MINUTES

MEETING - Board of Commissioners - Session 376
Virginia Port Authority
600 World Trade Center
Norfolk, Virginia
November 15, 2016

The Board of Commissioners ("Board") of the Virginia Port Authority ("VPA") held its regular public session meeting on November 15, 2016, in the VPA's Conference Room located at 600 World Trade Center, Norfolk, Virginia. VPA Board Chairman John G. Milliken called the meeting to order at 9:00 a.m. The following were then in attendance:

Commissioners:
John G. Milliken, Chairman
John N. Pullen, Vice Chairman
J. William Cofer
Alan A. Diamonstein
Gary T. McCollum
Val S. McWhorter
Deborah C. Waters
F. Blair Wimbush
Faith B. Power (non-voting member)
Kim Scheeler (non-voting member)

Commissioners Absent:
Jennifer D. Aument
Manju S. Ganeriwala, State Treasurer
Daniel C. Gundersen

VPA Staff:
John F. Reinhart, CEO and Executive Director
James Bibbs, Chief Human Resources Officer
Rodney W. Oliver, Chief Financial Officer
Joseph P. Ruddy, Chief Innovation Officer
James W. Noel, III, General Counsel
Matthew Barnes-Smith, Vice President, Strategic Planning
Jay Stecher, Vice President, Marketing & Communications
Russell Held, Senior Vice President, Business Development
Joe Harris, Senior Director, Media Relations
Carla Welsh, Director, Creative Services & Brand Management
Matt Miller, Manager, Contracts
Debra J. McNulty, Clerk to the Board

Virginia International Terminals, LLC (VIT) Staff:
Thomas D. Capozzi, Chief Sales Officer
Shawn Tibbetts, Chief Operations Officer
David Harriss, Director, Break-bulk and Ro-Ro Sales

Guests:
The Hon. Aubrey L. Layne, Jr., Secretary of Transportation
W. Brice Fiske, Office of the Attorney General
JoAnne Carter, PFM Group (Financial Advisor)
Bryant McGann, Vandeventer Black LLP
William Bateman, Savant Ltd.
Steve Bain, On Course Solutions LLC

Media
Robert McCabe, *The Virginian-Pilot*

Mr. Ruddy conducted the safety briefing at this time. Mr. Harris introduced guests in attendance.

I. Approval of Minutes

Action: At the request of Chairman Milliken, the Board unanimously approved the minutes of the meeting held September 21, 2016, as circulated.

II. Reports of Committees

A. Executive Committee – John G. Milliken, Chairman

1. Report of Executive Committee

Chairman Milliken reported that the Executive Committee met in closed session yesterday to discuss several contractual matters. The Chairman presented the following resolution for consideration by the Board that relates to the Executive Director's procurement thresholds.

2. Consideration of Resolution 16-12, carried over from September 21, 2016, amending the VPA Bylaws

Action: Upon motion by Mr. Diamonstein, seconded by Mr. Pullen, the VPA Board approved Resolution 16-12 (8-0), amending the VPA Bylaws.

Chairman Milliken announced that the following construction resolutions are for contracts that are up for award. Vice Chairman John Pullen announced that his company, Luck Stone Corporation, is engaged at some level with the successful bidders with regard to Resolutions 16-17 and 16-18 and he recused himself from voting on these resolutions. Mr. McWhorter also recused himself from voting on Resolution 16-16 as one of the bidders for the Port construction projects is a client of his law firm, Smith Pachter McWhorter PLC.

3. Consideration of Resolution 16-16, authorizing the VPA to enter into construction contracts for the wharf project at Virginia International Gateway (VIG)

Action: Upon motion by Mr. McCollum, seconded by Mr. Wimbush, the VPA Board approved Resolution 16-16 (7-0), authorizing the VPA to enter into construction contracts for the wharf project at VIG. Mr. McWhorter abstained from voting.

4. Consideration of Resolution 16-17, authorizing the VPA to enter into construction contracts for the rail yard expansion at VIG

Action: Upon motion by Mr. Wimbush, seconded by Mr. McCollum, the VPA Board approved Resolution 16-17 (7-0), authorizing the VPA to enter into construction contracts for the rail yard expansion at VIG. Vice Chairman Pullen abstained from voting.

5. Consideration of Resolution 16-18, authorizing the VPA to enter into construction contracts for the stack yard expansion at VIG

Action: Upon motion by Mr. Wimbush, seconded by Mr. McCollum, the VPA Board approved Resolution 16-18 (7-0), authorizing the VPA to enter into construction contracts for the stack yard expansion at VIG. Vice Chairman Pullen abstained from voting.

Chairman Milliken announced that the resolutions are "critical first steps" for the construction projects that will soon be underway at Norfolk International Terminals (NIT) and at the VIG terminal. The Chairman announced that the resolutions do not name individual contractors as they have not been notified of the awards.

Secretary Layne reported that the Commonwealth is very satisfied with the Port's procurement process and the competitive bidding nature of the contracts. He commended the Executive Director and his team for the process employed.

Chairman Milliken reported that the Executive Committee also reviewed the award for the purchase of new automated stacking cranes (ASCs) for NIT and VIG. Mr. Reinhart reported

that Chairman Milliken and Commissioner Gary McCollum reviewed the bid proposals and granted authority to Mr. Reinhart, under the Bylaws, to announce a notice of intent to award a contract to Konecranes for the purchase of 86 ASCs for both facilities. Mr. Reinhart announced that the Board ratified that decision and he mentioned that the contract would be the largest single order of ASCs in the history of the industry. He also noted that a subcontractor from Roanoke was also included in the Konecranes' bid.

A copy of the ratification document authorizing the purchase is attached hereto.

B. Finance and Audit Committee – Gary T. McCollum, Committee Chair

1. Report of Finance and Audit Committee – Mr. McCollum

Mr. McCollum reported that the Finance and Audit Committee met yesterday afternoon and received presentations from management and consultants on the fiscal year 2016 financial results and audits, fiscal year-to-date 2017 financial results through September, the VIG transaction status, and the contents of a real estate procedures manual.

Mr. McCollum reported the following:

With regards to the 2016 fiscal year-end financial results:

- The audits were completed timely and resulted in unmodified opinions on the financial statements for both VPA and VIT.
- The Auditors went over required communications, including results from the current year's audits.
- The VPA Consolidated Annual Financial Report was filed on October 26, 2016, six days ahead of the deadline of November 1st.

With regards to the VIG transaction status:

- The VIG lease and related VPA bond defeasance transactions are on schedule to close this Thursday, November 17th, at which time the new lease and bond resolution will commence.
- The Committee received a report on the results of the defeasance transaction and impact on future cash flows.
- The Committee also received a preliminary report on the financial reporting effects of the VIG transaction. Management plans to return to the Committee and Board in January with recommendations for a revised budget to fully account for the VIG lease and related debt defeasance.

With regards to the Real Estate Procedures Manual:

- The Governor and General Assembly gave VPA the authority to establish its own policies and regulations with regards to the acquisition, lease, or sale of surplus and real property.
- Management presented the contents of a proposed Real Estate Procedures Manual.
- Discussion of the contents, benefits, and requirements within the manual ensued (with one modification to the manual suggested by Chairman Milliken).
- At conclusion of the discussion, the Committee voted unanimously to recommend approval of Resolution 16-19 to the full Board to adopt the (revised) Real Estate Procedures Manual.

Chairman Milliken and Mr. McCollum both commended Mr. Oliver and his team for the work that lead up to the completion of the audit.

Secretary Layne asked that the Board consider sending a copy of the Real Estate Procedures Manual to the Joint Legislative Audit & Review Commission (JLARC) for their awareness. The Board agreed.

2. VPA and Virginia International Terminals LLC (VIT) Combined Financial Reports for the Month Ended September 30, 2016, and FY17 Year-to-Date (July-September) – Rodney W. Oliver, Chief Financial Officer

Mr. Oliver presented POV's financial report for the month ended September 30, 2016, and for the three months ended September 30 (FY17). Mr. Oliver also discussed the effects that the Hanjin bankruptcy had on ports and a discussion ensued.

Mr. Oliver reported that POV is ahead of budget for the first three months of the fiscal year - $3.3 million operating income vs. $3.7 for the same time prior year. A copy of Mr. Oliver's presentation is attached.

3. Consideration of Resolution 16-19, adopting the VPA Real Estate Procedures Manual

At this time, Mr. McCollum presented Resolution 16-19 which included a copy of the Real Estate Procedures Manual. Chairman Milliken explained that there was one revision to the manual that included language as follows:

e) Notice to the Board. If any real estate transaction is executed by the Executive Director and does not require Board approval pursuant to the Authority's Bylaws, then the Department shall prepare a brief summary of the transaction for the Executive Director to forward to the Chairman of the Board and Chairman of the Finance & Audit Committee. Additionally, the Department shall prepare a brief summary of any transaction for

the Board to be presented at the next regularly scheduled meeting of the Board.

Action: Upon motion by Mr. McCollum, seconded by Mr. Diamonstein, the VPA Board approved Resolution 16-19 (8-0), adopting the VPA Real Estate Procedures Manual.

C. Growth and Operations Committee – Alan A. Diamonstein, Committee Chair

Mr. Diamonstein reported that the Growth and Operations committee met in closed session yesterday and heard from Mr. Tibbetts who provided a safety report that included the Port's preparations during Hurricane Matthew. Mr. Diamonstein announced that the Committee also heard a report on Richmond Marine Terminal which is now under POV's operation effective November 1, and reviewed service level updates that included rail traffic and gate productivity.

1. Safety/Operations Report – Shawn Tibbetts, Chief Operations Officer

Mr. Tibbetts reported that POV's safety results are 28.5% better than last year with a Lost Work Days (LWD) rate of 2.53 for FY16, compared with 3.18 in FY15. He announced that the Port continually works toward a goal of zero LWDs and he talked about the internal audits that are conducted and efforts by the Port's Transportation Safety Unit (TSU).

Mr. Tibbetts reviewed results on rail vs. gate/barge volumes at NIT and VIG; gate turn times for NIT, PMT, and VIG, and net crane moves per hour.

Mr. Tibbetts described how PMT would be utilized during the construction phase.

Secretary Layne congratulated Mr. Tibbetts and the operations team for their efforts.

2. Sales Report - Thomas D. Capozzi, Chief Sales Officer

Mr. Diamonstein reported that the Growth and Operations Committee also heard from Mr. Capozzi who provided an overview of the Port's confidential Strategic Growth Plan, service updates, and recent contract negotiations.

Mr. Capozzi reviewed fiscal year-to-date and calendar year-to-date volumes (copies attached). He announced that the Port expects to announce new business for break-bulk soon.

Mr. Capozzi announced that Richmond Marine Terminal (RMT) has experienced 40% growth and increased momentum with the barge business. He also mentioned Scoular's on-terminal transload facility at RMT which feeds the barge business. Mr. Reinhart noted that POV's barge

business has been designated as a part of the Marine Highway System and is the premier barge business in the nation according to MARAD.

Secretary Layne praised the business plan for RMT and encouraged POV to keep spreading the word about the importance of the terminal.

Mr. Reinhart mentioned that, through September, POV had the highest import growth in the U.S. - 5.8% according to Port Tracker.

Mr. Capozzi continued with an overview of ship line consolidations and alliance reorganizations. He also described the TP-11/Americas service which called on October 13th at VIG.

Mr. Capozzi reported on Joe O'Brien's activities during the Asia Trade Mission. He described POV's "Coffee Day" and mentioned that POV received international coffee exchange (ICE) designation on September 1, 2016.

III. Report by Chief Human Resources Officer – James Bibbs

Mr. Bibbs described several Human Resources activities that include a re-insurance option (approx. saving $260,000/year); open enrollment for 2017 benefits; and pay adjustments and conversions required for FLSA "Final Rule" guidelines regarding EAP exempt employees.

Mr. Bibbs reported that HR will be conducting a dependent benefits audit in 2017 whereby employees will be required to provide documentation proving dependent eligibility and make any necessary changes during open enrollment.

Mr. Bibbs reported on training efforts that include a transition from DuPont LMS to the Commonwealth of Virginia Learning Center (approx. saving $50,000/year) that will take place during 2017 and maintaining ISO14001 certification. He concluded with a description of the Virginia Inland Port Workforce Seminar that was held at the Lord Fairfax Community College hosting over 150 high school students to learn about job opportunities in the maritime industry.

Mr. Reinhart reminded POV colleagues to be mindful of informing our Board members about special events so that they may have an opportunity to participate.

IV. Report by Chief Innovation Officer – Joseph P. Ruddy

Mr. Ruddy provided an in-depth overview of the Hanjin bankruptcy situation and POV's proactive response. Ms. Waters commended POV on our response to the Hanjin situation and efforts to protect the commercial health of our Port and in reaching out to the ILA.

Mr. Ruddy reviewed the attached "Projects Schedule" and "Projects Overview" reports. He noted the revised start date for the NIT optimization project scheduled for July 1, 2017.

Mr. Ruddy described each of the projects from the budget/schedule dashboard. He described the work-in-progress and demonstrated the planned flow of traffic at the NIT North Gate project.

Mr. Ruddy concluded with a description of POV's Business Intelligence platform for the data warehouse that will be integrated with the current NAVIS terminal operating system.

At this time, Chairman Milliken said the following:

"We are launching into these major projects, keeping a good handle on them is paramount, communicating with all of our constituencies from the Governor and the General Assembly to our partners in the effort is a critical part of it. We have managed this process very well so far. Thank you again to Mr. Reinhart and his team and to JoAnne Carter sitting there and others who helped us through the financial piece of it, but now we turn to the actual execution. We have the people to do it, we know how to do it, we have the money to do it, and I have no reason to believe we will do anything other than an excellent job. It is the beginning of a new and important phase of our efforts. That is why I pause to thank everyone who brought us to this point and tell them we have great confidence in their ability to bring it through to closure in two to three years."

V. Report by Chief Public Affairs Officer – Cathie Vick

Ms. Vick provided updates on the Water Resources Development Act 2016 (WRDA) legislation and the Craney Island Eastward Expansion (CIEE).

Ms. Vick announced that POV was awarded an additional $480,000 by MARAD to buy a forklift and a 40-foot generator for RMT. She updated the Board on our efforts and those of the Virginia Delegation to request increased Federal funding for Craney Island, which funds were justified in the Limited Reevaluation Report (LRR) ($83M). Ms. Vick mentioned that POV hosted staff from the Office of Management and Budget (OMB) and the Assistant Secretary for the Army for Civil Works and other ACOE officials to tour the Port and bring awareness to Craney Island.

Ms. Vick reported that Public Affairs has been working with POV's Project Team, headed by Rich Ceci, on the construction timetable for VIG and NIT and described how POV is working with the cities of Portsmouth and Norfolk, civic organizations, businesses, local neighborhoods,

and the legislature to make sure people are aware of the activities that will take place during construction.

Ms. Vick reported on the Governor's Transportation Conference and that POV teamed up with CSX and Norfolk Southern on an intermodal theme. She provided an overview of the Smart Scale Application for the right of way at Terminal Boulevard/Hampton Boulevard Grade Separation.

Ms. Vick reviewed several economic development announcements including the recent Panattoni groundbreaking. She reported that since August, POV had 9 new announcements across the Commonwealth resulting in over 715,000 in square footage; over $263 million investment; and 1,107 jobs created.

CYTD 2016 Economic Development Totals:

- 35 Announcements
- Square Footage: Over 3,285,000
- Investment: Over $772 Million
- Job Created: 3,545

Ms. Vick announced that POV is not submitting legislative initiatives this year. She described some of the initiatives by Public Affairs to continue to tell the Port's story through external/ internal and partner communications.

Ms. Vick reported that the MIRT & Emergency Operations team supported regional coordination during tropical storm Hermine and Hurricane Matthew. She also announced that POV was recently awarded the Rear Admiral Richard E. Bennis Award for Maritime Excellence and brought everyone's attention to the framed award on display in the boardroom.

Chairman Milliken announced that he and Mr. Diamonstein had agreed that an important topic to discuss at one of the next committee meetings would be Sea-Level Rise.

VI. Report by CEO/Executive Director - John F. Reinhart

Mr. Reinhart thanked the Board for their support and said he was very proud of the POV Team for accomplishing so much in a short time. Mr. Reinhart also acknowledged the work ahead. He also thanked Rodney Oliver, JoAnne Carter, Bill Harrison, Matt Barnes-Smith, Shawn Tibbetts, and James Noel for their work during the "two plus years" to complete the VIG negotiations.

VII. Unfinished Business

There was no unfinished business to report.

VIII. New Business

There was no new business to report at this time.

IX. Other Business, Opportunity for Public Comment, and Adjournment

Chairman Milliken announced that, according to the Bylaws, the 2017 meeting dates for the VPA Board of Commissioners Public Sessions are as follows (9:00 a.m. start time and subject to change):

January 24	March 28	May 23
July 25	September 26	November 28

The Chairman noted that committee meetings are scheduled on the Monday afternoon prior to Tuesday's Public Session.

There being no further business and no public comments, the meeting adjourned at 10:35 a.m.

Respectfully submitted,

Debra J. McNulty
Clerk to the Board

EXECUTIVE COMMITTEE OF THE VIRGINIA PORT AUTHORITY

NOVEMBER 14, 2016

RATIFICATION OF NOTICE OF INTENT TO AWARD AND RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS FOR THE ACQUISITION OF AUTOMATED STACKING CRANES FOR NORFOLK INTERNATIONAL TERMINALS AND VIRGINIA INTERNATIONAL GATEWAY

RECITALS:

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

In furtherance of this duty, the Authority intends to make significant capital improvements to Norfolk International Terminals ("NIT") and Virginia International Gateway ("VIG"). These improvements include the purchase of sixty (60) automated stacking cranes ("ASCs") to be installed at south NIT (the "NIT ASCs") and the acquisition of twenty-six (26) ASCs to be installed at VIG (the "VIG ASCs").

The purchase price for the NIT ASCs shall be funded from the proceeds allocated to the Authority from bonds authorized and issued for capital improvements at NIT by the Virginia Public Building Authority pursuant to Chapter 759 of the Acts of Assembly of 2016 of the Commonwealth of Virginia.

The VIG ASCs will be owned by Virginia International Gateway, Inc., the owner of VIG, and leased to the Authority pursuant to the Amended and Restated Deed of Facilities Lease Agreement between the Authority and Virginia International Gateway, Inc. dated as of September 21, 2016, and the associated Construction Authority Agreement, the forms of which were approved by the Authority pursuant to its Resolution 16-8.

Pursuant to its Procurement Manual and the Construction Authority Agreement referenced above, the Authority issued a Request for Proposals ("RFP") for the ASCs and related equipment and systems. Upon evaluation of the proposals submitted in response to the RFP, it was determined that the

proposal by Konecranes Finland Corporation ("Konecranes") represented the best value to the VPA according to the criteria in the RFP. Upon approval by the Chairman of the Board and the Chairman of the Finance and Audit Committee, the Authority issued a Notice of Intent to Award ("NOIA") contracts to Konecranes for the procurement of the ASCs. The contract for the NIT ASCs shall provide for them to be delivered and installed for a price of U.S. $163,386,344.00. The contract for the VIG ASCs shall provide for them to be delivered and installed for a price of U.S. $71,340,480.00.

The Executive Committee of the Authority has the authority to exercise all powers of the Authority's Board of Commissioners between its meetings and has determined that it is necessary and appropriate to delegate to the Executive Director the authority to finalize and execute the ASC Contracts on behalf of the Authority.

NOW THEREFORE, IT IS RESOLVED by the Executive Committee of the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of ASC Contracts. The execution and delivery of the ASC Contracts by the Authority consistent with the foregoing Recitals are hereby authorized. The Executive Director is hereby authorized to approve, execute, and deliver the ASC Contracts on behalf of the Authority. The execution of the ASC Contracts by the Executive Director shall be conclusive evidence of the Authority's approval of the ASC Contracts. The Executive Committee hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the ASC Contracts, including without limitation the approval of the issuance of the NOIA, are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the ASC Contracts and the transactions described therein if and when they are approved and executed.

Section 3. Effective Date; Notice. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws. The Secretary shall promptly inform all members of the Authority's Board of Commissioners of this action.

APPROVED AND ADOPTED this 14th day of November, 2016.

John G. Milliken, Chairman

ATTEST:

Debra J. McNulty
Secretary/Clerk

RESOLUTION 16-12

A RESOLUTION AMENDING THE BYLAWS OF THE VIRGINIA PORT AUTHORITY

WHEREAS, the Virginia Port Authority Board of Commissioners, at the recommendation of the Finance and Audit Committee, desires to amend the Bylaws of the Virginia Port Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Virginia Port Authority that Article III, Section 3.4.1, entitled "Powers and Duties", be amended to increase the amount of any contract, agreement, or arrangement to which the Executive Director may bind the Authority from $1,000,000 to $2,500,000, and to facilitate the prompt review by the Chairman and Chair of the Finance and Audit Committee of contracts, agreements, and arrangements in amounts above that limit by adding the following to the end of that section:

> If the Chairman of the Board is not available to timely review any such contract, agreement or arrangement in order to give or withhold such consent, then he or she may designate another voting member of the Board to perform this duty on his or her behalf. If the Chairman of the Finance and Audit Committee is not available to perform a timely review and give or withhold such consent, then he or she may designate another voting member of the Board who is on the Finance and Audit Committee to perform this duty on his or her behalf. Any such designation must be in writing (electronic mail is sufficient) sent to the Executive Director and legal counsel for the Authority. A designation shall be effective for thirty (30) days after it is given and shall be filed with the books and records of the Authority kept pursuant to Section 3.11 below.

PASSED AND ADOPTED this 15th day of November, 2016.

John G. Milliken
Chairman

Attest:

Debra J. McNulty
Secretary/Clerk

AMENDED AND RESTATED BYLAWS

of the

VIRGINIA PORT AUTHORITY
(Approved by the Board-November 15, 2016)

ARTICLE I

MISSION

SECTION 1.1 Mission. It shall be the duty of Virginia Port Authority (the "Authority"), on behalf of the Commonwealth of Virginia (the "Commonwealth"), to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

ARTICLE II

OFFICES AND RECORDS

SECTION 2.1. Virginia Office. The Authority shall, in the Hampton Roads Area, have and maintain its principal office, the location of which shall be recommended by its CEO and Executive Director (the "Executive Director") and approved by its Board of Commissioners (the "Board"), at which all of its records shall be kept, and from which its business shall be transacted.

SECTION 2.2. Other Offices. The Authority may, if necessary, establish a branch office or offices within or without the Commonwealth or the United States of America, in such locations as may be approved by the Board.

ARTICLE III

BOARD AND OFFICERS

SECTION 3.1. General Powers of the Board. All powers, rights and duties conferred by the Code of Virginia (the "Code"), or other provisions of law, upon the Authority shall be exercised by the Board. Without limiting the foregoing, the Board shall also have the exclusive power to hire and fire the Executive Director of the Authority and to approve the budget of the Authority.

SECTION 3.2 Board Makeup. The Board shall consist of those members as set forth in the Code.

SECTION 3.3 Officers. At each annual meeting of the Board, the Board shall elect from its membership a Chairman and Vice-Chairman and shall also elect from its membership, or appoint from its staff, a Secretary and Treasurer and prescribe their powers and duties. The Board may also appoint from the staff an Assistant Secretary and an Assistant Treasurer, who shall, in addition to other duties, discharge such functions of the Secretary and Treasurer, respectively, as may be directed by the Board. All officers of the Board, as long as they continue to serve as members of the Board or staff members, shall hold office until the next annual meeting of the Board or until their successors are elected or appointed and duly qualified.

3.3.1 Chairman. The Chairman shall preside at all meetings of the Board. The Chairman shall appoint the chairman, vice-chairman and members of all committees and subcommittees of the Board and shall, where required by statute or action of the Board, execute any documents or legal instruments on behalf of the Authority, and shall perform such other duties as the Board may from time to time direct. The Chairman shall see that the laws of the Commonwealth pertaining to the purposes and functions of the Authority are faithfully observed and executed.

3.3.2 Vice-Chairman. In the absence or disability, for any cause, of the Chairman of the Board, his or her duties shall be performed by the Vice-Chairman, who shall act in the Chairman's place and stead and shall, in addition, perform such other duties as are usually incumbent upon the Chairman of the Board.

3.3.3 Acting Chairman. In the event the offices of the Chairman and Vice-Chairman of the Board are both vacant, or in the event that the Chairman and Vice-Chairman of the Board are both unable to perform their duties by reason of illness, disability or absence, the Chairman of the Finance and Audit Committee shall become, ex officio, the Acting Chairman of the Board, and shall perform the duties of the Chairman of the Board. In the event that the Chairman of the Finance and Audit Committee is unable to perform his or her duties as Acting Chairman of the Board by reason of illness, disability or absence, the voting Board members shall select one of the voting members of the Board to serve as temporary Chairman of the Board.

3.3.4 Secretary. The Secretary shall be the custodian of all records and the Seal of the Authority and shall keep accurate minutes of all committee and subcommittee meetings, and the meetings of the Board. He or she shall, when required, certify copies of records of the Authority and shall execute legal instruments and documents on behalf of the Board when ordered to do so and affix the Seal of the Authority to same, and shall perform such other duties as may be directed by the Board.

3.3.5 Treasurer. Except as otherwise provided herein or as required by law, the Treasurer shall be responsible for all monies of the Authority from whatever sources received and for all securities in the possession of the Authority and for the deposit of such

monies in the name of the Authority in a bank or banks approved by the Finance and Audit Committee, and he or she shall be responsible for all disbursements of such funds for the purposes for which intended or as authorized or directed by the Board. The Treasurer shall be bonded and shall make periodic accountings for all such funds as determined by the Board, and the books and records shall be available for inspection by any member of the Board during business hours.

SECTION 3.4 Chief Executive Officer of the Authority. The Board shall appoint the Executive Director of the Authority who shall be the Chief Executive Officer of the Authority, who shall not be a member of the Board, and who shall serve at the pleasure of the Board. The Executive Director shall whenever possible be in attendance at all meetings of the Board and its committees. The Executive Director's compensation from the Commonwealth shall be fixed by the Board in accordance with law. This compensation shall be established at a level which will enable the Authority to attract and retain a capable Executive Director.

3.4.1 Powers and Duties. The Executive Director shall exercise such of the powers and duties relating to ports conferred upon the Board as may be delegated to him by the Board, including powers and duties involving the exercise of discretion. The Executive Director shall also exercise and perform such powers and duties as may be lawfully delegated to him, and such powers and duties as may be conferred or imposed upon him by law. Notwithstanding anything herein to the contrary, the Executive Director may not, without first obtaining the written consent of the Board, bind the Authority by entering into any contract, agreement or arrangement on the Authority's behalf in excess of $2,500,000; provided, however, that the Executive Director may enter into a contract, agreement or arrangement on the Authority's behalf in excess of $2,500,000 without the written consent of the Board if the Executive Director has obtained the prior written consent of the Chairman of the Board and the Chairman of the Finance and Audit Committee. If the Chairman of the Board is not available to timely review any such contract, agreement or arrangement and give or withhold such consent, then he or she may designate another voting member of the Board to perform this duty on his or her behalf. If the Chairman of the Finance and Audit Committee is not available to perform a timely review and give or withhold such consent, then he or she may designate another voting member of the Board who is on the Finance and Audit Committee to perform this duty on his or her behalf. Any such designation must be in writing (electronic mail is sufficient) sent to the Executive Director and legal counsel for the Authority. A designation shall be effective for thirty (30) days after it is given and shall be filed with the books and records of the Authority kept pursuant to Section 3.11 below.

3.4.2 Senior Leadership Team. The Executive Director shall employ or retain such other agents or employees subordinate and reporting to the Executive Director as may be necessary, including without limitation a Chief Financial Officer and a Director of Human Resources. The duties and functions of such agents and employees shall be established by the Executive Director and approved by the Board.

SECTION 3.5 Maritime Advisory Council. The Board may, at its discretion and from time to time, also form a Maritime Advisory Council, consisting of representatives from the

maritime industry, to provide advice and counsel to the Board on all matters associated with the Authority with the exception of the annual budget and personnel matters.

SECTION 3.6 Regular and Annual Meetings of the Board. Regular meetings of the Board shall be held on the fourth Tuesday of January, March, May, July, September and November, unless otherwise previously agreed upon by the Board. Written notice of each regular meeting specifying the time and place of the meeting together with an agenda setting forth the items proposed to come before the Board at that particular regular meeting shall be given to members by mail or otherwise at least three (3) business days in advance of the meeting, but any other matters may be considered at the meetings in the Chairman's discretion. The annual meeting of the Board for the election of officers shall be held preceding the regular meeting of the Board in the month of July each year.

SECTION 3.7 Special Meetings. Special meetings of the Board may be called at any time by the Chairman or at the request of any five (5) members of the Board. Written notice of each special meeting specifying the time and place of the meeting and the purpose or purposes for which called shall be given to the members by mail or otherwise at least three (3) business days in advance of the meeting, but any other matters may be considered at the meeting by unanimous consent of those members present, whether or not specified in the notice.

SECTION 3.8 Time and Place of Meetings. Unless called by the Chairman to be held at another hour and place within the Commonwealth, annual, regular and special meetings shall be held at 11:00 a.m. in the Boardroom at the principal office of the Authority, of which notice shall be sent to the members.

SECTION 3.9 Quorum. A majority of the members of the Board, not counting any nonvoting ex officio members, shall constitute a quorum for the transaction of all business. Action by the Board shall be by simple majority vote of the voting members of the Board present and voting.

SECTION 3.10 Committees of the Board. There shall be two (2) standing committees of the Board: the Executive Committee and the Finance and Audit Committee. There shall be such other committees and subcommittees as may be established by the Chairman and approved by the Board. The chair of each standing committee shall be a voting member of the Board. Each committee and subcommittee shall consist of a chairman and vice-chairman and such other members as the Chairman of the Board shall appoint, but shall not consist of less than four (4) members. The Executive Committee shall consist only of voting members of the Board. Each committee and subcommittee shall perform the duties set forth in these Bylaws or conferred upon them by the Board. Each of the Chairman of the Board and the Vice-Chairman of the Board shall be an ex officio member of each committee and subcommittee. A quorum of any committee or subcommittee shall consist of a number equal to the majority of the appointed members, including those who serve as non-voting ex officio. Action by any committee or subcommittee shall be by simple majority vote of the members present and voting. All substantive votes taken by any committee, other than the Executive Committee, shall be reported to the Board for final action and recordation in the minutes of the Authority

at the next regular meeting of the Board following such committee action. All substantive votes of the Executive Committee shall be reported to the Board for recordation in the minutes of the Authority at the next regular meeting of the Board following such Executive Committee action.

3.10.1 Executive Committee. The Executive Committee shall oversee the administrative operations of the Authority and may take such action on any matter not reserved for the Board as may be necessary to effectuate decisions of the Board. The Executive Committee shall support the Authority's policies with respect to federal, state and local legislative proposals pertaining to matters within the scope of the Authority's powers, functions and duties or otherwise affecting the ports of Virginia, its waters and adjacent lands. The Executive Committee shall also act in support of the Authority's recommendations concerning port charges, rules and practices in effect at the several ports in the Commonwealth or at ports in competition with the ports of the Commonwealth and otherwise assist in matters concerning the uniformity of rates and practices at the Commonwealth's ports. The Executive Committee shall not have the authority to rescind or amend any action previously taken by the Board, or to fix or change the salaries or compensation for any executive positions or fill vacancies in its own membership; however, the Executive Committee shall, unless further restricted by resolution of the Board in creating or later limiting the authority of the Executive Committee, have and may exercise all other powers of the Board between meetings of the full Board as needed. All members of the Board shall be informed promptly of any action taken by the Executive Committee. In addition to its other responsibilities, the Executive Committee may make recommendations to the full Board for the filling of any executive positions.

3.10.2 Finance and Audit Committee. The Finance and Audit Committee shall consider and make recommendations on all questions relating to the financial affairs of the Authority, including but not limited to all revenues and operating expenses of the Authority, the financing of any capital improvements, the financing and administration of the Authority's retirement plans, and any other matters dealing with finance which the Board may from time to time refer to it. The Finance and Audit Committee shall approve all depositories used by the Authority. The Finance and Audit Committee shall also provide advice, information and recommendations to the Board on the Authority's financial reporting process, system of internal controls, audit process and the Authority's process for monitoring compliance with laws and regulations and the Authority's policies.

SECTION 3.11 Records. The Board shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and such books of records and accounts as may be necessary for the proper conduct of the business of the Authority.

ARTICLE IV

MISCELLANEOUS PROVISIONS

SECTION 4.1. Fiscal Year. The fiscal year of the Authority shall begin on the first day of July and end on the thirtieth day of June of each year.

SECTION 4.2. Seal. The seal of the Authority (the "Seal") shall consist of two (2) sides, each having an ornamental border of dogwood blossoms with words and figures engraved on the obverse side as follows: three (3) ships identified as the "Godspeed", the "Susan Constant" and the "Discovery", and above the figures of the ships, the legend "Jamestown Landing 1607". Positioned circularly between the ornamental border and centered at the bottom shall be 1952. On the reverse side, the title "Virginia Port Authority" will appear as on the obverse, and within this circular lettering there will be figures of a seagoing merchant vessel, a railroad locomotive, a highway carrier and an aircraft. When impressed on official documents, the Seal shall be the obverse design and shall be two (2) inches in diameter. Reproductions of the Seal for other purposes shall be of such dimensions as may be appropriate.

SECTION 4.3. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Code or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board or committee thereof need be specified in any waiver of notice of such meeting. A Board member's attendance at or participation in a meeting waives any required notice to him of the meeting unless at the beginning of the meeting or promptly upon such member's arrival, the member objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

SECTION 4.4. Amendment. These Bylaws may be amended by resolution duly adopted by the Board at any meeting, regular or special, provided that notice of intention to present such resolution shall be given at least three (3) business 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 member of the Board or any committee or by the Secretary at the request of any member of the Board or any committee and shall be given in writing, mailed or delivered, to all members of the Board. The notice of intention to amend these Bylaws shall include the language of the suggested change together with a reference to the Article subject to the proposed amendment.

SECTION 4.5. Inconsistency. In the event of any inconsistency between these Bylaws and any provisions of the Code, the Code will govern.

RESOLUTION 16-16

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO CONSTRUCTION CONTRACTS FOR WHARF EXTENSION AT VIRGINIA INTERNATIONAL GATEWAY

RECITALS:

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

In furtherance of this duty, the Authority intends to make significant capital improvements to the marine terminal known as Virginia International Gateway ("VIG"). The VPA leases VIG from Virginia International Gateway, Inc. pursuant to the Amended and Restated Deed of Facilities Lease Agreement dated as of September 21, 2016, and the associated Construction Authority Agreement, the forms of which were approved by the Authority pursuant to its Resolution 16-8. These improvements include the extension of the existing wharf at VIG to the south by 650 linear feet. The improvements are more particularly described in the Invitation to Bid referenced below. The improvements are hereinafter collectively referred to herein as the "Phase II Wharf Expansion."

Pursuant to its Capital Outlay Manual and the Construction Authority Agreement referenced above, the Authority issued an Invitation to Bid ("IFB") for the Phase II Wharf Expansion: Solicitation number 2017-13, entitled "Gateway Phase II Expansion – Wharf Extension," for construction of the extension to the wharf.

VPA received bids responsive to the IFB, and the lowest responsive bid submitted by a responsible bidder with respect to the IFB was within the Authority's budget established for the work covered by the IFB. VPA has obtained all necessary approvals of the bid pursuant to the Construction Authority Agreement referenced above.

The Board has determined that it is appropriate to delegate to the Executive Director the authority to approve the final terms of, and execute and deliver, the contracts for the work covered by the IFB with the responsible bidder submitting the lowest responsive bid.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Contracts. The Authority hereby approves the execution and delivery of the contracts for the construction covered by the IFB (the "Construction Contracts") to the responsible bidder submitting the lowest responsive bid. The Board hereby authorizes the Executive Director to approve the final form and content of, and to execute and deliver, the Construction Contracts on behalf of the Authority. The execution of the Construction Contracts by the Executive Director shall be conclusive evidence of the Authority's approval of the Construction Contracts. The Board hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the Construction Contracts are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the Construction Contracts if and when they are executed.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

PASSED AND ADOPTED this 15th day of November, 2016.

John G. Milliken
Chairman

ATTEST:

Debra J. McNulty
Secretary/Clerk

RESOLUTION 16-17

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO CONSTRUCTION CONTRACTS FOR RAIL YARD EXPANSION AT VIRGINIA INTERNATIONAL GATEWAY

RECITALS:

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

In furtherance of this duty, the Authority intends to make significant capital improvements to the marine terminal known as Virginia International Gateway ("VIG"). The VPA leases VIG from Virginia International Gateway, Inc. pursuant to the Amended and Restated Deed of Facilities Lease Agreement dated as of September 21, 2016, and the associated Construction Authority Agreement, the forms of which were approved by the Authority pursuant to its Resolution 16-8. These improvements include the construction of eight (8) new rail yard tracks to support cantilevered rail-mounted gantry crane operation. The improvements are more particularly described in the Invitation to Bid referenced below. The improvements are hereinafter collectively referred to herein as the "Phase II Rail Yard Expansion."

Pursuant to its Capital Outlay Manual and the Construction Authority Agreement referenced above, the Authority issued an Invitation to Bid ("IFB") for the Phase II Rail Yard Expansion: Solicitation number 2017-14, entitled "Virginia International Gateway Phase II Expansion – Rail Yard Expansion," for the construction of the new rail yard tracks.

VPA received bids responsive to the IFB, and the lowest responsive bid submitted by a responsible bidder was within the Authority's budget established for the work covered by the IFB. VPA has obtained all necessary approvals of the bid pursuant to the Construction Authority Agreement referenced above.

The Board has determined that it is appropriate to delegate to the Executive Director the authority to approve the final terms of, and execute and deliver, the contracts for the work covered by the IFB with the responsible bidder submitting the lowest responsive bid.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Contracts. The Authority hereby approves the execution and delivery of the contracts for the construction covered by the IFB (the "Construction Contracts") to the responsible bidder submitting the lowest responsive bid. The Board hereby authorizes the Executive Director to approve the final form and content of, and to execute and deliver, the Construction Contracts on behalf of the Authority. The execution of the Construction Contracts by the Executive Director shall be conclusive evidence of the Authority's approval of the Construction Contracts. The Board hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the Construction Contracts are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the Construction Contracts if and when they are executed.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

PASSED AND ADOPTED this 15th day of November, 2016.

John G. Milliken
Chairman

ATTEST:

Debra J. McNulty
Secretary/Clerk

RESOLUTION 16-18

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO CONSTRUCTION CONTRACTS FOR STACK YARD EXPANSION AT VIRGINIA INTERNATIONAL GATEWAY

RECITALS:

The Virginia Port Authority (the "Authority"), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the "Act").

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

In furtherance of this duty, the Authority intends to make significant capital improvements to the marine terminal known as Virginia International Gateway ("VIG"). The VPA leases VIG from Virginia International Gateway, Inc. pursuant to the Amended and Restated Deed of Facilities Lease Agreement dated as of September 21, 2016, and the associated Construction Authority Agreement, the forms of which were approved by the Authority pursuant to its Resolution 16-8. These improvements include the construction of thirteen (13) new semi-automated container yard stacks. The improvements are more particularly described in the Invitation to Bid referenced below. The improvements are hereinafter collectively referred to herein as the "Phase II Stack Yard Expansion."

Pursuant to its Capital Outlay Manual and the Construction Authority Agreement referenced above, the Authority issued an Invitation to Bid ("IFB") for the Phase II Stack Yard Expansion: Solicitation number 2017-12, entitled "Gateway Phase II Expansion – Stack Yard Expansion."

VPA received bids responsive to the IFB, and the lowest responsive bid submitted by a responsible bidder with respect to the IFB was within the Authority's budget established for the work covered by the IFB. VPA has obtained all necessary approvals of the bid pursuant to the Construction Authority Agreement referenced above.

The Board has determined that it is appropriate to delegate to the Executive Director the authority to approve the final terms of, and execute and deliver, the contracts for the work covered by the IFB with the responsible bidder submitting the lowest responsive bid.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Contracts. The Authority hereby approves the execution and delivery of the contracts for the construction covered by the IFB (the "Construction Contracts") to the responsible bidder submitting the lowest responsive bid. The Board hereby authorizes the Executive Director to approve the final form and content of, and to execute and deliver, the Construction Contracts on behalf of the Authority. The execution of the Construction Contracts by the Executive Director shall be conclusive evidence of the Authority's approval of the Construction Contracts. The Board hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the Construction Contracts are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the Construction Contracts if and when they are executed.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

PASSED AND ADOPTED this 15th day of November, 2016.

John G. Milliken
Chairman

ATTEST:

Debra J. McNulty
Secretary/Clerk

RESOLUTION 16-19

RESOLUTION AUTHORIZING THE ADOPTION OF A REAL ESTATE PROCEDURES MANUAL IN ACCORDANCE WITH SECTION 62.1-132.6 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED

WHEREAS, Section 62.1-132.6 of the Code of Virginia of 1950, as amended (the "Code") delegates to the Virginia Port Authority ("VPA") authority otherwise granted to the Governor and the Department of General Services authorizing the VPA to acquire, dispose of, and lease real property consistent with the Code of Virginia. According to that section, the Department of General Services, tasked with the governance of state agency real estate procedure, shall not govern VPA practices provided that VPA adopts and the Board of Commissioners of VPA (the "Board") approves policies or regulations governing the acquisition, lease, or sale of surplus and real property consistent with the following provisions of the Code:

- §2.2-1124 – Disposition of Surplus Materials
- §2.2-1131.1 – Establishment of Performance Standards for the Use of Property
- §2.2-1136 – Review of Easements; Maintenance of Real Property Records
- §2.2-1149 – Department to Review Proposed Acquisitions of Real Property; Approval by the Governor; Exceptions
- §2.2-1150 – Conveyance and Transfers of Real Property by State Agencies; Approval of Governor and Attorney General; Notice to Members of General Assembly
- §2.2-1153 – State Agencies and Institutions to Notify the Department of Property Not Used or Required; Criteria
- §2.2-1154 – State Agencies, Institutions, to Inquire of Department before Acquiring Land for Capital Improvements
- §2.2-1155 – Temporary Transfer of Use of Property between State Agencies and Institutions; Lease to Private Entities
- §2.2-1156 – Sale or Lease of Surplus Property and Excess Building Space; and

WHEREAS, there has been presented to the Board at its meeting the proposed form of the Real Estate Procedures Manual in compliance with the requirements of Section 62.1-132.6 of the Code for its consideration and approval.

NOW, THEREFORE IT IS RESOLVED BY THE BOARD OF COMMISSIONERS OF THE VIRGINIA PORT AUTHORITY, as follows:

Section 1. Approval of Real Estate Procedures Manual. The Real Estate Procedures Manual presented to the Board is hereby approved in the form presented at this meeting with such changes, omissions and insertions as may be approved by the Executive Director on the advice of VPA's legal counsel. The Executive Director is further authorized to approve such further revisions to the Real Estate Procedures Manual in the future as may be necessary to

accommodate changes in the Code and real estate practices and procedures adopted by the Department of General Services in the Commonwealth from time to time.

Section 2. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority, any of whom may act, are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may, in their discretion, deem necessary or proper in connection with the adoption of this Resolution.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

PASSED AND ADOPTED this 15th day of November, 2016.

John G. Milliken
Chairman

ATTEST:

Debra J. McNulty
Secretary/Clerk

Virginia Port Authority

REAL ESTATE PROCEDURES MANUAL

I. Overview

1.1 Purpose of the Manual

The Virginia Port Authority (the "Authority") controls approximately 1,180 acres of real estate within the Commonwealth of Virginia. In order to effectively conduct the business of the Authority, the Authority is called upon from time to time to participate in transactions related to the ownership, acquisition, conveyance and leasing of real estate. This Real Estate Procedures Manual (this "Manual") sets forth the guidelines and procedures necessary for conducting such real estate transactions.

1.2 Authorizing Power

Sections 62.1-132.18 and 62.1-132.19 of the Code of Virginia (the "Code") grant to the Authority the power to own, acquire, lease, construct, operate and sell real estate. These real estate related powers were further subject to certain oversite and approvals from the Department of General Services (DGS) found in Title 2.2, Chapter 11, the Code (a list of the applicable Code sections is in the General Provisions Section 6 of this Manual, collectively, the "DGS Real Estate Code Sections"). In 2015, the General Assembly amended §62.1-132.6 of the Code and allowed for the Authority to be exempt from these DGS Real Estate Code Sections, as long as, the Authority adopted policies and procedures governing the acquisition, lease, or sale of real estate that are consistent with the DGS Real Estate Code Sections, and provided further that any acquisition, lease, or sale of real estate valued in excess of $20 million be approved by the Governor. The Real Estate Procedures contained in this document, approved by the Authority's Board of Commissioners (the "Board"), represents those policies.

1.3 Structure of the Manual

This Manual designates the Authority's Department of Procurement & Real Estate (the "Department") as the department that is tasked with the oversight of all of the Authority's real estate related transactions (Section II). There are three (3) major real estate categories addressed in this Manual, including the: (i) Acquisition and Leasing of Real Estate (Section III), (ii) Conveyance and Leasing of Real Estate to Third Parties (Section IV), and (iii) Easements and Licenses (Section V). This Manual also addresses General Provisions (Section VI) that govern all aspects of the Authority's real estate transactions.

II. Department of Procurement & Real Estate

2.1 Role of the Department.

The Authority's Department of Procurement & Real Estate (the "Department"), in consultation with the Authority's General Counsel (the "General Counsel"), shall be in charge of the use, application and interpretation of this Manual for the purposes of carrying out the Authority's real estate transactions in order to ensure such transactions are in compliance with the Code and the provisions of this Manual. In addition, the Department may coordinate with DGS in order to ensure efficient processes carried out in accordance with the Code. The Department shall provide quality, professional real estate services with a vision of operational excellence, fiscal responsibility and sustainable growth. The Department shall be dedicated to positive action, open communication, and productive solutions to fulfill the Authority's goals and objectives established by the Board and the CEO/Executive Director of the Authority (the "Executive Director").

2.2 Responsibilities of the Department.

The General Counsel directs real estate activities through the Senior Director, Procurement & Real Estate, who conducts day-to-day real estate operations. The Departments responsibilities shall include:

- Represent and carry out the directives of the Board and the Executive Director in all real estate related matters, including overseeing all real estate acquisitions/conveyances, leases and easement matters.
- Evaluate the Authority's real estate needs and lease strategies.
- Transact with the Authority's landlords and/or tenants for any leased real estate.
- Identify underutilized and potential surplus real estate.
- Cooperate with DGS by maintaining and providing accurate data related to the records of Authority's real estate.
- Carry out any other real estate related matters deemed necessary by the Board and/or the Executive Director and generally provide real estate acquisition and conveyance services, including negotiating contracts for the acquisition or sale or real estate and coordinating all aspect of the due diligence investigations of real estate.

III. Acquisition and Leasing of Real Estate

3.1 Procedures for the Acquisition of Real Property.

a) Identification of Acquisition Property. Once a property has been identified for acquisition, then a presentation of the acquisition proposal shall be provided to the Board or the Executive Director (dependent on the appraised value of the property in question) pursuant to the Authority's Bylaws. The Department shall provide support as needed in the preparation of all acquisitions proposals. All acquisition proposals shall include: (i) a description of the property, (ii) the purchase price (or estimated purchase price), (iii) a brief description of the proposed use or strategic value of the property, and (iii) any other relevant terms of the proposed acquisition.

b) Negotiation of Purchase Contract. Once an acquisition proposal has been approved by the Board

or the Executive Director (as applicable), then the Department shall act diligently to negotiate a purchase contract with the seller of the property in a manner that will ensure fairness and competitiveness. All such purchase contracts shall be executed by the Executive Director.

c) Due Diligence. Prior to acquiring any real estate, the Department shall conduct a due diligence investigation of the property in an appropriate manner in order to (i) confirm the usefulness of the property for the Authority's proposed use, (ii) identify title and survey related matters, and (iii) ascertain possible risks and liabilities related to the property (if any), etc. The due diligence process shall include, but may not be limited to:

i) *Appraisal* – Obtaining a current appraisal of the property, conducted by an independent state certified real estate appraiser, concerning the fair and reasonable market value of the property. A current appraisal is defined as an appraisal having an effective date of no more than twelve (12) months prior to the date of acquisition.

ii) *Survey* – Obtaining an ALTA/ACSM Land Title Survey of the property certified to the Authority.

iii) *Title Work* – Analyzing all title documents related to the property. In the event the Authority purchases a property then the Department shall ensure that an owner's title policy is obtained in connection with such acquisition. The title policy shall be issued by a nationally recognized title company insuring good, marketable title to the property and the amount of such title policy shall not be less than the amount of the purchase price.

iv) *Environmental* – an Environmental Site Assessment (ESA) shall be conducted prior to the acquisition of any real property, including real property acquired by donation or bequest. Acquisition of commercial and industrial sites shall, at a minimum, use the ASTM Standard Phase I ESA process E-1527, and shall include a review of any permits, licenses, notices of violation or consent agreements issued pursuant to environmental laws and regulations. Investigation of other environmental issues or conditions beyond the scope of the ASTM Standards, e.g. asbestos-containing materials, lead based-paint, lead in drinking water, wetlands, and biological or radiation contamination, may be required but shall be determined and performed on a property-by-property basis.

The Department may conduct such additional due diligence investigations as it deems necessary from time to time on a property-by-property basis. Likewise, the Department may waive such due diligence investigations as it deems necessary or appropriate. The Department may engage third party consultants (i.e. outside counsel, surveyors, engineers, title agencies, etc.) in order to assist with and/or perform any or all due diligence investigations related to the acquisition of a property.

e) Instrument of Conveyance / Deed. Upon completion of all applicable due diligence investigations, in the event the Authority desires to acquire a property (evidenced by approval from the Board or the Executive Director) then the instrument conveying title to the property shall be in recordable form pursuant to the locality in which the property is located and shall identify the Authority as "Virginia Port Authority, a political subdivision of the Commonwealth of Virginia." Such instrument shall also include a signature block for the Executive Director to sign in order to evidence the Authority's acceptance of the property. All real estate acquired by the Authority shall be the property of the Commonwealth.

d) Eminent Domain, General Counsel. In the event any real property is proposed for acquisition

through exercise of the Authority's power of eminent domain, the General Counsel, shall have responsibility for compliance with statutory requirements for notice, hearing, good faith negotiations and, if necessary, commencement of eminent domain proceedings. The General Counsel shall be responsible for compliance with all laws and regulations relating to relocation assistance to persons to be displaced as result of eminent domain real property acquisition.

3.2 Procedures for the Leasing of Real Property

a) Identification of Lease Property. Once a property has been identified for lease, then a presentation of the lease proposal shall be provided to the Board or the Executive Director (dependent on the expected total rental value of the lease over the life of the proposed term, exclusive of any extension terms) pursuant to the Authority's Bylaws. The Department shall provide support as needed in the preparation of all lease proposals. All lease proposals shall include: (i) a description of the property, (ii) the rental rate (or estimated rental rate), (iii) a brief description of the proposed use or strategic value of the lease property, (iv) the contact information for the landlord, and (iii) any other relevant terms of the proposed lease.

b) Due Diligence. The Department shall ensure that an appropriate level of due diligence is performed prior to the Authority entering into any lease. When considering the appropriate level of due diligence the Department shall consider the amount of the rent, the length of the term, the size and character of the property to be leased, and the Authority's proposed use for the property to be leased. Such due diligence process may include the investigative processes described in Section 3.1(c), however, the Department shall determine this on a property-by-property basis.

c) Execution of the Lease. Once a lease proposal has been approved then the Department shall act diligently to negotiate a lease agreement with the landlord of the property in a manner that will ensure fairness and competitiveness. All such lease agreements shall be executed by the Executive Director.

IV. Conveyance and Leasing of Real Estate to Third Parties

4.1 Procedures for the Conveyance of Real Property

a) Identification of Property to be Conveyed. Any real estate owned by the Authority that is not required for the business of the Authority and does not have any strategic, long-term value to the Authority may be disposed or conveyed of in a manner prescribed by this section. Not less than once every two (2) calendar years, the Department shall conduct an internal review of all of the Authority's real estate in order to evaluate whether any property is no longer applicable to Authority's business. Such a determination will be made based on an evaluation of the utility of the property factoring its cost to maintain and the benefit derived from it, the anticipated sale price of the property, and shall also take into account any long term strategic value the property may have to the Authority.

b) Property Conveyance Report. Upon completion of its analysis the Department shall prepare a "Property Conveyance Report" for any property it has identified as being no longer applicable to the Authority's business. In addition, at any time the Executive Director may request the Department to prepare a Property Conveyance Report for any property controlled by the Authority. All Property Conveyance Reports shall include:

i) A summary of the need for disposal and explanation of any sale conditions that would be involved as a result of the type of disposal;

ii) The description of the property, including a general description of any buildings and other improvements located on the property;

iii) A summary of the past and present use of the property;

iv) A current appraisal, conducted by an independent State certified real estate appraiser, concerning the fair and reasonable market value of the property. A current appraisal is defined as an appraisal having an effective date of no more than twelve (12) months prior to the sale

v) The property's impact, if any, on the Authority's long term strategic plan; and

vi) A summary of any communications with DGS regarding the potential utility of the property to other agencies of the Commonwealth.

c) Approval to Convey Property. All final determinations on whether a property shall be conveyed shall be made by either the Board or the Executive Director (dependent on the appraised value of the property) pursuant to the Authority's Bylaws. Once a conveyance proposal has been approved then the Department shall act diligently to coordinate the marketing of the property and negotiate a sale contract in a manner that will ensure fairness and competitiveness. All such sale contracts shall be executed by the Executive Director. Alternatively, the property may sold by public auction in which case the Department and the General Counsel shall ensure that the public auction is to be held in compliance with the Code and rules and regulations stipulated by the DGS governing public auctions of real property owned by the Commonwealth.

d) Instrument of Conveyance / Deed. All instruments conveying property to third parties shall be in recordable form pursuant to the locality in which the property is located and be executed by the Executive Director.

4.2 Procedures for the Leasing of Real Property to a Third-Party Tenant

a) Leasing to Third Parties. The authority may wish to lease or sublet property under its control to third parties from time to time. In such an event, the Department shall be tasked with preparing a Property Conveyance Report with the appropriate level of information necessary to allow the Board or Executive Director (as applicable depending on the total rental value to be charged to the third party tenant, exclusive of any extension options) to make an informed decision. The Property Conveyance Report may be scaled down or up dependent on the amount of the rent to be charged, the length of the term, the size and character of the property to be leased to the third party, and the third party's proposed use for the property to be leased.

b) Execution of the Lease to Third Party. Once a lease proposal has been approved then the Department shall act diligently to negotiate a lease agreement with the third party tenant in a manner that will ensure fairness and competitiveness. All such lease agreements shall be executed by the Executive Director.

4.3 Procedures for Vacating Property

a) Vacation of Property General Counsel. From time to time the Authority may be required or desire to vacate property to localities or other state agencies (i.e., for curb cuts, public-right-of-ways, etc.). In the event any real property is proposed to be vacated then the Department and the General Counsel shall the ensure such vacation is to be done in compliance with the Code and rules and regulations stipulated by the DGS governing the vacation of real property owned by the Commonwealth.

V. Easements and Licenses

5.1 Policy for Granting Easements and Licenses to Third Parties

a) Requests for Easements. The Department shall coordinate all third-party requests for easements and/or licenses that seek to encumber any property controlled by the Authority. Upon receiving notice of a request for an easement, the Department shall require the third-party requestor to provide a report to the Department containing the information listed below. In the event the proposed easement is being issued to a third party in order to provide a benefit to the Authority (i.e., a utility easement to service one of the Authority's facilities) then the Department shall compile such information. Easement reports shall include:

   i) The specific use for which an easement or license is required;

   ii) A brief description of the property to be encumbered by the easement, along with a legal description for the exact easement area.

   iii) A summary of the need for the easement and the proposed duration of the easement; and

   iv) Any additional information relevant to the proposed easement.

b) Grant of Easement. All easement reports shall be submitted to the Executive Director for approval. In the event the terms of the proposed easement include a financial component that exceeds any monetary threshold requiring Board approval pursuant to the terms of the Bylaws then the easement request shall be submitted to the Board for approval. Upon approval of the easement request, the Department shall coordinate with the General Counsel to prepare an easement agreement in recordable form pursuant to the locality in which the encumbered property lies and shall be executed by the Executive Director.

VI. General Provisions

6.1 General Provisions.

The following general provisions shall apply to all real estate transactions carried out the Authority unless expressly stated otherwise in this Manual or in the Code.

a) Approval of the Governor. Notwithstanding any other provision contained in this Manual, and

a) Approval of the Governor. Notwithstanding any other provision contained in this Manual, and pursuant to §62.1-132.6 of the Code, any acquisition, lease, or sale of real property valued in excess of $20 million shall be approved by the Governor.

b) General Counsel Approval of Instruments. The General Counsel shall approve the form of all contracts, deeds, leases, easements and real estate related instruments prior to execution on behalf of the Executive Director.

c) Third Party Consultants, Outside Counsel and Brokers. In order to carry out the policies and procedures provided in this Manual, the Department may retain the services of third party consultants including surveyors, title companies, real estate brokers, engineers, outside counsel and related parties. Such third parties shall be engaged pursuant to the Authority's applicable procedures for the engagement of such third parties.

c) Executive Director. This Manual may be amended, supplemented and/or modified from time to time with approval from the Executive Director. The Executive Director may assign any power or responsibility designated to the Department in this Manual to any other employee, agent, or department of the Authority. The Executive Director may oversee, coordinate and review all actions of the Department related to real estate transaction. Subject to the terms of the Authority's Bylaws, the Executive Director may designate any other officer of the Authority to execute documents on his behalf.

d) Notice to the Board. If any real estate transaction is executed by the Executive Director and does not require Board approval pursuant to the Authority's Bylaws, then the Department shall prepare a brief summary of the transaction for the Executive Director to forward to the Chairman of the Board and Chairman of the Finance & Audit Committee. Additionally, the Department shall prepare a brief summary of any transaction for the Board to be presented at the next regularly scheduled meeting of the Board.

e) Recording, Storage and Release of Real Property Instruments. All deeds, and other instruments as appropriate, will be recorded in the appropriate county or city as soon as practical after receipt. Original deeds, leases and other real property instruments will be filed and stored under the custody and control of the Department's Senior Director.

f) Bylaws. This Manual and the provisions herein shall at all times be subject to the Authority's Amended and Restated Bylaws dated November 18, 2014 (as amended from time to time, the "Bylaws"). In the event of any conflict between this Manual and the Bylaws, the Bylaws shall prevail.

g) DGS Real Estate Code Sections. The DGS Real Estate Code Sections referenced in Section 1.2 above include:

- §2.2-1124 – Disposition of Surplus Materials
- §2.2-1131.1 – Establishment of Performance Standards for the Use of Property
- §2.2-1136 – Review of Easements; Maintenance of Real Property Records
- §2.2-1149 – Department to Review Proposed Acquisitions of Real Property; Approval by the Governor; Exceptions
- §2.2-1150 – Conveyance and Transfers of Real Property by State Agencies; Approval of Governor and Attorney General; Notice to Members of General Assembly
- §2.2-1153 – State Agencies and Institutions to Notify the Department of Property Not Used

or Required; Criteria

- §2.2-1154 – State Agencies, Institutions, to Inquire of Department before Acquiring Land for Capital Improvements
- §2.2-1155 – Temporary Transfer of Use of Property between State Agencies and Institutions; Lease to Private Entities
- §2.2-1156 – Sale or Lease of Surplus Property and Excess Building Space

September 2016
Financial Report

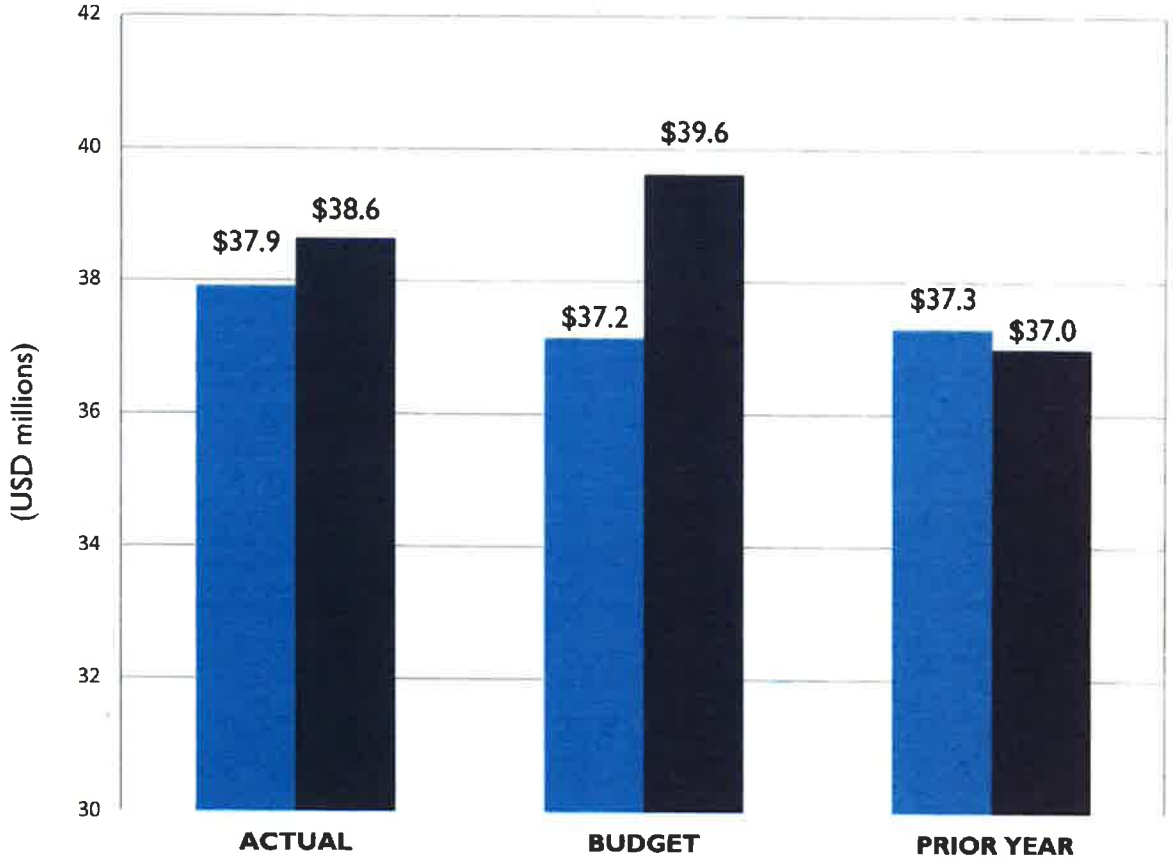
Rodney W. Oliver
Chief Financial Officer

THE PORT OF VIRGINIA | Stewards of Tomorrow

OPERATING REVENUES AND EXPENSES:

For the Month Ended September 30, 2016

Revenues favorable to Budget and Prior Year, with expenses favorable to Budget



■ Operating Revenues

■ Operating Expenses

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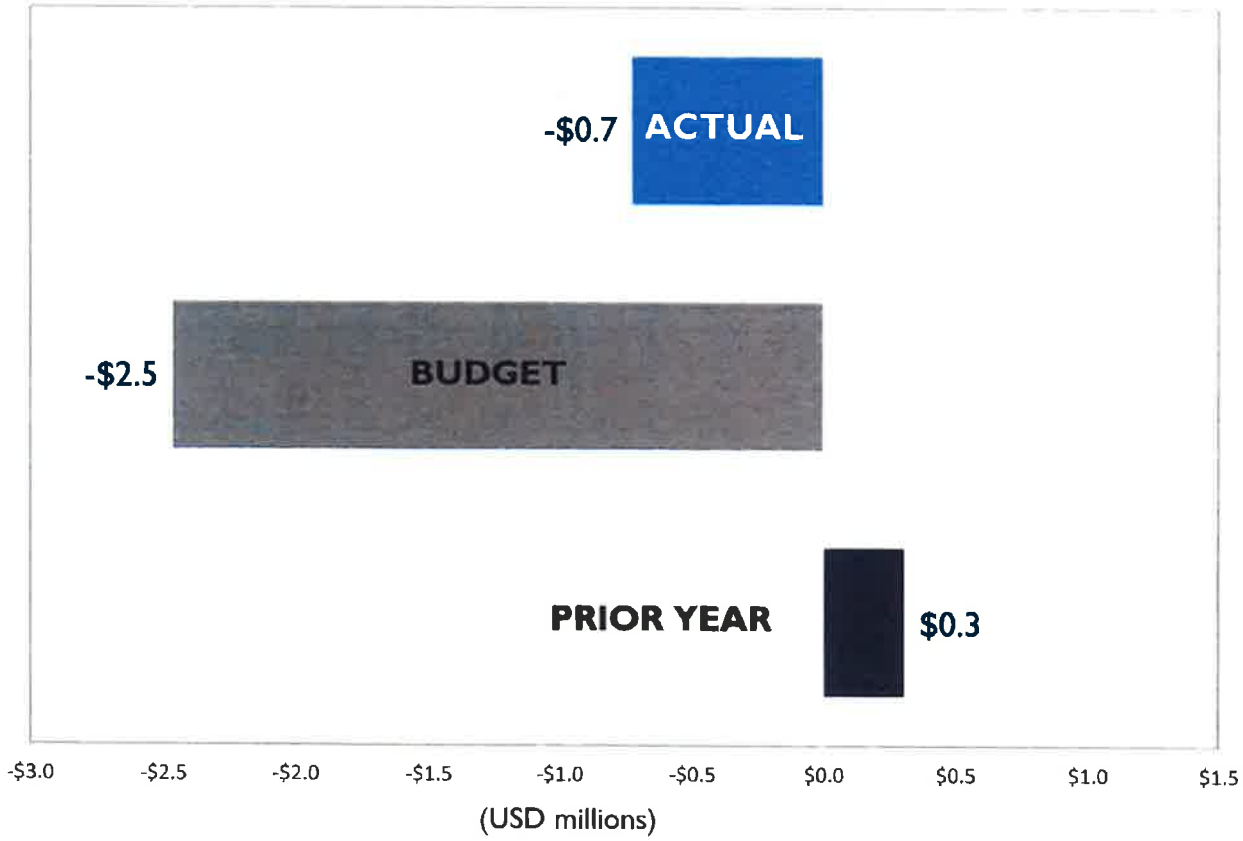
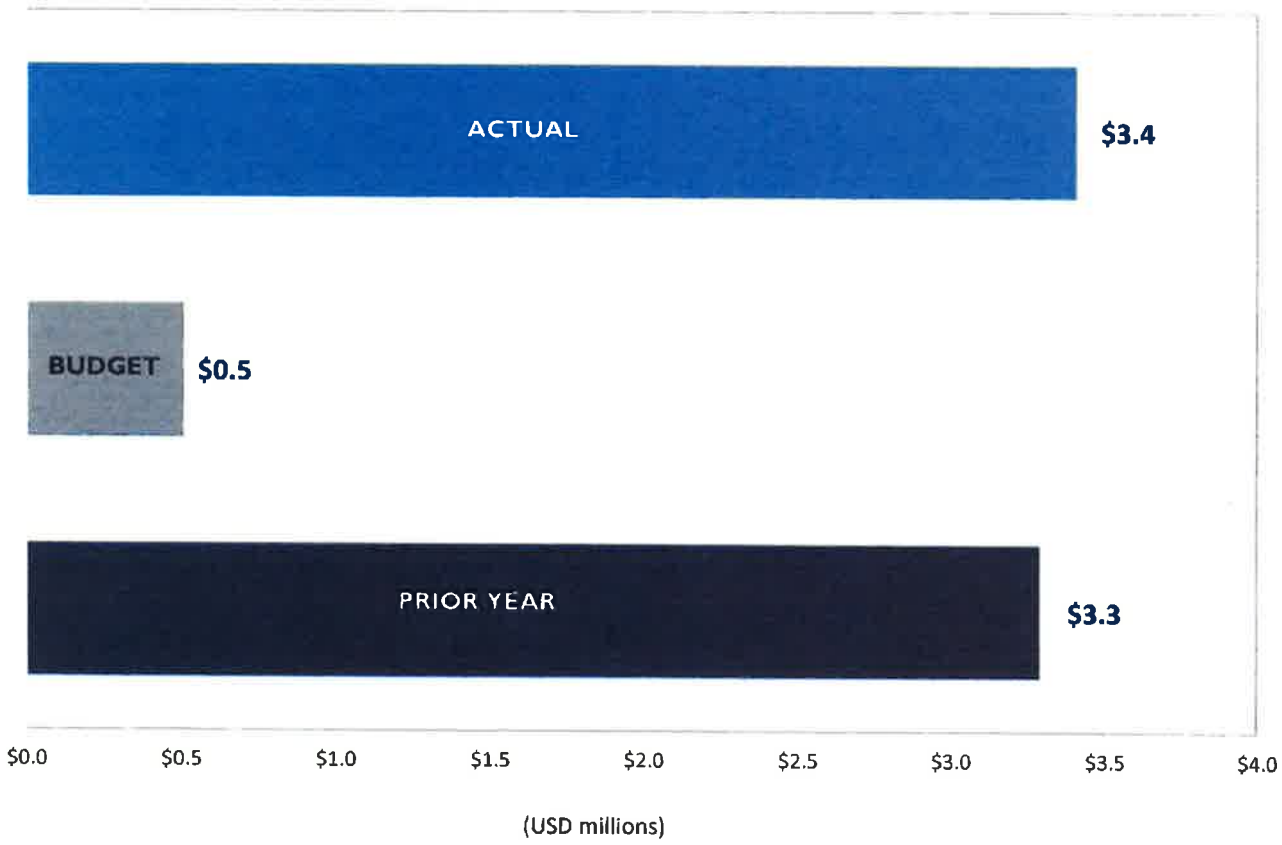
OPERATING INCOME (LOSS):
For the Month Ended September 30, 2016

Favorable variances to Budget but unfavorable to Prior Year



CHANGE IN NET POSITION:
For the Month Ended September 30, 2016

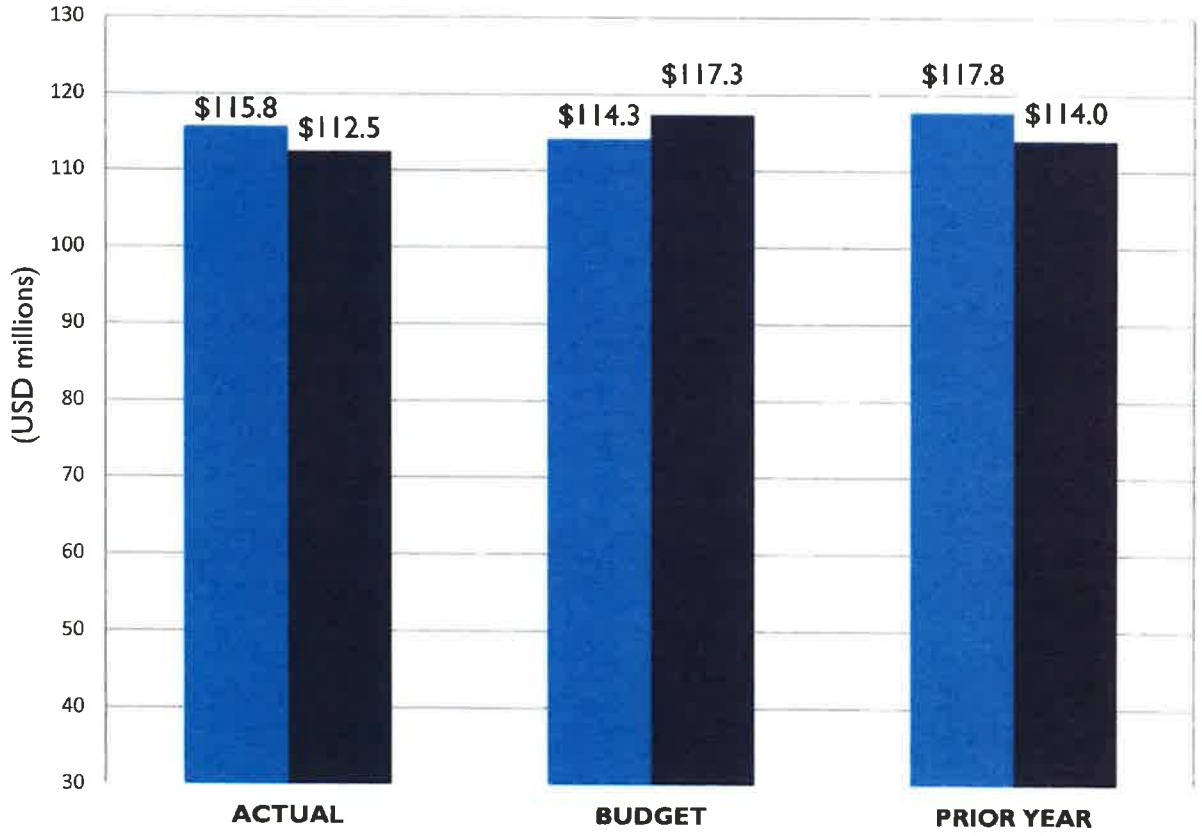
Favorable in Net Position to Budget and Prior Year



OPERATING REVENUES AND EXPENSES:

For the Three Months Ended September 30, 2016

Revenues are favorable to Budget but unfavorable to Prior Year, while Expenses are favorable to Budget and Prior Year



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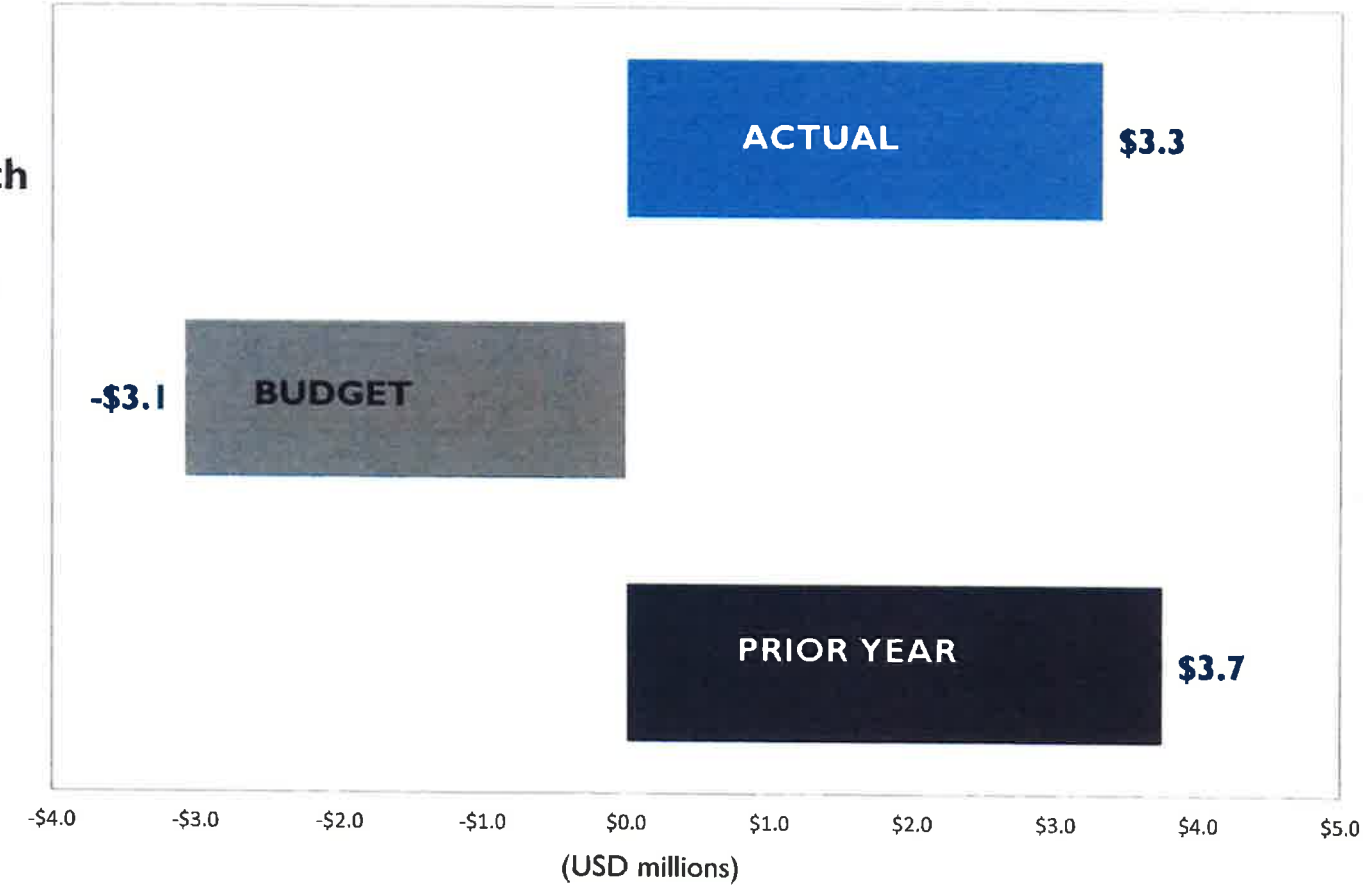
OPERATING INCOME(LOSS):

For the Three Months Ended September 30, 2016

Positive Operating Income with favorable variance to Budget



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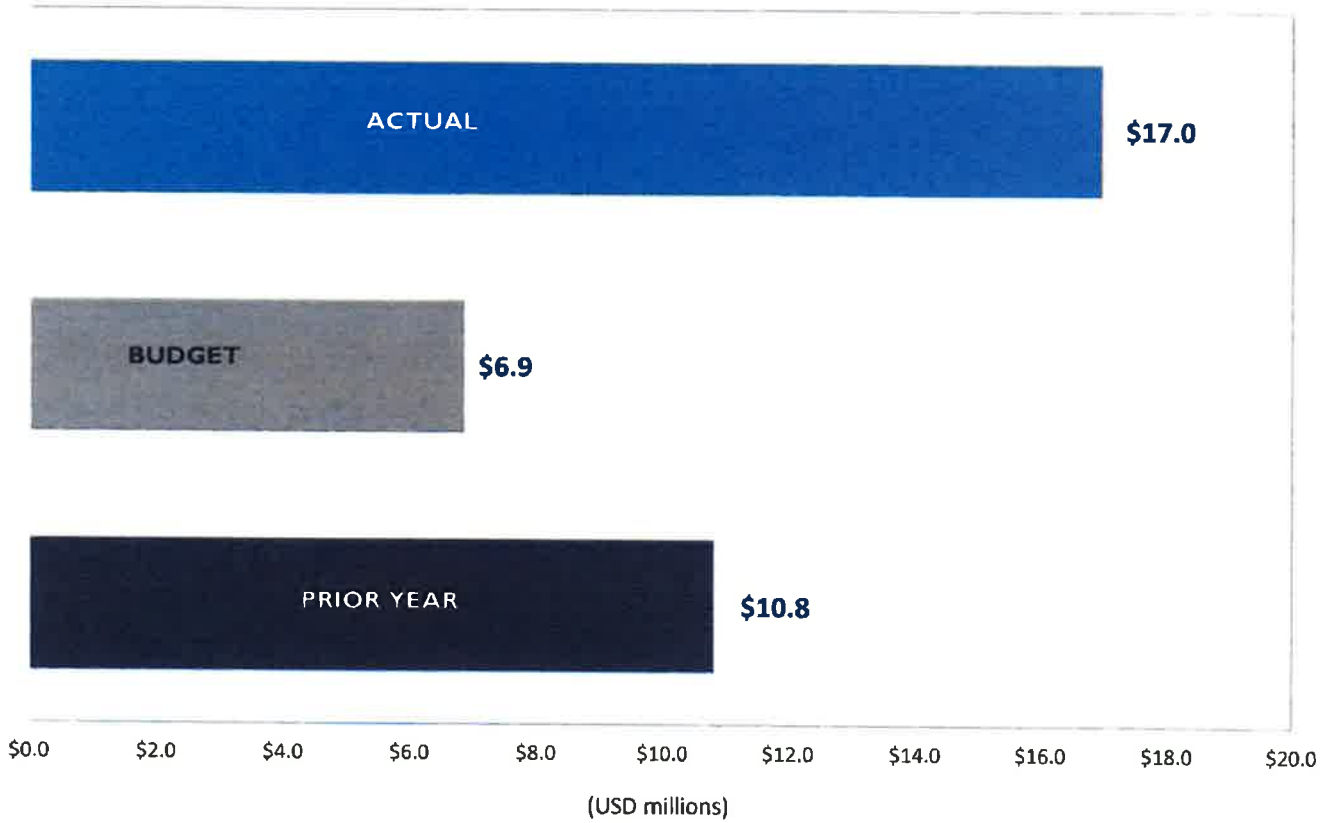
CHANGE IN NET POSITION:

For the Three Months Ended September 30, 2016

Change in Net Position favorable compared to Budget and Prior Year



Port of Virginia Volumes FYTD 2017

Fiscal Year-to-Date: Jul - Sep FY 2017				
	FY 2016	FY 2017	Change	% Change
Total TEUs	**661,578**	**673,278**	**11,700**	**1.8%**
Export TEUs	362,637	356,124	(6,513)	-1.8%
Import TEUs	298,941	317,154	18,213	6.1%
Total Containers	**377,730**	**380,938**	**3,208**	**0.8%**
General Cargo Tonnage	**4,831,531**	**5,163,496**	**331,965**	**6.9%**
Container Tonnage	4,762,646	5,118,515	355,869	7.5%
Breakbulk Tonnage	68,885	44,981	(23,904)	-34.7%
Total Rail Containers	**126,013**	**142,244**	**16,231**	**12.9%**
VIP Containers	11,180	9,717	(1,463)	-13.1%
Total Barge Containers	**13,070**	**10,649**	**(2,421)**	**-18.5%**
RMT Containers	3,387	4,839	1,452	42.9%
Total Truck Containers	**238,647**	**228,045**	**(10,602)**	**-4.4%**
Ship Calls	**507**	**463**	**(44)**	**-8.7%**
Vehicle Units	**9,920**	**7,510**	**(2,410)**	**-24.3%**

Port of Virginia Volumes CYTD 2017

Calendar Year-to-Date: Jan - Sep 2016				
	CY 2015	CY 2016	Change	% Change
Total TEUs	**1,915,293**	**1,951,359**	**36,066**	**1.9%**
Export TEUs	1,039,407	1,050,773	11,366	1.1%
Import TEUs	875,886	900,586	24,700	2.8%
Total Containers	**1,096,991**	**1,106,155**	**9,164**	**0.8%**
General Cargo Tonnage	**15,116,966**	**15,245,258**	**128,292**	**0.8%**
Container Tonnage	14,894,321	15,092,208	197,887	1.3%
Breakbulk Tonnage	222,645	153,050	(69,595)	-31.3%
Total Rail Containers	**365,098**	**408,343**	**43,245**	**11.8%**
VIP Containers	28,196	29,978	1,782	6.3%
Total Barge Containers	**37,100**	**28,396**	**(8,704)**	**-23.5%**
RMT Containers	10,177	13,216	3,039	29.9%
Total Truck Containers	**694,793**	**669,416**	**(25,377)**	**-3.7%**
Ship Calls	**1,480**	**1,462**	**(18)**	**-1.2%**
Vehicle Units	**37,819**	**22,070**	**(15,749)**	**-41.6%**

PROJECTS SCHEDULE

Milestone	Date	Status
NIT North Gate Open	6/30/17	This is the date the new gate will be available to truck traffic. Punch list items and demobilization of the construction teams will be on-going.
NIT PDS Project Vessel Support	TBD	The issues with the network have hampered continued progress. Next steps involved the continued rollout to the yard operation and first attempts to support vessel operations.
NIT Optimization Start Of Construction	7/1/17	Revised from 4/15/17. The revised date is early enough to not impact the overall project schedule.
VIG N4 Conversion NIT Migration to N4 3.x	1/15/18 6/15/17	This milestone was changed from last month to reflect the Navis N4 tasks required to get BOTH terminals ready for their automation upgrades. They are being done in tandem and will be reported as such. This month Navis has had MAJOR problems doing the basics to get this effort started.
VIG Restated Lease Commencement	11/17/16	The lease was signed on September 21, with a commencement date of 11/17. Most VIG2 related dates rely on the commencement date.
IT Business Continuity Project Plan Developed	12/15/16	The VIG DR site must be moved prior to the start of rail construction (January 23, 2017). Good progress on the VIG DR issue – but not much done on the port as a whole.
Business Intelligence Project Kickoff	9/25/16	COMPLETED. The BI project milestone will be redone in November to reflect a new milestone related to progress on the revised plan. The revised plan will be presented at the November SC meeting for approval.
Bayonne Bridge Raised	1Q18	Second obstacle to larger ships on USEC removed.

PROJECTS OVERVIEW

PROJECT	BUDGET	SCHEDULE
VIG Phase II	🟢	🟢
VIG N4 Conversion	🟢	🟡
NIT North Gate	🟠	🟢
NIT PDS	🟢	🟢
NIT Optimization	🟢	🟢
Business Intelligence	🟢	🟢
IT Business Continuity	🟢	🟠