

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

WEDNESDAY, SEPTEMBER 18, 2013, AT 4:00 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT, 2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chair of the Committee, Deborah M. Thomas, at 4:00 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Deborah M. Thomas and Kathleen C. Hittner, M.D.

COMMITTEE MEMBERS ABSENT: Joseph Cianciolo and Bradford Dimeo.

ALSO PRESENT: Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Dr. Hittner and seconded by Ms. Thomas to approve the Minutes of the Finance and Audit Committee Meeting of June 19, 2013. The motion was passed unanimously.

2. Action Items:

(a) Consideration of and Action Upon Draft Fiscal Year 2013 Audited Financial Statement and Related Reports.

Ms. Thomas stated she had reviewed the documents and asked Mr. Schattle to provide an overview. Mr. Schattle gave a brief overview of the Corporation's outside audit process and introduced Mr. Scott Bassett, from McGladrey, RIAC's outside audit firm.

Mr. Bassett noted there were no audit adjustments, audit or compliance findings and issued a clean unqualified opinion. No significant issues were noted during the audit. Mr. Bassett noted RIAC is no longer a component unit of the RIEDC but of the State and is no longer included in RIEDC financial statements. Mr. Bassett commended RIAC financial team for their cooperation and assistance in completing the audit.

Mr. Schattle gave a detailed overview of the financial statements. There was specific discussion on enplanement data and its impact to the revenue streams. Mr. Schattle noted the Corporation continues to

focus on identifying new revenue streams and monitoring operating expenses for efficiencies. Mr. Schattle noted the CPE has increased to \$11.50, as anticipated by both RIAC and the airlines. Mr. Schattle highlighted the continued focus on airport parking revenues, airport concessions and other revenue streams. Mr. Schattle also reviewed RIAC's non-operating revenue and expenditures and gave an overview of the revenues and expenses for the general aviation airports. There was discussion on the InterLink facility revenues and passenger trends. Ms. Thomas commended Mr. Schattle, Ms. Williams and the RIAC financial staff on a great job.

Mr. Schattle gave an overview of the Passenger Facility Charge Program Report noting the report was issued with a clean opinion.

A motion was made by Ms. Thomas and seconded by Dr. Hittner to approve the Draft Fiscal Year 2013 Audited Financial Statements and the Passenger Facility Charge Program Report, substantially in the form presented to the Committee, subject to Board approval.

The motion passed unanimously.

(b) Consideration of and Action Upon Airport Revenue Refunding Bonds (2013 Series B (Non-AMT) and 2013 Series C (AMT) and Related Documents.

Mr. Schattle gave an overview of the current refunding analysis and

projected present value savings and introduced Mr. Neil Atterman from Citi Bank who provided additional information on the process to issue bonds. Mr. Schattle also introduced Ms. Sandra Mack of Cameron and Mitterman who discussed additional legal documentation. Mr. Fredericks stated he was very impressed with the team effort and attention to detail exhibited by Mr. Schattle and Ms. Williams. The recommendation is that the Committee approves the attached resolution containing the following approvals and authorizations, subject to Board approval:

1. RIAC hereby approves the Refunding and hereby requests the EDC to approve the authorization and issuance of the 2013 Series B/C Bonds in an amount necessary to refund all or a portion of the Refunded Bonds and to pay the costs of issuing the 2013 Series B/C Bonds.

2. RIAC hereby approves and authorizes the use by the EDC, in connection with the sale and distribution of the 2013 Series B/C Bonds, a POS in substantially the form submitted to the Board and the distribution thereof is hereby approved. The preparation and distribution of a Final Official Statement, substantially in the form of the POS, is hereby approved in connection with the sale of the 2013 Series B/C Bonds and the Authorized Officers, each, acting singly, are hereby authorized and directed to execute and deliver the Final Official Statement in the name and on behalf of RIAC. Any one of the Authorized Officers is hereby authorized to certify the “finality” of the

POS on behalf of RIAC within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934. The POS and the Final Official Statement, as executed, shall be substantially in the form of the draft of the POS now before this meeting, with such changes therein as shall be appropriate to make proper disclosure of relevant information to purchasers of the 2013 Series B/C Bonds. The execution of the Final Official Statement on behalf of RIAC shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form now before this meeting.

3. The Authorized Officers of RIAC for purposes of this Resolution are the President/CEO, the Chairperson, the Vice Chairperson or the Treasurer.

4. The form, terms and provisions of the Tenth Supplemental Indenture and the 2013 Series B/C Loan Agreement are hereby approved, and the Authorized Officers of RIAC, signing singly, are hereby authorized and directed to execute, acknowledge and deliver the Tenth Supplemental Indenture and the 2013 Series B/C Loan Agreement in substantially the forms presented to the meeting , each to contain such provisions and to be in such final form as an Authorized Officer or Officers shall determine to be necessary or appropriate (including any additional provisions required of the bond insurer, if applicable), and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all

such other documents, as may be necessary or appropriate to carry out and comply with the terms and provisions of such documents.

5. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale prices of and interest rates for the 2013 Series B/C Bonds, provided that the interest rates for the 2013 Series B/C Bonds will be adequate to produce a net benefit with respect to the refunding of the Refunded Bonds.

6. The Authorized Officers of RIAC, acting singly, are hereby authorized and directed to negotiate with bond insurance companies, and if determined to be in the best interest of the EDC and RIAC, to commit to purchase bond insurance for one or more maturities of the 2013 Series B/C Bonds on such terms as such Authorized Officer or Authorized Officers determines are appropriate.

7. The Authorized Officers of RIAC, signing singly, are hereby authorized and directed to execute and deliver all such other documents, including but not limited to Bond Purchase Agreement, Continuing Disclosure Agreement, Tax Regulatory Agreement and final Official Statement, and to take all such other action, as may be necessary or appropriate in order to give effect to this resolution.

8. All acts of the officers of RIAC which are in conformity with the purposes and intents of this resolution and in furtherance of the

issuance of the 2013 Series B/C Bonds and the execution, delivery, approval and performance of the Tenth Supplemental Indenture, 2013 Series B/C Loan Agreement, the final Official Statement, Continuing Disclosure Agreement, Tax Regulatory Agreement and any further documents shall be, and the same hereby are, in all respects ratified, approved and confirmed.

A motion was made by Dr. Hittner and seconded by Ms. Thomas to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (State) organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the Act) as a subsidiary public corporation of the Rhode Island Economic Development Corporation (EDC); and

WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act “... to furnish proper and adequate airport facilities within the State ...;” and

WHEREAS, RIAC wishes to take advantage of present market interest rate conditions and refund on a current basis all or a portion of the EDC’s outstanding (a) Airport Revenue Bonds, 1998 Series B (the 1998 Series B Bonds), and/or (b) Airport Revenue Refunding Bonds, 2003 Series A (the 2003 Series A Bonds and/or the 1998 Series B

Bonds are collectively referred to as the “Refunded Bonds); and

WHEREAS, RIAC has determined that the Refunding of the Refunded Bonds would provide a net benefit to the EDC and RIAC; and

WHEREAS, RIAC intends to finance the refunding by requesting the EDC to issue its Airport Revenue Refunding Bonds, 2013 Series B (Non-AMT) and/or 2013 Series C (AMT) (collectively, the 2013 Series B/C Bonds) in an amount necessary to refund all or a portion of the Refunded Bonds and to pay the costs of issuing the 2013 Series B/C Bonds, which 2013 Series B/C Bonds would be issued pursuant to the Master Indenture of Trust dated as of October 1, 1993, by and among the EDC, RIAC and U.S. Bank National Association, as trustee (Trustee) (the Master Indenture), as amended through the date hereof including by a Tenth Supplemental Indenture of Trust among RIAC, the EDC and the Trustee (the Tenth Supplemental Indenture and together with the Master Indenture, as amended, collectively, the Indenture) and a Loan Agreement between RIAC and the EDC (the 2013 Series B/C Loan Agreement), pursuant to which the EDC will loan the proceeds of the sale of the 2013 Series B/C Bonds to RIAC; and

WHEREAS, Citigroup Global Capital Markets, Inc. was previously selected as underwriter (the Underwriter) for the issuance of the 2013 Series B/C Bonds; and

WHEREAS, the Underwriter, working with its counsel and other representatives of RIAC and the EDC, have prepared a draft of the Preliminary Official Statement (POS) for use in connection with the sale of the 2013 Series B/C Bonds, which document contains information relating to the refunding of the Refunded Bonds (the Refunding), EDC and RIAC and which the EDC has requested be approved and authorized by RIAC; and

WHEREAS, there have been prepared and submitted to this meeting of the Board of Directors (Board) the POS thereto, the Tenth Supplemental Indenture, and the 2013 B/C Loan Agreement between RIAC and the EDC, and the Board has determined that such documents appear to be in appropriate form and contain terms satisfactory to the Board; and

WHEREAS, in order to maximize benefits to the EDC and RIAC in connection with such financing, it may be desirable to obtain bond insurance or other credit enhancement.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. RIAC hereby approves the Refunding and hereby requests the EDC to approve the authorization and issuance of the 2013 Series B/C Bonds in an amount necessary to refund all or a portion of the Refunded Bonds and to pay the costs of issuing the 2013 Series B/C Bonds.

2. RIAC hereby approves and authorizes the use by the EDC, in connection with the sale and distribution of the 2013 Series B/C Bonds, a POS in substantially the form submitted to the Board and the distribution thereof is hereby approved. The preparation and distribution of a Final Official Statement, substantially in the form of the POS, is hereby approved in connection with the sale of the 2013 Series B/C Bonds and the Authorized Officers, each, acting singly, are hereby authorized and directed to execute and deliver the Final Official Statement in the name and on behalf of RIAC. Any one of the Authorized Officers is hereby authorized to certify the “finality” of the POS on behalf of RIAC within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934. The POS and the Final Official Statement, as executed, shall be substantially in the form of the draft of the POS now before this meeting, with such changes therein as shall be appropriate to make proper disclosure of relevant information to purchasers of the 2013 Series B/C Bonds. The execution of the Final Official Statement on behalf of RIAC shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the form now before this meeting.

3. The Authorized Officers of RIAC for purposes of this Resolution are the President/CEO, the Chairperson, the Vice Chairperson or the Treasurer.

4. The form, terms and provisions of the Tenth Supplemental

Indenture and the 2013 Series B/C Loan Agreement are hereby approved, and the Authorized Officers of RIAC, signing singly, are hereby authorized and directed to execute, acknowledge and deliver the Tenth Supplemental Indenture and the 2013 Series B/C Loan Agreement in substantially the forms presented to the meeting, each to contain such provisions and to be in such final form as an Authorized Officer or Officers shall determine to be necessary or appropriate (including any additional provisions required of the bond insurer, if applicable), and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all such other documents, as may be necessary or appropriate to carry out and comply with the terms and provisions of such documents.

5. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale prices of and interest rates for the 2013 Series B/C Bonds, provided that the interest rates for the 2013 Series B/C Bonds will be adequate to produce a net benefit with respect to the refunding of the Refunded Bonds.

6. The Authorized Officers of RIAC, acting singly, are hereby authorized and directed to negotiate with bond insurance companies, and if determined to be in the best interest of the EDC and RIAC, to commit to purchase bond insurance for one or more maturities of the 2013 Series B/C Bonds on such terms as such Authorized Officer or

Authorized Officers determines are appropriate.

7. The Authorized Officers of RIAC, signing singly, are hereby authorized and directed to execute and deliver all such other documents, including but not limited to Bond Purchase Agreement, Continuing Disclosure Agreement, Tax Regulatory Agreement and final Official Statement, and to take all such other action, as may be necessary or appropriate in order to give effect to this resolution.

8. All acts of the officers of RIAC which are in conformity with the purposes and intents of this resolution and in furtherance of the issuance of the 2013 Series B/C Bonds and the execution, delivery, approval and performance of the Tenth Supplemental Indenture, 2013 Series B/C Loan Agreement, the final Official Statement, Continuing Disclosure Agreement, Tax Regulatory Agreement and any further documents shall be, and the same hereby are, in all respects ratified, approved and confirmed.

The motion was passed unanimously.

3. Future Meetings:

The next meeting will be announced.

4. Adjournment:

Dr. Hittner moved to adjourn at approximately 4:52 p.m. Ms. Thomas seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**Deborah M. Thomas, Chair
Finance and Audit Committee of
the Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
FINANCE AND AUDIT COMMITTEE
SEPTEMBER 18, 2013**

Brian Schattle RIAC

Nicole Williams RIAC

Kendra Beaver RIAC

Liberty Luciano RIAC

Scott Bassett McGladrey

Neal Atterman Citi

Sandra Mack Cameron and Mitterman

Robert Geoff New England Parking