

BOARD OF DIRECTORS MEETING

Minutes of April 16, 2014

The regular meeting of the Board of Directors was held in Conference Rooms A and B at Washington Dulles International Airport. The Chairman called the meeting to order at 10:15 a.m. Fourteen Directors were present during the meeting:

Frank M. Conner III, Chairman
Warner H. Session, Vice Chairman
Earl Adams, Jr.
Richard S. Carter
Michael A. Curto
Thomas M. Davis III
Bruce A. Gates

Anthony H. Griffin
Shirley Robinson Hall
Elaine McConnell
William Shaw McDermott
Caren Merrick
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

I. MINUTES OF THE MARCH 19, 2014 BOARD OF DIRECTORS MEETING

The Chairman then called for the approval of the Minutes of the March 19, 2014 Board of Directors Meeting, which were unanimously adopted.

II. COMMITTEE REPORTS

a. Business Administration Committee – Warner H. Session, Co-Chair

Mr. Session reported that the Business Administration Committee had last met on March 19. Staff had presented the pre-solicitation terms for 1) a Duty Free Concession Operator for both Airports and 2) Aircraft De-

icing Fluid Recovery, Disposal and Recycling Services Contract at both Airports. The Committee had concurred with the pending procurements.

Staff had also presented its recommendation for Maintenance and Repair Service of the Vertical and Horizontal Pedestrian Conveyance Systems at Dulles International. The Committee had approved the recommendation to award a contract to Schindler Elevator Corporation, and Mr. Session reported that he would offer a resolution later that day at the Board Meeting.

b. Dulles Corridor Committee – Tom Davis, Co-Chair

Mr. Davis reported that the Dulles Corridor Committee had met on March 19 and that morning. On March 19, staff had presented the Dulles Corridor Metrorail Project Monthly Cost Summary for Phases 1 and 2. Mr. Davis noted that most people had been in attendance that morning and had heard the report presented by Pat Nowakowski, Executive Director of the Metrorail Project.

Mr. Davis stated that staff had also presented its recommendation to award a contract to Professional Service Industries, Inc. for Special Inspection and Testing Services for Phase 2 of the Dulles Corridor Metrorail Project. The Committee had approved the recommendation, and Mr. Davis reported that he would offer a resolution later that day at the Board Meeting.

At the day's Meeting, Mr. Davis reported that staff had presented two recommendations regarding the Dulles Corridor Metrorail Project. The first had been a sole source contract award to Alstom Signaling, Inc. for an Automatic Train Control Technology Upgrade for Phase 1. The other contract award had been to IBTS Government Solutions, LLC for code compliance review and construction/environmental inspection services for Phase 2. Mr. Davis stated that he would also offer these resolutions later that day.

c. Finance Committee – Caren Merrick, Co-Chair

Ms. Merrick reported that the Finance Committee had met that morning and on March 19. On March 19, the Committee had selected the firms that would provide the roles of Book-running Senior Manager, Co-Senior Manager and Co-Managers for the Airport System Revenue Refunding Bonds, Series 2014A. The Board had approved the Committee's selection

on March 19. Staff had also presented 1) the monthly Financial Advisors' Reports; 2) the February 2014 Financial Reports for both enterprises; and 3) the Quarterly Report on the Investment Program. Ms. Merrick reported that staff had also presented its recommendation to amend and restate the Investment Policy. The Committee had approved the recommendation, and Ms. Merrick stated that the Board would consider it later that day.

Ms. Merrick reported that the Committee Report for the day's Finance Committee Meeting would be presented on May 21.

d. Human Resources Committee – Bruce A. Gates, Co-Chair

Mr. Gates reported that the Human Resources Committee had held its first meeting on March 19. To recap last month's report, Mr. Gates reported that the Committee had met in executive session to discuss personnel matters. In regular session, Mr. Potter had presented the proposed amendment to the Statement of Functions, which the Committee and Board had approved on March 19. Mr. Gates reported that staff had also presented information on the Human Resources Blueprint, which provided information on some of the areas that the Office of Human Resources expects to focus on over the next three years.

e. Risk Management Committee – Earl Adams, Co-Chair

Mr. Adams reported that the Risk Management Committee had last met March 19. In executive session, the Committee had received an update on the PricewaterhouseCoopers Financial Statement Audit and another audit issue. In regular session, staff had presented audit results on the Authority's Procurement Card, Travel Expenses and the contract for Taxi Dispatch.

f. Strategic Development Committee – Michael A. Curto, Member

In the absence of both Co-Chairs, Mr. Curto reported that the Strategic Development Committee had met on March 19. Staff had presented the Air Service Development Information Report. In executive session, staff had presented an Update on the Use and Lease Agreement Considerations.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that earlier that day staff had reported that Dulles Transit Partners, LLC (DTP) had issued its second Declaration of Substantial Completion on April 9. The Authority is now reviewing DTP's package to determine if all the requirements of the contract had been satisfied. As reported earlier that day at the Dulles Corridor Committee Meeting, Mr. Potter noted that the Authority has 15 days to review the documents. He stated that staff is working hard to review the documents and it is the Authority's hope that it will be able to concur with DTP's declaration. Mr. Potter thanked the Authority's partners, staff, contractors and others involved in this process who continue to work hard to get the Silver Line Metrorail operational. He said that he wanted to give special recognition to two people who had been enormously important in moving the Silver Line forward.

First, Mr. Potter acknowledged Leo Schefer who had retired earlier that month as President of the Washington Airports Task Force (WATF). As he had mentioned at a past meeting, Mr. Schefer had been a driving force for the Metrorail Project and almost every other project of importance to the Authority for many, many years. As others had previously reported at other celebratory events, the region's Airports and many other aspects of the current transportation systems are far better because of Mr. Schefer. Although Mr. Potter stated that he could spend the rest of the day listing all the things Mr. Schefer had done for the Authority and for the entire National Capital region, he asked that the audience acknowledge his brilliant career of public service with another round of applause.

Mr. Potter then acknowledged Pat Nowakowski, Executive Director of the Metrorail Project. He said that Mr. Nowakowski had recently informed staff that he had accepted a major leadership position with another transit organization and would start his new job next month. Mr. Potter reported that Mr. Nowakowski, who had been previously employed with the Southeastern Pennsylvania Transportation Authority, had led the Metrorail Project efforts since he joined the Authority in 2009. The results of Mr. Nowakowski's leadership were quite visible with Phase 1 approaching the finish line and Phase 2 off to an excellent start. Mr. Potter reported that the Authority would conduct a nationwide search for Mr. Nowakowski's successor and hopefully identify a candidate for the

Board's approval in the very near future. He reflected on the enormous contribution Mr. Nowakowski had made to the Authority and to the National Capital region whereby he had skillfully guided the large and complex Metrorail Project in a way that few people could have accomplished. Mr. Potter reported that Mr. Nowakowski's knowledge, experience, expertise, energy, integrity, dedication and leadership and his deep sense of public service make us all proud and grateful to have him as a colleague. Since the day's meeting was the last one that Mr. Nowakowski would attend, Mr. Potter asked that everyone join him in wishing him the best in his next adventure, extending thanks and saluting him for all he had done to move this important Project forward. He then congratulated him and wished him the best, and the audience gave Mr. Nowakowski a round of applause.

Mr. Potter also acknowledged the Authority's Finance team for its excellent work on the finance plan for the Metrorail Project. As Andy Rountree, Vice President for Finance and Chief Financial Officer, had noted earlier, Mr. Potter reported that the Authority believes it is now in a position to hold toll rates on the Dulles Toll Road steady for five years. He noted that the achievement was significant considering the earlier toll projections had been made before staff could factor in the value of a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and the financial assistance being provided by the Commonwealth of Virginia; before the excellent procurement process to keep costs below expected levels had occurred; and before staff knew that Fairfax and Loudoun Counties would assume the costs for the parking garages.

With respect to the TIFIA loan, Mr. Potter reported that staff had now filed the Authority's application and remained optimistic about a positive outcome, which he hoped would occur as soon as possible.

Mr. Potter thanked supporters in Congress, at the Department of Transportation (DOT), in Fairfax and Loudoun Counties, and in the Commonwealth for their efforts in making it possible to keep toll rates from increasing for the next several years. He stated that significant credit is also due to the Authority's Metrorail Project procurement team that put together the competitive solicitation of \$250 million less than the original engineering estimates, which he had referenced earlier. Mr. Potter reported that reducing the need for toll rate increases has been one of the Authority's major goals, and he congratulated everyone who had contributed to this important achievement.

Mr. Potter then provided an update on the Airports. He stated that staff had made excellent progress recovering from the impact of the winter weather. The new security lanes in Terminal A at Reagan National are working well and the concessions redevelopment program at both Airports is moving forward with new stores and restaurants preparing to open in the coming weeks. Mr. Potter reported that staff is still working to accommodate the required changes, including the slot divestitures, resulting from the merger of U.S. Airways and American Airlines. Staff is also exploring options to make operations at both Airports more efficient and cost effective, including consolidating services, where practical. Toward that goal, Mr. Potter reported that staff planned to issue solicitations for contracts covering both Airports for luggage cart services and for news broadcast services on gate-area television screens. In order to pursue additional efficiencies and assist with this process, the Authority would extend its Smart Carte contract at Dulles International for six months, as well as its CNN Airport Channel contract for six months, which was permissible as outlined in the Contracting Manual.

Mr. Potter reported that Ms. McKeough would provide more details on the Airports' operations, including an update on developments related to the airline merger, in her report.

Mr. Potter shared a story about a border collie that had gotten out of his kennel while being loaded onto a plane at Reagan National, which had led to a search by a team comprised of staff from Airport Operations, Authority and U.S. Park Police, Arlington Animal Control and federal wildlife management officers. The highly trained team had been unsuccessful in rescuing Ninja, the dog that had recently completed special agility training, until the Authority's River Rescue Team scooped him out of the Potomac River near the runways and reunited him with his owner. Mr. Potter stated that the Airports are very busy places for passengers and their pets.

b. Executive Vice President's Report

Ms. McKeough reported that a much busier travel season had begun that month, starting with spring break travel and continuing throughout the summer months. She noted that Authority staff had also begun its outdoor activity, including cleaning up the roadways after the winter season and performing landscaping services.

With respect to the US Airways - American merger, Ms. McKeough reported that staff is busy working with the carriers to plan facility moves throughout the terminals at Reagan National. In August, the new American is expected to reduce its operations on the center pier in Terminal B/C and Virgin America would assume full operations on Gate 24. In September, jetBlue would move from Terminal A to the center pier and Southwest will also expand its operations in Terminal A. Ms. McKeough noted that although carriers' physical moves would not occur for a couple months, they had the flexibility to start offering new services sooner. As previously reported, Ms. McKeough stated that almost 2 million additional passengers are expected to use Reagan National once all of the new operations are in place in 2015. As a result of these increased services at Reagan National, reductions would occur at Dulles International. Ms. McKeough noted that jetBlue would discontinue its service from Dulles International to Oakland and Long Beach, CA in June and September, respectively. United Airlines had announced that it planned to discontinue service from Dulles International to Binghamton, NY and reduce service to Fort Lauderdale and Miami, FL. With respect to international service, Ms. McKeough reported that United Airlines would offer direct service from Dulles International to Madrid, as well as to the Bahamas, from June through September. Additionally, a new carrier, Air China, would offer service from Dulles International to Beijing four times a week beginning in June. Ms. McKeough thanked the Air Service Planning and Development staff for their efforts in growing the international service.

Ms. McKeough reported that staff is closely monitoring the parking activity and working hard to analyze how to expand parking at Reagan National. The increased activity at Reagan National is already consuming a great deal of the parking inventory as evidenced in recent weeks as the economy lot and Garage B/C had been repeatedly filled on certain days during the week. Ms. McKeough reported that staff is working to pilot and test a parking reservation system at Reagan National, which would offer passengers the convenience of reserving a parking space before arriving at the Airport. The long-term plan is to determine how to increase parking inventory at Reagan National, which is challenging due to its confined space.

Ms. McKeough reported that U.S. Customs and Border Protection at Dulles International would gain an additional 40 officers to staff the international arrivals facilities, which would hopefully significantly reduce the wait times for passengers arriving to the United States. She noted that

the addition of these officers is especially timely considering the peak of international travel season would soon be underway. Ms. McKeough reported that the additional officers were part of a growth program throughout the United States to improve the U.S. Customs and Border Protection experience as passengers entered the United States.

Ms. McKeough reported that the Authority administered a recognition program entitled Going the Extra Mile (GEM), whereby all Airport community employees who provide services on the Airport are recognized for outstanding customer service. Chris Browne, Vice President and Airport Manager, presented an award to Ojulu "OJ" Lero, a Washington Flyer taxicab driver, as Dulles International's 2013 GEM of the Year. Ms. McKeough noted that Mr. Lero had been recommended for the award by a passenger in his taxi that had left her purse in his cab after being dropped off at their home in Gaithersburg, MD. Mr. Lero had driven back to her home the following morning to return the purse, where he had received a hug and kiss from the passenger. Ms. McKeough introduced Mr. Lero who received a round of applause. She noted that Reagan National's 2013 GEM of the Year would be presented at a future meeting at the Corporate Office Building.

Ms. McKeough reported that the Airports were also a destination for many fond memories. Most recently, a female passenger arriving at Dulles International had been met in the Main Terminal by her boyfriend who greeted her with a marriage proposal. She said "Yes" and the couple said that Dulles International would always be a special place as they began their lives together.

Ms. Hall inquired whether there had been discussion with respect to a parking garage for economy parking instead of a flat area. Ms. McKeough said that staff had discussed concepts that would provide for the ability to offer a decked facility as an option for economy parking. Ms. Hall asked about the timeframe for the possible change, to which Ms. McKeough responded that the concept had not been programmed in the budget and that it would be shared with the Board once further staff discussion had occurred.

Ms. Hall said that she had recently had a group of visitors, which had indicated that they had had good experiences at both Airports. She noted that the visitors had been unable to use Uber for their transportation services and asked whether Authority staff had had any conversations with Uber. Ms. McKeough stated that passengers have the flexibility to

arrange their preferred transportation services. Additionally, while the Authority preferred and advocated that passengers use contracted services for outbound transportation services, they could pre-arrange whatever transportation services they chose. Ms. McKeough noted that Authority staff had held discussions with Uber.

Mr. Carter complimented staff on its quick response in installing a water fountain to refill water bottles at both Airports. He stated that as a result of his recent travel to San Francisco, he had suggested that the refilling stations be used. Ms. McKeough noted that they are very popular with the Airports' customers.

On behalf of the Board, Mr. Conner thanked Mr. Nowakowski for his extraordinary leadership of the Dulles Corridor Metrorail Project. He noted that it had been a daunting task where great accomplishments had gone unnoticed while challenges had been recognized. Mr. Conner reported that he marveled at how the rail had been constructed through Tysons, one of the most developed retail areas in the country, without much disruption.

Ms. Wells recalled that she had toured the Silver Line with Mr. Nowakowski when she had first joined the Board and that she had been very impressed with the Project's level of detail and precision. She stated that it is a Project to be proud of, which would likely win awards, and she thanked Mr. Nowakowski for his contributions in making the Silver Line a phenomenal success.

Mr. Davis commended Mr. Nowakowski for the professional job he had performed. He noted that while Phase 1 of the Project had not been completed as timely as the Authority had hoped, the completion would still occur before the December 2014 date that the DOT had envisioned. Mr. Davis stated that Mr. Nowakowski had earned the Board's respect and that he knew he would be successful in his next venture.

IV. NEW BUSINESS

- a. Recommendation to Award a Contract for Special Inspection and Testing Services for Phase 2 of the Dulles Corridor Metrorail Project

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

WHEREAS, Packages A and B of Phase 2 of the Dulles Corridor Metrorail Project (Project) require independent third-party inspection and testing of all major structural elements as required by the Virginia Construction Code and the International Building Code;

WHEREAS, The Virginia Department of Transportation (VDOT) also requires inspection and testing be performed in accordance with the VDOT Minimum Requirements for Quality Assurance and Quality Control on Design-Build and Public-Private Transportation Projects;

WHEREAS, In November 2013, staff presented a pre-solicitation paper to the Dulles Corridor Committee relating to the provision of special inspection and testing services for Phase 2 of the Project;

WHEREAS, In December 2013, a Request for Proposals (RFP) was issued in connection with this solicitation; and

WHEREAS, On March 19, 2014, the Dulles Corridor Committee received the results of the competitive evaluation of the firms that responded to the RFP, and recommended that the Board of Directors approve the selection of Professional Services Industries Inc.; now, therefore, be it

RESOLVED, That the selection of Professional Services Industries Inc. to provide special inspection and testing services for Phase 2 of the Project for a term of four years with two one-year options is approved;

2. That the President and Chief Executive Officer is authorized to execute a contract with Professional Services Industries Inc. for the provision of these special inspection and testing services, consistent with the contract terms and conditions presented to the Dulles Corridor Committee on March 19, 2014; and

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

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

b. Recommendations to Award a Sole Source Contract for Automatic Train Control (ATC) Technology Upgrade for the Dulles Corridor Metrorail Project – Phase 1

Mr. Davis moved the adoption of the following resolution, which was unanimously approved by all fourteen Directors present:

WHEREAS, Alstom Signaling, Inc. (Alstom), has installed Horton Remote Terminal Units (RTUs) as part of the Automatic Train Control (ATC) system on Phase 1 of the Dulles Corridor Metrorail Project (Phase 1);

WHEREAS, These Horton RTUs have proven unreliable during the testing of Phase 1, causing the Washington Metropolitan Area Transit Authority (WMATA), the eventual operator of this first phase of the Silver Line, to require that they be replaced;

WHEREAS, Airports Authority and WMATA staff have concluded that increased train communications reliability can be achieved by acquiring and installing integrated circuit boards in the existing Alstom Vital Processor Interlocking Control System that is located along the Phase 1 line, rather than by installing new RTUs;

WHEREAS, Alstom is the only contractor capable of supplying these circuit boards for a seamless installation into the unique Alstom Vital Processor Interlocking Control System;

WHEREAS, As required by the Contracting Manual, notice of this intended sole source award has been published on the Airports Authority's website and the contract award will not be made prior to the required time period; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a sole source contract with Alstom Signaling, Inc., for the technology upgrade to the Phase 1 Automatic Train Control system, consistent with the presentation made to the Dulles Corridor Committee at its April 16, 2014 meeting.

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

Ms. Hall asked staff to provide the number of the Authority's sole source contract awards. Mr. Potter stated that the information was included in a quarterly report and that staff would provide the requested information.

c. Recommendation to Award a Contract for Code Compliance Review and Construction Environmental Inspection Services for the Dulles Corridor Metrorail Project – Phase 2

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

WHEREAS, Construction permits for Phase 2 of the Metrorail Project are issued by multiple state agencies and the Authority's Office of Engineering (Building Code and Environmental Department);

WHEREAS, The Metrorail Project requires permit review consultants to supplement the state agencies and the Authority's Building Code and Environmental Department to ensure that permit reviews are completed in a timely manner and contract delays are prevented;

WHEREAS, In October 2013, staff presented a pre-solicitation terms paper to the Dulles Corridor Committee for code compliance review and construction/environmental inspection services for Phase 2 of the Dulles Corridor Metrorail Project;

WHEREAS, In December 2013, a Request for Qualifications Information was issued and advertised for full and open competition with a 100 percent Small Business Enterprise (SBE) goal;

WHEREAS, The Evaluation Committee determined that the submittals did not demonstrate adequate compliance with the evaluation criteria;

WHEREAS, The procurement was re-advertised in February 2014 with a new SBE goal of 25 percent, which was changed by the Equal Opportunity Program Staff;

WHEREAS, In March 2014, five submittals were received;

WHEREAS, On April 16, 2014, the Dulles Corridor Committee received the results of the competitive evaluation of the firms that responded to the RFQI, and recommended that the Board of Directors approve the selection of IBTS Government Solutions, LLC; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized to execute a contract with IBTS Government Solutions, LLC to provide code compliance review and construction/environmental inspection services for Phase 2 of the Dulles Corridor Metrorail Project for a three-year contract with two one-year options, consistent with the terms presented to the Dulles Corridor Committee on April 16, 2014.

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

d. Funding Agreement between the Airports Authority and the Commonwealth of Virginia Providing for a Grant of \$300 Million for the Dulles Corridor Metrorail Project

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

WHEREAS, During its 2013 session, the General Assembly of Virginia authorized a grant of \$300,000,000 to the Airports Authority for the Dulles Corridor Metrorail Project, contingent upon the Airports Authority and the Commonwealth executing a funding agreement defining the terms and conditions that would apply to the grant;

WHEREAS, Negotiations related to this funding agreement between staff from the Airports Authority and the Commonwealth have taken place, and a final proposed agreement has been reached, subject to the approval of the Board of Directors;

WHEREAS, This proposed funding agreement was presented to the Finance and Dulles Corridor Committees at a joint meeting on April 16, 2014, and the Committees recommended its approval to the Board of Directors; now, therefore, be it

RESOLVED, That the funding agreement between the Airports Authority and the Commonwealth of Virginia providing for a grant of \$300,000,000 to the Airports Authority for the Dulles Corridor Metrorail Project, as presented to the Finance and Dulles Corridor Committees on April 16, 2014, is approved, and the President and Chief Executive Officer is authorized to execute the agreement on behalf of the Airports Authority.

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

- e. Recommendation Paper for Maintenance and Repair Service of the Vertical and Horizontal Pedestrian Conveyance Systems at Dulles International

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

WHEREAS, In June 2013, staff presented a pre-solicitation paper to the Business Administration Committee relating to the provision of maintenance and repair services for vertical and horizontal pedestrian conveyance systems at Washington Dulles International Airport;

WHEREAS, In December 2013, a Request for Proposals (RFP) was issued in connection with this solicitation; and

WHEREAS, On March 19, 2014, the Business Administration Committee received the results of the competitive evaluation of the firms that responded to the RFP, and recommended that the Board of Directors approve the selection of Schindler Elevator Corporation; now, therefore, be it

RESOLVED, That the selection of Schindler Elevator Corporation to provide maintenance and repair services for vertical and horizontal pedestrian conveyance systems at Dulles In-

ternational Airport for a term of two years with five one-year options is approved;

2. That the President and Chief Executive Officer is authorized to execute a contract with Schindler Elevator Corporation for the provision of these maintenance and repair services, consistent with the contract terms and conditions presented to the Business Administration Committee on March 19, 2014; and

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

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

f. Recommendation to Amend and Restate the Investment Policy

Ms. Merrick moved the adoption of the following Resolution, which was unanimously approved:

WHEREAS, The Board of Directors approved an Investment Policy by Resolution No. 89-15, which was amended by the Board in August 1990, and March 2010;

WHEREAS, The 1990 amendment to the Investment Policy permitted up to one month of operating cash reserve to be invested among regional banks which have a Community Reinvestment Act rating of "Outstanding" (or the equivalent), in certificates of deposit of one or more of the banks;

WHEREAS, The Board desires to expand its programmatic goal to invest limited funds with regional depository institutions which may not have a Community Reinvestment Act rating of "Outstanding";

WHEREAS, Consistent with written Investment Objectives and Procedures, the Investment Committee recommends an amendment to the Investment Policy whereby regional banks that do not have a Community Reinvestment Act rating of "Outstanding", shall be allowed to compete for investment deposits that are fully securitized investments through FDIC, collateral, or a combination thereof; and

WHEREAS, The Investment Committee further recommends that the combined investment in the regional bank programs are limited to one month of operating cash reserves; now, therefore, be it

RESOLVED, That the restated and amended Metropolitan Washington Airports Authority Investment Policy, as presented to the Finance Committee on March 19, 2014 and to the Board of Directors on April 16, 2014, is hereby approved; 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.

g. Recommendation to Approve the Proposed Resolution Authorizing the Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2014A

Ms. Merrick moved the adoption of the following resolution, which was unanimously approved by all fourteen Directors present:

WHEREAS, On November 1, 2008, the Virginia Department of Transportation ("VDOT") transferred the Dulles Toll Road to the Metropolitan Washington Airports Authority ("Airports Authority") pursuant to the Master Transfer Agreement Relating to the Dulles Toll Road and the Dulles Corridor Metrorail Project, dated December 29, 2006, by and between VDOT and the Airports Authority;

WHEREAS, On the same date, VDOT and the Airports Authority entered into the Dulles Toll Road Permit and Operating Agreement ("Permit and Operating Agreement") granting a permit to the Airports Authority for the following 50 years, among other things, to operate, maintain and improve the Dulles Toll Road, to establish, charge and collect tolls and other fees for the privilege of using the Dulles Toll Road, and to retain, use, pledge and assign revenues from such tolls and other fees, all in accordance with the terms and conditions of Permit and Operating Agreement;

WHEREAS, Under the Permit and Operating Agreement, the Airports Authority is responsible for the design and construction of an extension of the Washington Metrorail system from the West Falls Church Station to and through Dulles International Airport, ending at a new station on Virginia Route 772 (“Metrorail Project”), to be located in part within the Dulles International Airport Access Highway right-of-way;

WHEREAS, On August 12, 2009, the Airports Authority issued the Dulles Toll Road Revenue Bonds, Series 2009, in the aggregate principal amount of approximately \$963.3 million to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, On May 27, 2010, the Airports Authority issued the Dulles Toll Road Revenue Bonds, Series 2010, in the aggregate principal amount of approximately \$342.6 million to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, On August 11, 2011, the Airports Authority issued the Dulles Toll Road Second Senior Lien Commercial Paper Notes, Series One (“Commercial Paper Notes”) in the aggregate principal amount of up to \$300,000,000 to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, On November 22, 2013, the Airports Authority and JPMorgan Chase Bank, National Association (“JPMorgan”) entered into an agreement pursuant to which JPMorgan agreed to purchase, as requested from time to time by the Airports Authority, Dulles Toll Road Subordinate Lien Revenue Notes, Series 2013, in the aggregate principal amount not to exceed \$400,000,000 (“Series 2013 Notes”) maturing no later than November 19, 2014, of which \$150,000,000 is currently outstanding, to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, The Airports Authority desires to authorize the issuance of additional Dulles Toll Road Revenue Bonds, in one or more series in an aggregate principal amount not to exceed \$450,000,000, to finance and refinance a portion of the costs

of the Metrorail Project, and to be designated as Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2014A (“Series 2014A Bonds”) to (i) refund all or a portion of the outstanding Commercial Paper Notes and all or a portion of the outstanding Series 2013 Notes, (ii) fund the debt service reserve requirement for the Series 2014A Bonds, and (iii) pay the costs of issuance of the Series 2014A Bonds;

WHEREAS, The Airports Authority desires to set forth guidelines for determining the interest rate or rates, maturities and other terms of the Series 2014A Bonds;

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

- (a) the Ninth Supplemental Indenture of Trust (“Supplemental Indenture”), dated as of May 1, 2014, by and between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (“Trustee”), relating to the issuance of the Series 2014A Bonds;
- (b) the Series 2014A Bonds, attached as Exhibit A to the Ninth Supplemental Indenture;
- (c) the Bond Purchase Agreement relating to the Series 2014A Bonds (“Bond Purchase Agreement”), by and among the Airports Authority and J. P. Morgan Securities LLC, on behalf of itself and the other underwriters listed therein (collectively, the “Underwriters”);
- (d) the Escrow Deposit Agreement relating to the defeasance of the Commercial Paper Notes (“Escrow Agreement”), by and between the Airports Authority and Manufacturers and Traders Trust Company, as escrow agent (“Escrow Agent”);
- (e) the Appendix to the Continuing Disclosure Agreement, date as of August 1, 2009 (“Continuing Disclosure Agreement Appendix”), by and between the Airports Authority and Digital Assurance Certifica-

tion, L.L.C. ("DAC"), as the disclosure dissemination agent (the "Disclosure Dissemination Agent"), relating to the Series 2014A Bonds; and

- (f) the Official Statement relating to the public offering of the Series 2014A Bonds ("Official Statement"), which includes as an appendix the Comprehensive Traffic and Revenue Study prepared in connection with the issuance of the Series 2014A Bonds; and

WHEREAS, All capitalized terms used but not defined in this Resolution have the meanings given them in the Supplemental Indenture; now, therefore, be it

RESOLVED, That the Underwriters are authorized to distribute the Official Statement to the prospective purchasers of the Series 2014A Bonds;

2. That Manufacturers and Traders Trust Company shall serve as the Trustee under the Supplemental Indenture and as Escrow Agent under the Escrow Agreement;

3. That the Series 2014A Bonds shall be issued in book-entry form pursuant to the Master Indenture of Trust, dated as of August 1, 2009 ("Master Indenture"), by and between the Airports Authority and the Trustee, and the Supplemental Indenture and sold to the Underwriters pursuant to the Bond Purchase Agreement, all upon the terms and conditions specified therein;

4. That the form of each of the documents described in paragraphs (a) through (f) of the tenth "Whereas" clause of this Resolution is hereby approved;

5. That the Chairman, or in his absence the Vice Chairman, of the Board of Directors and at least one of the Co-Chairs of the Finance Committee are authorized to jointly make the following determinations in the name of and for the benefit of the Airports Authority that are necessary or desirable to accomplish the issuance and sale of the Series 2014A Bonds:

- (a) the number of series, the series designations and the exact principal amount of each series of the Series 2014A Bonds; provided, that the combined aggregate principal amount of the Series 2014A Bonds shall not exceed \$450,000,000;
- (b) the interest rates for the Series 2014A Bonds;
- (c) the maturity or maturities of the Series 2014A Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;
- (d) the provisions for redemption of the Series 2014A Bonds prior to maturity;
- (e) the amount, the extent and the provider of the bond insurance or other credit enhancement, if any, for the Series 2014A Bonds;
- (f) the amount of the debt service reserve requirement, if any, and the provider of any Debt Service Reserve Fund surety bond; and
- (g) the purchase price for the Series 2014A Bonds;

all in a manner to achieve the most favorable net effective interest rate while balancing the Airports Authority's exposure to interest rate, market and credit risks on the Dulles Corridor Enterprise debt of the Airports Authority; provided that the determinations made pursuant to this paragraph shall comply with the following requirements: (i) the maximum term of the Series 2014A Bonds shall not exceed 40 years; (ii) the Series 2014A Bonds shall be subject to redemption as provided in the Supplemental Indenture, as appropriate, provided that the redemption premium on the Series 2014A Bonds shall not exceed three percent (3%) of the principal amount thereof; (iii) the Underwriters' discount relating to any of the Series 2014A Bonds shall not exceed 2 percent (2%) of the principal amount thereof; (iv) the true interest cost of the Series 2014A Bonds shall not exceed nine percent (9%) per annum and (v) the Series 2014A Bonds shall be offered to the public at a price of not less than ninety-five percent (95%)

and not more than one hundred ten percent (110%) of the principal amount thereof;

6. That each of the Chairman, the Vice Chairman, the Co-Chairs of the Finance Committee, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, the Deputy Chief Financial Officer and the Manager of Treasury is hereby appointed as an "Airports Authority Representative" under the Master Indenture and the Supplemental Indenture and is authorized to determine at the time of pricing of the Series 2014A Bonds to not price one or more series of the Series 2014A Bonds and/or change the series designation of any of the Series 2014A Bonds and/or renumber the Supplemental Indenture to reflect sequential numbering of the Supplemental Indenture securing the Series of Series 2014A Bonds that are actually being issued;

7. That each of the Airports Authority Representatives is authorized to execute, by manual or facsimile signature, any document and to take any further action as the representative may consider necessary or desirable to implement the decisions that are made pursuant to paragraphs 5 and 6 of this Resolution;

8. That each of the Chairman and the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Supplemental Indenture, the Bond Purchase Agreement, the Series 2014A Bonds and the Official Statement in substantially the forms submitted to the Board of Directors, with such changes, insertions, completions and omissions as are necessary to reflect the bond principal amounts and other terms of the Series 2014A Bonds determined pursuant to paragraphs 5 and 6 of this Resolution, and the execution of these documents by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Board of Directors;

9. That the Secretary is authorized and directed to affix the seal of the Airports Authority or a facsimile thereof on each of the Supplemental Indenture, the Bond Purchase Agreement, the Series 2014A Bonds and the Official Statement, after their

execution by the Chairman or Vice Chairman, to attest the same by a manual or facsimile signature, and to deliver the Series 2014A Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Supplemental Indenture; and

10. That each of the Airports Authority Representatives is authorized and directed, with respect to the Series 2014A Bonds, to execute and deliver such closing certificates, including a tax certificate and Internal Revenue Service Form 8038 or 8038-G returns, any letter of representations with The Depository Trust Company with respect to the Series 2014A Bonds, and any continuing disclosure agreement, and take such actions as shall be necessary or desirable in connection with the closing or issuance of the Series 2014A Bonds.

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

h. Approval of the Selection of the Vice President for Public Safety

Mr. Potter reported that Elmer Tippet, Jr., the Vice President for Public Safety, had recently retired. He noted that Chief of Police Steve Holl had acted in the vacant position and had done an excellent job. After an extensive search and interview process, Mr. Potter stated that he and Ms. McKeough had selected Bryan Norwood as Vice President for Public Safety. He reviewed Mr. Norwood's prior experience, noting his most recent position as Chief of Police in Richmond, VA. Mr. Potter requested that the Board concur and approve the selection.

Mr. Carter reported that he had had the pleasure of participating in the candidate interviews for the Vice President for Public Safety. During Mr. Norwood's interview, Mr. Carter said that he had been impressed with his more than 20 years of policing experience that he had shared, as well as the enthusiasm he had expressed in this new role.

Mr. Carter stated that he believed that Mr. Norwood would be an exceptional addition to the Airports Authority and will continue to advance its Public Safety Program and maintain the professional standards and the state-of-the-art preparedness, for which it had gained recognition. He of-

ferred a motion that the Board approve the selection of Bryan Norwood as Vice President for Public Safety.

The Board unanimously approved the selection of Bryan Norwood as Vice President for Public Safety. Mr. Potter introduced Mr. Norwood, who received a round of applause.

Mr. Conner said that Mr. Norwood had done a wonderful job in Richmond and that he was pleased that he had joined the Authority.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

As a follow up to Mr. Potter's comments, Mr. Conner recognized Leo Schefer and his wife. He noted that the WATF had held a dinner on March 27 in Mr. Schefer's honor. Mr. Conner referenced the brochure distributed to the dinner guests and noted that it had been an inspiration of Mr. Schefer's accomplishments, as well as his intellectual capability and his impact in the region. He stated that the proposed resolution recognizing Mr. Schefer's retirement, which had been distributed to Directors, recited many of his accomplishments, including his multifaceted impacts on Dulles International, as well as his critical involvement to reopen Reagan National after the September 11, 2001 event. Mr. Conner thanked Mr. Schefer for his efforts and contributions to the Airports, the transportation industry and the economic development in this region.

Mr. Davis reported that he had known Mr. Schefer for more than 25 years. As a former Member of Congress, Mr. Davis recalled that Mr. Schefer had been instrumental in building coalitions with regard to opening Reagan National after September 11, as Mr. Conner had noted, as well as many other important issues. He stated that much of the Authority's success should be attributed to Mr. Schefer.

After receiving a round of applause, Mr. Schefer stated that he had been privileged to serve as President of the WATF and had worked with a small dedicated staff and Board of Directors. He said that the public had supported the Airports since 1980. While the Authority's achievements had

been huge, Mr. Schefer said that he believed it had represented unity, which had occurred with the public's support.

The Meeting was thereupon adjourned at 11:03 a.m.

Respectfully submitted:

Quince T. Brinkley, Jr.
Vice President and Secretary