

**BYLAWS OF THE
FORT MONROE
FEDERAL AREA DEVELOPMENT AUTHORITY**

ARTICLE I

PREAMBLE

Section 1.01. NAME. The name of this body shall be the Fort Monroe Federal Area Development Authority (the "Authority").

Section 1.02. PURPOSE. The Authority was created for the purposes contemplated by the Act as defined herein.

Section 1.03. POWERS. The Authority shall be vested with all the powers that may be necessary to enable it to accomplish its purposes, and all such powers shall be exercised for the benefit of the inhabitants of the Commonwealth of Virginia either through the increase of their commerce, or through the promotion of their health, safety and welfare, convenience or prosperity. The Authority may exercise all powers granted to it by the Authorities for Development of Former Federal Areas Act, Chapter 63, Title 15.2 of the Code of Virginia of 1950, as amended, as in effect from time to time (the "Act") including the powers more particularly described in Section 15.2-6308 and 6304.1 of the Act, and by the Ordinance creating the Authority adopted by the City Council of the City of Hampton, Virginia (the "City Council") on March 28, 2007, Coded as Ordinance Number 1473 (herein collectively called the "Enabling Act"). The Authority shall be a separate and distinct legal entity and shall be, in accordance with the Act, a political subdivision of the Commonwealth of Virginia.

ARTICLE II

OFFICES

Section 2.01. OFFICES OF THE AUTHORITY. The office of the Authority shall be at _____, in the City of _____, Virginia, but the Authority may hold its meetings at such places as may be designated by resolution or upon call of the Chair.

ARTICLE III

BOARD OF COMMISSIONERS

Section 3.01. ORGANIZATION. The Authority shall be governed by a Board of Commissioners (the "Board") composed of up eighteen (18) members appointed in accordance with the provisions of the Enabling Act. Before entering upon the discharge of duties, each Commissioner shall take and subscribe to the oath of office required by Section 49-1 of the Code of Virginia.

Section 3.02. BOARD TERMS. The members of the Board shall serve for terms as specified in Virginia Code §15.2-6304.1.

Section 3.03. VACANCIES. No vacancy in the membership of the Board shall impair the rights of a quorum to exercise all the rights and perform the duties of the Authority. If a vacancy shall occur by reason of death, disqualification, or resignation of a member, a new member shall be appointed as specified in the Enabling Act to fill the vacancy for the remainder of the unexpired term.

Section 3.04. RESIGNATION. Any appointed Board member may resign from the Authority at any time by delivering written notice to the Authority, its Chair or Vice-Chair. The Authority shall forward such notice to the Governor and to the City Council. Such resignation shall take effect when such notice is delivered unless the notice specifies a later effective date.

Section 3.05. REMOVAL OF BOARD MEMBERS. Any appointed Board member may be removed by the appointing authority, with or without cause.

ARTICLE IV

OFFICERS

Section 4.01. OFFICERS. The Board shall elect from its membership a Chair, a Vice-Chair, a Secretary and a Treasurer and shall prescribe their powers and duties.

Section 4.02. ELECTION AND TERM OF OFFICE. Election of officers shall be held at the first meeting in January of each year, except for the initial officers who shall continue in office until the first meeting held in the year 2009, and shall commence their duties immediately upon election and shall continue in office thereafter until a successor shall have been elected and qualified. Elected officers shall take office

immediately upon election and serve for a term of one (1) year or until their successors are elected. Any officer shall be eligible for re-election.

Section 4.03. VACANCIES IN OFFICE. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall cause the Board to fill the unexpired portion of such officer's term from its membership and such officer so appointed shall serve until the next election under Section 4.02 above.

Section 4.04. REMOVAL OF OFFICERS. The Board may remove any officer at any time with or without cause.

Section 4.05. DUTIES OF OFFICERS. The duties of officers of the Authority shall include, but shall not be limited, to the following:

(a) Chair. The Chair shall preside at all meetings of the Authority; make reports to the members; perform all duties incident to his or her office, and perform such other duties or have such powers as the Authority may from time to time so designate. Except as otherwise authorized by resolution of the Authority, the Chair shall sign all contracts, deeds and other instruments made by the Authority. At each meeting the Chair shall submit such recommendations and information as he or she may consider proper concerning the business affairs and policies of the Authority. The Chair shall issue notices for all meetings as required by law or these Bylaws.

(b) Vice-Chair. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair, and in case of the resignation or death of the Chair, the Vice-Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall select a new Chair.

(c) Secretary. The Secretary shall accurately keep all the minutes of the meetings of the Board of Commissioners of the Authority in a minute book, which shall be open at all reasonable times for inspection. The Secretary shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. He or she shall have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under official seal of the Authority to the effect that

such copies are true copies. All persons dealing with the Authority may rely upon such certificates.

(d) Treasurer. The Treasurer shall have care and custody of all funds and securities of the Authority. The Treasurer shall keep suitable records of all the financial transactions, and the Authority shall arrange to have these records audited annually, with a copy of such audit being furnished to the City Council of the City of Hampton and the Governor of the Commonwealth of Virginia. A copy of the audit shall be open for public inspection. The Treasurer shall deposit the funds of the Authority or cause the same to be deposited in the name of the Authority in such account or accounts, bank or banks as the Authority may select, in accordance with the provisions governing the investment of public funds, subject to the provisions of any trust agreement securing revenue bonds of the Authority. The Treasurer shall arrange for the investment of idle cash balances to the best advantage of the Authority. The Treasurer, together with the Chair of the Authority, shall sign all orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Authority. All orders and checks shall be countersigned by the Vice-Chair in the absence of the Chair. By resolution, the Authority may designate such other authorized persons to sign checks as it may deem appropriate. The Treasurer shall keep regular books of account, showing receipts and expenditures, and shall render to the Authority at the annual meeting, or more often when requested, an account of all transactions and the financial condition of the Authority. The Treasurer shall give such bond for the faithful performance of his or her duties as the Authority may determine.

The Treasurer shall perform other duties and functions commonly incident to his or her office and shall perform such other duties as may from time-to-time be required by the Authority or the Bylaws of the Authority.

The offices of Secretary and Treasurer may be held by the same person.

ARTICLE V
PROCEDURES

Section 5.01. QUORUM. Twelve (12) members of the Board shall constitute a quorum of the Authority for the purpose of conducting its business and exercising its powers and for all other purposes.

Section 5.02. VOTING. Each Board member shall be entitled to one vote on matters before the Board. The vote of a majority of Board members shall be necessary for any action taken by the Authority, provided, however, that a supermajority vote of seventy-five percent (75%) of the full Board shall be required for the adoption or endorsement to the Governor of any reuse or redevelopment plan, the adoption of a budget, the hiring of an Executive Director, adoption or modification of the FMFADA bylaws and adoption/endorsement of an Environmental Services Cooperative Agreement with the federal government, and any other such matter that a majority of the Board believes should be subject to a supermajority vote. The voting on all questions coming before the Authority shall be by roll call and the yeas and nays shall be entered upon the minutes of such meetings. Robert's Rules of Order shall prevail so long as there is no conflict with these Bylaws.

Section 5.03. ANNUAL MEETING. The annual meeting of the Authority shall be held on the second Monday in January of each year at a time and place designated by the Commissioners.

Section 5.04. REGULAR MEETINGS. Monthly meetings of the Board shall be held on the date and time as designated by the Board from time to time and stated in the notice of the meeting. Meetings of the Board, or of three or more members of the Board, shall be public, and notice of such meetings shall be posted. However, discussions by the Board concerning legal matters, real estate, contract negotiations, and/or personnel matters may be held in a closed meeting in accordance with Section 2.2-3711 of the Code of Virginia of 1950, as amended, but any vote on such matters discussed in a closed meeting shall be in open session.

Section 5.05. SPECIAL MEETINGS. Special meetings of the Board may be called by the Chair, when he or she deems it expedient, or at the written request of any four (4) members of the Board for the purpose of transacting any business designated in the call. At such special meeting no business shall be considered other than as designated

in the call, but if all the members of the Board are present at a special meeting, any and all business may be transacted at such special meeting. The person or persons authorized to call special meetings of the Board may fix any place within the Commonwealth of Virginia as the place for holding any special meeting of the Board and give notice of such meeting as described below.

Section 5.06. NOTICE OF BOARD MEETINGS. Notice stating the date, place and hour of any annual, regular or special meeting of the Board shall be given at least five (5) calendar days prior to the meeting date. Notice of such meeting shall be given by written notice delivered personally or sent by mail or facsimile to each member of the Board at the Board member's address shown on the records of the Authority. If mailed, such notice shall be deemed to be delivered three (3) business days after it is deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If given by facsimile, such notice shall be deemed delivered when sent. Any Board member may waive notice of any meeting. The attendance of a Board member at any meeting shall constitute a waiver of notice of such meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Section 5.07. POSTING OF MEETING NOTICE. Notice of a Board meeting or a Committee meeting of three (3) or more members of the Board, together with an agenda for such meeting, shall be posted in a place readily available to the general public at least 48 hours preceding the scheduled time of the meeting or as otherwise required by Virginia Code §2.2-3707.

Section 5.08. ELECTRONIC MEETINGS. Meetings of the Board, and any committee thereof, may be held by means of a conference telephone or equivalent communications equipment in accordance with Virginia Code §2.2-3708.1.

Section 5.09. ORDER OF BUSINESS. At the regular meeting of the Authority the following shall be the order of business:

- (a). Roll call
- (b). Reading and approval of the minutes of the previous meeting
- (c). Reports/Briefings
- (d). Unfinished business
- (e). Other business
- (f). Closed Meeting (if needed)
- (g). New business
- (h). Adjournment

All resolutions shall be in writing and shall be copied in the minute book of the proceedings of the Authority.

Section 5.10. COMPENSATION. Board members shall not receive salaries or compensation for their services unless authorized by amendment to the Act. Board members shall receive from the Authority their necessary travel and business expenses while on business of the Board.

ARTICLE VI

APPOINTMENT OF EXECUTIVE DIRECTOR, AGENTS AND EMPLOYEES

Section 6.01. EXECUTIVE DIRECTOR. The Authority shall appoint the chief executive officer of the Authority, who shall not be a member of the Board, to be known as the Executive Director (the "Director") of the Authority. The compensation of the Director shall be paid by the Authority in the amount determined by the Board. The Director shall serve at the pleasure of the Board. The Director shall execute and enforce the orders and resolutions adopted by the Board and perform such duties as may be delegated to him or her by the Board, including powers and duties involving the exercise of discretion. The Director shall exercise and perform such other powers and duties as may be lawfully delegated to him or her, and such powers and duties as may be conferred or imposed upon him or her by law.

Section 6.02. AGENTS AND EMPLOYEES. The Authority shall employ or retain as staff such other agents or employees subordinate to the Director as may be necessary, including persons with special qualifications. Such agents and employees shall serve at the pleasure of the Board. The Authority shall determine which such agents

or employees shall be bonded and the amount of such bonds. The Board shall adopt written job responsibilities for the Authority staff.

Section 6.03. LEGAL COUNSEL. The Attorney General of the Commonwealth of Virginia, or his or her designee shall serve as legal counsel for the Authority. Outside legal counsel may be retained by the Authority upon the recommendation of Legal Counsel.

Section 6.04. EMERGENCY POWERS. In the case of an emergency, such as a significant failure of equipment or flood, fire, or other natural disaster that endangers proper and safe operation of the facilities of the Authority, the Director is authorized to take such action as he or she deems necessary, in his or her sole discretion, to prevent or mitigate damages to the facilities. In responding to such an emergency, the Director shall have the authority to contract for such assistance, services, or equipment as he or she deems necessary in his or her sole discretion. As soon as practicable, given the circumstances of the emergency, the Director shall inform all members of the Board of his or her actions in response to the emergency. The Chair may call a special meeting of the Board to consider the emergency actions as soon as practicable, given the circumstances of the emergency.

ARTICLE VII **COMMITTEES**

Section 7.01. EXECUTIVE COMMITTEE The Board shall have a standing Executive Committee which shall have full authority to act for the Board to accomplish the goals and directives adopted by the full Board; to authorize the Director within his/her normal duties; and to advise the Director on day to day operational and administrative matters. The results of each meeting of the Committee shall be reported to the full Board at the next regularly scheduled meeting following the meeting of the Executive Committee. The Executive Committee shall be comprised of 5 members of the Board, of which the Chair, Vice Chair, Secretary and Treasurer shall be members. The Chair shall appoint the fifth member. If the offices of Secretary and Treasurer are held by the same person then the Chair shall appoint the fourth and fifth member.

Section 7.02. STANDING COMMITTEES. In addition to the Executive Committee, the Authority shall have three (3) standing committees that shall act in an advisory capacity. Each committee shall be composed of at least two (2) members, each of whom shall be members of the Board, and may include persons who are not members of the Board. Board members shall be appointed to a committee by virtue of their office or by appointment of the Chair of the Board. Appointments will be made following the annual election of officers or at the first meeting next following the election of officers. Vacancies shall be filled by appointments made by the Chair of the Board at the meeting next following the vacancy or following a new Board member's appointment to the Board by the City Council.

Section 7.03. OPERATIONS/TRANSACTIONS COMMITTEE. This committee shall be responsible for making recommendations concerning the following aspects of Authority business: operations of Authority activities, staffing, contract services, maintenance levels, physical improvements, procedures relating to contracts, agreements, leases, site covenants and restrictions and any and all legal documents used for Authority purposes, the lease, acquisition and sale of real and personal property, legal issues, general policy statements, rules and regulations, and Bylaws. The Chair of the Authority may be the Chair of the Operations/Transactions Committee. Members of this committee shall be appointed by the Chair of the Authority.

Section 7.04. MARKETING COMMITTEE. This committee is responsible for making recommendations concerning the following aspects of Authority business: marketing strategies and programs, marketing budgets, sales and lease prices, cooperative marketing, tenant selection, site image and appearance, inducement programs, and all matters relating to the marketing of real property. The members of this committee shall be appointed by the Chair of the Authority, who will also designate the member to be committee Chair. Guidelines and procedures for the operations of this committee will be prepared by the membership of the committee and approved by the Authority.

Section 7.05. FINANCE COMMITTEE. This committee is responsible for making recommendations concerning the following aspects of Authority business: an

annual budget, the long-term business plan, all matters and procedures relating to budget and business plan preparation, the investment of surplus funds, sales and lease prices, fees and charges, purchasing policy, capital improvements plan, bonding, grants, procurement, borrowing, annual audit, joint-venture participation and similar financial actions. The Treasurer of the Authority shall be the Chair of this committee.

Section 7.06. OTHER COMMITTEES. Other committees with advisory capacities may be established by a majority vote of the members of the Board present at a meeting at which a quorum is present. Except as otherwise provided in such resolutions, at least two (2) members of each committee so appointed shall be members of the Board. The Chair of the Board shall appoint the Board members to the committees. The Chair of the Board may remove any member of the committee when in the judgment of the Chair the best interests of the Authority shall be served by such removal.

Section 7.07. ADVISORY COMMITTEES. The Board may appoint one or more Advisory Committees to advise it, consisting of such number of persons as it may deem proper. They shall not receive any compensation for their services but may be reimbursed for their necessary traveling and other expenses incurred while on business of the Authority.

Section 7.08 HISTORIC PRESERVATION ADVISORY GROUP. The Board agrees to establish a Historic Preservation Advisory Group to help guide the development of a financially self-sustaining stewardship plan ("Historic Preservation Plan") for the long term management and use of the historic assets at Fort Monroe, for the benefit of the citizens of the Commonwealth and the United States. It is anticipated that the stewardship plan would include, among other components, the development of treatment and maintenance standards for resources or categories of resources, design guidelines and standards for any new construction, visitor orientation and educational programs, related marketing plans, and a business plan for long term management of the publicly accessible historic assets. The Historic Preservation Advisory Group and the FMFADA shall provide an annual report to the Governor on the stewardship planning process for his review and consideration. The Historic Preservation Advisory Group will consist of nine members, one member to be a representative from the State Historic

Preservation Office, one member to be a representative from the National Trust for Historic Preservation, four members to be appointed by the Governor, and three members to be appointed by FMFADA. The Historic Preservation Advisory Group shall continue to serve in an advisory role to the Board until such time as it is formally disbanded by action of the Board.

Section 7.09. TERM OF OFFICE. Each member of a committee shall continue until his or her successor is appointed, unless the committee shall be sooner terminated, or unless the member shall be removed from the committee, or unless the member shall cease to qualify as a member.

Section 7.010. COMMITTEE CHAIRS. The chair of each committee shall be a member of the Board and shall either be appointed by the Chair of the Board or as specified in these Bylaws.

Section 7.11. VACANCIES. Appointments made in the same manner as provided in the case of the original appointments may fill vacancies in the membership of the committee.

Section 7.12. COMMITTEE QUORUM. The presence of two (2) members of the Board appointed to a committee shall constitute a quorum of the committee unless otherwise provided in a resolution or the vote of the Board establishing the committee. The act of the majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the committee.

Section 7.13. RULES. Except as otherwise set forth in these Bylaws, each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board.

Section 7.14. COMMITTEE MEETINGS, MISCELLANEOUS. The provisions of these Bylaws that govern meetings, action without meetings, notice and waiver of notice requirements of the Board shall apply to committees of the Board and their members as well.

ARTICLE VIII

FUNDS AND FUND RAISING

Section 8.01. GIFTS. The Board may accept on its own behalf any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Authority.

Section 8.02. LOANS. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 8.03. PROXIES WITH RESPECT TO SECURITIES OF OTHER CORPORATIONS. Unless otherwise provided by resolution adopted by the Board, the Chair or Vice-Chair may from time to time appoint an attorney or attorneys, or an agent or agents, to exercise in the name and on behalf of the Authority the powers and rights which the Authority may have as the holder of stock or other securities in any corporation. This appointment includes the power or right to vote or to consent with respect to stock or other securities or other corporations, and the Chair or Vice-Chair may instruct the person or persons so appointed as to the manner of exercising such powers and rights. Also, the Chair or Vice-Chair may execute or cause to be executed in the name of and on behalf of the Authority and under its corporate seal, or otherwise, all such written proxies, powers of attorney or other written instruments as he or she may deem necessary in order that the Authority may exercise such powers and rights.

ARTICLE IX

BOOKS, RECORDS AND ACCOUNTS

Section 9.01. BOOKS, RECORDS AND ACCOUNTS. The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Commissioners. The Board may keep records of its Committee meetings. The Authority shall keep a record giving the names and addresses of the Board members at its principal office. All books and records of the Authority may be inspected by any Board member, or his agent or attorney and by the general public for any proper purpose at any reasonable time. The Authority may charge for the cost of preparing requested copies of any book, record or account. The books of account shall be audited annually as of the end of its fiscal year by independent certified public accountants retained by the Authority at its expense. A copy of such audit shall be made

available to the members of the Board, to the City Council and to the Governor not later than 60 days after completion of audit.

ARTICLE X

ANNUAL REPORT

Section 10.01. ANNUAL REPORT. Not later than 60 days after receipt of the annual financial audit, the Authority shall file with the City Council and the Auditor of Public Accounts a report of its activities for the preceding year.

ARTICLE XI

FISCAL YEAR

Section 11.01. FISCAL YEAR. The Authority fiscal year shall start on July 1 of each year and end on June 30 of the succeeding year.

ARTICLE XII

BUDGET AND FINANCIAL OPERATION

Section 12.01. BUDGET AND FINANCIAL OPERATION. The financial operation of the Authority shall be conducted in accordance with an annual budget to be submitted by the Director and the Treasurer of the Board for its approval. The annual budget shall be submitted to the Authority in sufficient time for its consideration and revision and approval prior to the commencement of the fiscal year to which such budget applies, unless the incorporation of grant funds into the budget requires a different schedule for approval. The Authority may adopt a capital improvements program budget.

ARTICLE XIII

ADOPTION OF SEAL

Section 13.01. SEAL. The Authority may adopt and use a common seal.

ARTICLE XIV

AMENDMENTS

Section 14.01. AMENDMENT TO BYLAWS. The Bylaws of the Authority shall be amended only with the approval of seventy-five percent (75%) of the Commissioners of the Authority at a regular or special meeting.

ARTICLE XV

CONFLICTS

Section 15.01. CONFLICTING PROVISIONS. If any provision of these Bylaws should be inconsistent with the Enabling Act or with the terms, conditions, or stipulations of any trust agreement entered into by the Authority to secure bonds issued by the Authority, such conflicting provisions of these Bylaws shall, to the extent of such conflict, be deemed ineffective and of no force.

ARTICLE XVI

VALIDITY

Section 16.01. VALIDITY. If any part of these Bylaws shall be found to be invalid or ineffective in any action, suit, or proceeding, the validity and the effectiveness of the remaining parts shall not be affected.

Adopted this _____ day of June, 2007.