the additional staff positions and the other resources outlined in the President's report, assuring him of the Board's support in approving resources as needed in the transition process. Mr. Potter clarified the procedure, noting that the additional staff positions that he had requested would be part of a formal budget process required for the 2014 budget year.

b. Executive Vice President's Report

Ms. McKeough reported that throughout the U.S. aviation industry, passenger traffic had been stagnant in April. The Authority's combined system at both Airports had been consistent over the same period in April 2012. Over 3.6 million passengers had used the Airports in April, with the activity almost evenly split between the Reagan National and Dulles International. Ms. McKeough reported that the Authority had continued to enjoy strong passenger activity levels with an increase of 5.5 percent in April at Reagan National. Similarly at Dulles International, positive growth rates continued for international travel in May. At more than a quarter through the fiscal year, airlines' reporting reflected that the Authority's combined system had posted a growth rate of more than 1 percent, primarily attributed to the strong international growth at Dulles International and strong domestic growth at Reagan National.

With respect to air cargo at Dulles International, activity had decreased by 1 percent in April compared to the prior year results. Ms. McKeough noted that a 3 percent increase in international cargo had occurred in April because of increased Middle Eastern air service and new cargo activity.

Mr. Adams inquired about the process the Authority used to assess fees to an airline for cargo activity. Ms. McKeough responded that fees are assessed either by landed weight of the aircraft (regardless of cargo and passengers) through the submission of statistics from airlines whereby passenger levels are separated from cargo weight activity.

With respect to the new routes, Chairman Curto inquired whether past statistics had reflected a linkage between the new routes and an increase in cargo. Ms. McKeough explained that airline carriers serving the Middle East provide opportunity to some Middle East markets and provide connecting opportunities to other markets that are not currently well served, particularly markets in India. Therefore, the Authority is able to take advantage of opportunities to increase cargo to these underserved geographical areas.

IV. NEW BUSINESS

a. Recommendation to Purchase Airport Shuttle Buses Procurement at both Airports

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

WHEREAS, The Airports Authority is undertaking a multi-year program to replace aging shuttle buses operating at both Airports;

WHEREAS, The staff has established that "clean diesel" buses are the most economical option currently available;

WHEREAS, Section 1.3.1 of the Contracting Manual permits the Airports Authority to obtain required goods by utilizing a contract previously awarded by a government entity using competitive procedures;

WHEREAS, The staff has found the best purchase option is the existing Metropolitan Washington Council of Governments purchasing agreement between Fairfax County and New Flyer of America, Inc., a competitively awarded contract;

WHEREAS, The staff has estimated that the purchase of 11 buses through this purchasing agreement at a cost of $4.8 million will save the Airports Authority money instead of conducting its own procurement;

WHEREAS, Acquisition of goods through such government-sponsored purchasing agreements is authorized in the Contracting Manual, but only up to a cost of $3 million without Board approval; and

WHEREAS, The Business Administration Committee has reviewed the terms of this purchase as presented by staff, and recommended that the purchase should be made; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to acquire 11 shuttle buses through the Metropolitan Washington Council of Governments purchasing agreement, consistent with the terms presented to the Business Administration Committee at its May 15, 2013 meeting.

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

b. Recommendation to Approve the Authorizing Issuance of Airport System Revenue and Refunding Bonds, Series 2013A-C

Chairman Curto moved the adoption of the following resolution, which was unanimously approved by all 15 Directors present:

WHEREAS, The Metropolitan Washington Airports Authority ("Airports Authority") desires to authorize the issuance of Airport System Revenue and Refunding Bonds, Series 2013A (AMT) (the "Series 2013A Bonds"), Taxable Airport System Revenue Refunding Bonds, Series 2013B (the "Series 2013B Bonds"), and Airport System Revenue Refunding Bonds, Series 2013C (Non-AMT) (the "Series 2013C Bonds" and together with the Series 2013A Bonds and the Series 2013B Bonds, the "Series 2013 Bonds"), all of which will be within the Airports Authority's Aviation Enterprise Fund, which may be issued in one or more series or subseries in an aggregate principal amount not to exceed $360,000,000, to finance and/or refinance a portion of the costs of certain capital improvements ("Projects") at Ronald Reagan Washington National Airport and Washington Dulles International Airport (the "Airports") and for other purposes identified below;

WHEREAS, A public hearing has been held relating to the Projects to the extent required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, The Governor of Virginia and the Mayor of the District of Columbia have approved the issuance of the Series 2013 Bonds, to the extent that such bonds are subject to Section 147 of the Code;

WHEREAS, The Airports Authority has selected a syndicate of investment banking firms to serve as underwriters for the program financing and refinancing costs of certain capital improvements at the Airports and has appointed from the syndicate of investment banking firms Siebert Brandford Shank & Co., L.L.C. to serve as senior bookrunning manager (the "Managing Underwriter") and Wells Fargo Bank, National Association to serve as the co-senior managing underwriter for the Series 2013 Bonds;

WHEREAS, The Airports Authority desires to authorize the refunding of all or a portion of its outstanding Airport System Revenue and Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), of its outstanding Taxable Airport System Revenue and Refunding Bonds, Series 2003C (the "Series 2003C Bonds"), and of its outstanding Airport System Revenue Refunding Bonds, Series 2004A (the "Series 2004A Bonds" and together with the Series 2003A Bonds and the Series 2003C Bonds, the "Refunded Bonds");

WHEREAS, The Airports Authority desires that proceeds of the Series 2013A Bonds be used (1) for the current refunding of the Series 2003A Bonds, (2) to pay a portion of the cost of the Projects, (3) to fund a deposit to the common reserve account for the Series 2013 Bonds and other common reserve bonds, (4) to pay capitalized interest on the Series 2013A Bonds and certain of the Airports Authority's outstanding bonds, and (5) to pay cost of issuance of the Series 2013A Bonds;

WHEREAS, The Airports Authority desires that proceeds of the Series 2013B Bonds be used (1) for the current refunding of the Series 2003C Bonds, (2) to fund a deposit to the common reserve account for the Series 2013 Bonds and other common reserve bonds, and (3) to pay cost of issuance of the Series 2013B Bonds;

WHEREAS, The Airports Authority desires that proceeds of the Series 2013C Bonds be used (1) to advance refund the Series 2004A Bonds, (2) to fund a deposit to the common reserve account for the Series 2013 Bonds and other common reserve bonds, and (3) to pay cost of issuance of the Series 2013C Bonds;

WHEREAS, The Airports Authority desires to set forth guidelines for determining the interest rate or rates, maturities, and other terms of the Series 2013 Bonds; and

WHEREAS, There has been presented to the Airports Authority the form of the following documents for execution in connection with the issuance of the Series 2013 Bonds, copies of which documents shall be filed in the records of the Airports Authority:

(a) the Forty-fourth Supplemental Indenture of Trust (the "Forty-fourth Supplemental Indenture"), between the Airports Authority and the Trustee, relating to the issuance of the Series 2013 Bonds, which supplements the Master Indenture;

(b) the form of the Series 2013A Bonds, attached as Exhibit A to the Forty-fourth Supplemental Indenture;

(c) the form of the Series 2013B Bonds, attached as Exhibit B to the Forty-fourth Supplemental Indenture;

(d) the form of the Series 2013C Bonds, attached as Exhibit C to the Forty-fourth Supplemental Indenture;

(e) the form of the Bond Purchase Agreement relating to the Series 2013 Bonds (the "Purchase Contract"), between the Airports Authority and the Managing Underwriter and the other underwriting firms named therein (collectively, the "Underwriters");

(f) the Official Statement relating to the public offering of the Series 2013 Bonds (the "Official Statement"); and

(g) the Refunding Agreements between the Airports Authority and the Trustee relating to the refunding of the Refunded Bonds (collectively, the "Refunding Agreements"); now, therefore, be it

RESOLVED, that Barclays Capital Inc., Citigroup Global Markets Inc., Davenport & Company LLC, Loop Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Inc., and Raymond James & Associates are appointed as co-managers for the Series 2013 Bonds and the Underwriters are authorized to distribute the Official Statement to prospective purchasers of the Series 2013 Bonds;

2. That the Series 2013 Bonds shall be issued in book entry form, pursuant to the Master Indenture and the Forty-fourth Supplemental Indenture and sold to the Underwriters pursuant to the Purchase Contract all upon the terms and conditions specified therein;

3. That the Chairman or Vice Chairman, and the Chairman of the Finance Committee (and if timing and schedule permit, with the advice and consent of the Finance Committee) (the "Authority Representatives"), are authorized until December 31, 2013, and directed to jointly determine, after the Series 2013 Bonds have been priced in the market, the following:

(a) the exact principal amount, series, and subseries designation of the Series 2013 Bonds, provided that the aggregate principal amount of the Series 2013 Bonds shall not exceed $360,000,000;

(b) the interest rate or rates of each series or subseries of the Series 2013 Bonds;

(c) the maturity or maturities of each series or subseries of the Series 2013 Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;

(d) the provisions for redemption of each series or subseries of the Series 2013 Bonds prior to maturity;

(e) the amount and extent of any credit facility for the Series 2013 Bonds and the provider thereof;

(f) the amount of the debt service reserve requirement, if any, and the provider of any debt service reserve fund surety bond for a series or subseries of the Series 2013 Bonds;

(g) the amount of the purchase price for each series or subseries of Series 2013 Bonds;

(h) the investment of the defeasance escrow under the Refunding Agreements; and

(i) the par amount of the Series 2003A Bonds, the Series 2003C Bonds, and the Series 2004A Bonds, if any, to be refunded pursuant to the Refunding Agreements;

all in a manner to achieve the most favorable net effective interest rate while balancing the Airports Authority's exposure to interest rate and market risks on the entire long-term debt within the Airports Authority's Aviation Enterprise Fund, including the Series 2013 Bonds; provided, that the determinations made pursuant to this paragraph shall comply with the following requirements: (i) the maximum term of the Series 2013 Bonds shall not exceed 31 years; (ii) no Series 2013 Bonds shall be subject to redemption at a redemption premium exceeding three percent (3%) of the principal amount thereof; (iii) the underwriters' discount relating to the Series 2013 Bonds shall not exceed two percent (2%) of the principal amount thereof; (iv) the true interest cost of the Series 2013 Bonds shall not exceed six percent (6%) per annum; and (v) the Series 2013 Bonds shall be offered to the public at a price of not less than 95 percent (95%) and not more than 130 percent (130%) of the principal amount thereof, plus accrued interest;

4. That the payment or redemption of the Refunded Bonds with a portion of the proceeds of the Series 2013 Bonds, together with other funds of the Airports Authority, is authorized and directed in the manner and the amounts set forth in the respective Refunding Agreements;

5. That the Chairman or the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Forty-fourth Supplemental Indenture, the Series 2013 Bonds, the Purchase Contract, the Official Statement, and the Refunding Agreements, all of which forms are hereby approved, with such changes, insertions, completions, and omissions as are necessary to reflect the bond principal amounts, the series or subseries designations, and other terms determined pursuant to paragraph 3 of this Resolution, and the execution of these documents by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Airports Authority;

6. That the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Airports Authority or a facsimile thereof on the Forty-fourth Supplemental Indenture, the Series 2013 Bonds, the Purchase Contract, the Official Statement, and the Refunding Agreements, after their execution by the Chairman or Vice Chairman, to attest the same, by a manual or facsimile signature, and to deliver the Series 2013 Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Forty-fourth Supplemental Indenture;

7. That the Chairman, the Vice Chairman, the President and Chief Executive Officer, and the Vice President for Finance and Chief Financial Officer are each authorized and directed, with respect to the Series 2013 Bonds, as applicable, to execute one or more tax certificates on behalf of the Airports Authority in implementation of the covenants and agreements set forth in the Forty-fourth Supplemental Indenture and to make any election permitted by the Internal Revenue Code of 1986, as amended, that is determined by such officer to be to the advantage of the Airports Authority; and the representations, agreements and elections set forth in the executed tax certificates shall be deemed to be the representations, agreements and elections of the Airports Authority, as if the same were set forth in the Forty-fourth Supplemental Indenture;

8. That the President and Chief Executive Officer and the Vice President for Finance and Chief Financial Officer are each authorized and directed to execute, deliver and file all other certificates and instruments related to the issuance and sales of the Series 2013 Bonds, including with respect to the Series 2013A Bonds and the Series 2013C Bonds the Internal Revenue Service Form 8038 or 8038-G, any reimbursement agreement relating to any debt service reserve fund surety bond, and any agreement for the investment of proceeds from the sale of the Series 2013 Bonds, and to take any further action as the officer may consider necessary or desirable in connection with the issuance and sale of the Series 2013 Bonds, the refunding of the Refunded Bonds, and the other actions made pursuant to paragraph 3 of this Resolution;

9. That any authorization provided in this Resolution to execute a document shall include authorization to deliver the document to the other parties thereto; and

10. That any other acts of the Chairman, the Vice Chairman, the Chairman of the Finance Committee, the President and Chief Executive Officer, the Vice President for Finance

and Chief Financial Officer or any other officer of the Airports Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the execution, delivery and performance by the Airports Authority of the Forty-fourth Supplemental Indenture are hereby authorized, and the authorizations granted herein to such officers of the Airports Authority shall apply equally to any person serving in such capacity on an interim or acting basis, except that the Airports Authority reserves unto itself the authority to appoint or remove any person or entity named, appointed or described in this Resolution or in the form of the Forty-fourth Supplemental Indenture presented to the Airports Authority who is to serve as underwriter, trustee, or provider of a credit facility, if any, or in a similar role relating to the Series 2013 Bonds or the Refunded Bonds.

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

c. Recommendation for Approval of a Lease for the Dulles Corridor Metrorail Project – Phase 2 Office

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

WHEREAS, The lease for office space for the Project Office for Phase 1 and for Phase 2 Preliminary Engineering, located in Tysons Corner in the vicinity of the Spring Hill Metrorail Station, expires in February 2014;

WHEREAS, The Project Office and the Phase 2 design-build contractor for Package A, Capital Rail Constructors, agreed to locate their main offices in a manner similar to the Phase 1 arrangement;

WHEREAS, The staff has successfully negotiated a lease for 102,205 rentable square feet of available office space on four floors, sufficient for the staff of the Project Office, at 198 Van Buren Street;

WHEREAS, Additional space is also available in the adjacent building at 196 Van Buren Street; and

WHEREAS, The Dulles Corridor Committee is satisfied with the terms of the five-year lease presented to the Committee at its June 19 meeting; now, therefore, be it

RESOLVED, That the lease of space in Herndon Metro Plaza II, 198 Van Buren Street, Herndon, Virginia, is hereby approved, as presented to the Dulles Corridor Committee at its June 19, 2013 meeting; and

RESOLVED, That the President and Chief Executive Officer is authorized to execute that lease with BOI-Presidents Plaza Trust (a subsidiary of Brandywine Realty Trust).

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

The Meeting was thereupon adjourned at 11:02 a.m.

At 11:13 a.m. Chairman Curto requested a motion to reconvene the June 19 Board of Directors Meeting, with 14 Directors present. Mr. Davis was not present when the Meeting was reconvened. The motion was unanimously approved. Chairman Curto then requested a vote to waive the notice provision since the recommendation to award the taxicab concession contracts at Dulles International had not been identified on the agenda distributed forty-eight hours in advance of the day's Meeting. All Directors present approved the request to waive the notice provision.

Mr. Session then presented the recommendation to award the taxicab concession contracts to the three companies (Checker Airport Taxi, Inc.; Dulles Airport Taxi, Inc.; and Regency Cab, Inc.) as approved by the

Business Administration Committee at its meeting earlier that day. The recommendation was unanimously approved.

The reconvened Meeting was thereupon adjourned at 11:15 a.m.

Respectfully submitted:

Quince T. Brinkley, Jr.
Vice President and Secretary