

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL, INTERIM MEETING
Thursday, August 5, 2010**

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL, INTERIM MEETING**

225 Park Avenue South

New York, NY

Thursday, August 5, 2010

PRESENT:

Hon. Anthony R. Coscia, Chair

Hon. Virginia S. Bauer

Hon. Stanley E. Grayson

Hon. H. Sidney Holmes III

Hon. Jeffrey A. Moerdler

Hon. Raymond M. Pocino

Hon. Anthony J. Sartor

Hon. David S. Steiner

Committee Members

Christopher O. Ward, Executive Director

William Baroni, Jr., Deputy Executive Director

Darrell B. Buchbinder, General Counsel

Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation

A. Paul Blanco, Chief Financial Officer

Ernesto L. Butcher, Chief Operating Officer

Ana M. Carvajalino, Manager, Financial Services, Aviation

Rosemary Chiricolo, Assistant Director, Management and Budget

Steven J. Coleman, Assistant Director, Media Relations

John C. Denise, Audio Visual Supervisor, Public Affairs

Michael P. DePallo, Director, Rail Transit

Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director

Francis A. DiMola, Director, Real Estate and Development

John J. Drobny, Director, Security Projects

Michael G. Fabiano, Acting Chief Technology Officer

Michael A. Fedorko, Director, Public Safety/Superintendent of Police

Michael B. Francois, Chief, Real Estate and Development

Jennifer Friedberg, Public Information Officer, Media Relations

Cedrick T. Fulton, Deputy Director, Tunnels, Bridges and Terminals

Richard Gladstone, Director, World Trade Center Redevelopment

Lash L. Green, Director, Office of Business and Job Opportunity

Glenn P. Guzi, Senior External Affairs Representative, Government and Community
Affairs

Linda C. Handel, Deputy Secretary
Jay Hector, Business Negotiations Manager, World Trade Center Redevelopment
Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
Howard G. Kadin, Esq., Law
John P. Kelly, Director, Media Relations
Louis J. LaCapra, Chief Administrative Officer
Cristina M. Lado, Director, Government and Community Affairs
Richard M. Larrabee, Director, Port Commerce
Francis J. Lombardi, Chief Engineer
Stephen Marinko, Esq., Law
Ronald Marsico, Assistant Director, Media Relations, Public Affairs
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Sanjay S. Mody, Advisor to the Chairman
Anne Marie C. Mulligan, Treasurer
Steven P. Plate, Director, World Trade Center Construction
Desiree Ramos, External Relations Client Manager, Government and Community Affairs
Alan L. Reiss, Deputy Director, World Trade Center Construction
Stephen H. Sigmund, Chief, Public and Government Affairs
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
Lillian D. Valenti, Director, Procurement
Robert E. Van Etten, Inspector General
Andrew S. Warshaw, Chief of Staff to the Executive Director
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
Peter J. Zipf, Deputy Chief Engineer/Director of Engineering

Guest:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Retiree, Representing Concerned Grandparents
Greg Mgrditchian, Member of the Public
Susan Storey, Member of the Public

In view of the absence of a quorum to act on certain matters to be considered at today's Board meeting, the Secretary reported that, pursuant to the Board's resolution of December 15, 1994, a special, interim meeting of the Committee on Operations was called in public session, at which the Committee took actions on certain items for and on behalf of the Board.

The meeting was called to order in public session by Chairman Coscia at 2:11 p.m. and ended at 2:42 p.m.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – EXPANSION OF TERMINAL 4,
DEMOLITION OF TERMINAL 3, AND USE OF PASSENGER FACILITY
CHARGES – PROJECT AUTHORIZATION**

It was recommended that the Board authorize the Executive Director, in order to effectuate a \$1.2 billion project at John F. Kennedy International Airport (JFK) to expand Terminal 4 (the 2010 Expansion Project), to demolish the obsolete Terminal 3, and to enter into associated lease agreements to relocate the Terminal 3 operations of Delta Air Lines, Inc. (Delta) to the expanded Terminal 4 facility (collectively, the Project), to do the following: (1) enter into a supplement to Lease AYC-685 with JFK International Air Terminal, LLC (JFKIAT) for its extended use and occupancy of Terminal 4 through the earlier of 30 years from the Date of Beneficial Occupancy of the expanded terminal or December 2043, providing for: (a) the 2010 Expansion Project to accommodate Delta's operations; (b) the Port Authority's consent to an Anchor Tenant Agreement (ATA), whereby Delta would have preferential use of 16 gates at Terminal 4, including seven existing and nine newly constructed gates; and (c) the Port Authority to reimburse JFKIAT for the costs associated with the installation of an in-line baggage screening system at Terminal 4, but only to the extent that the United States Department of Homeland Security, Transportation Security Administration (TSA) has reimbursed the Port Authority; (2) enter into a supplement to Lease AYC-325 with Delta, providing for the extension of the letting of Terminal 2 to Delta through December 2020 and for the demolition of Terminal 3 and the construction of an aircraft parking area; (3) enter into new agreement(s) with Delta providing for preferential use of the aircraft parking area constructed at the Terminal 3 site; (4) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to \$215 million in Passenger Facility Charges (PFC) to reimburse Delta for designated Project costs, including the cost of the demolition of Terminal 3 and the costs of site and other airside improvements; and (5) invest up to \$16 million to cover potential expenses to the Port Authority during the Project's five-year construction period, including the award of contracts for professional, technical and advisory services and other agreements necessary to effectuate the Project.

The Port Authority's Redevelopment Program for the Central Terminal Area (CTA) at JFK has successfully created modern passenger facilities at Terminals 1, 4, 5, 7 and 8. The proposed Project would initiate Phase I of an effort to address the remaining CTA facilities, Terminals 2 and 3, through the demolition of Terminal 3 and relocation of those operations to new, modern facilities in an expanded Terminal 4. Construction is anticipated to commence in the fourth quarter of 2010, with all work to be completed within a five-year period.

Originally built in 1960 as the PanAm Worldport, Terminal 3 currently is operated by Delta. With its warren of corridors designed for a pre-jumbo-jet age and prior to the demands of post-September 11th security requirements, the terminal is functionally outmoded, difficult to keep in a state of good repair, and delivers a customer experience that does not meet the expectations of 21st century travelers.

In April 2010, the Port Authority consented to Delta's acquisition, in anticipation of this Project, of an indirect interest in JFKIAT, and Delta paid the agency a \$9.4 million transfer fee. This indirect ownership interest in JFKIAT gives Delta certain consultation and consent rights with respect to JFKIAT's management and operation of Terminal 4.

The 2010 Expansion Project would provide for an increase in the number of gates in Terminal 4, from 16 to 25, with the construction of nine new international gates at Concourse B. Improvements to the terminal head house would include an expansion of the international baggage claim hall and Federal Inspection Services processing capacity, the creation of a new domestic baggage claim hall on the eastern side of the building, and the installation of an in-line baggage screening system. Under the terms of the ATA, Delta would manage the 2010 Expansion Project design and construction. Under a companion item for consideration by the Board at today's meeting, authorization is being requested for the establishment and issuance of Special Project Bonds Series 8 and 9, in an aggregate principal amount of up to \$1.2 billion, as part of a plan of financing in connection with the 2010 Expansion Project.

Upon completion of the improvements, Delta is expected to occupy 16 of the 25 gates in the expanded Terminal 4. JFKIAT would continue to operate the terminal and would retain responsibility for managing the remaining nine gates. Terminal 4 would continue to provide Federal Inspection Services and act as the terminal of last resort for off-hour operations.

After Delta's completion of the 2010 Expansion Project and its relocation to Terminal 4, Delta would demolish Terminal 3 and construct an aircraft parking area with up to 16 parking positions, to be used by Delta on a preferential, but not exclusive, basis in support of the expanded terminal's operations. The agreement for the use of this aircraft parking site would retain for the Port Authority a right of recapture of a portion of the site to accommodate future development within the CTA, including, without limitation, the expansion of Terminal 1.

Delta also would construct a passenger connector between Terminal 4 and Terminal 2. In addition, the letting to Delta of Terminal 2 under Lease AYC-325 for its domestic operations would be extended through December 2020, in anticipation of further phases of development. Phase II envisions the addition of a commuter jet concourse to Terminal 4 at Concourse B. Phase III envisions additional gates at an expanded Concourse A and the requisite head house expansion. Both such phases will be subject to future negotiations and Board authorization.

It is anticipated that approximately \$900 million will be issued in Special Project Bonds to finance the 2010 Expansion Project. A combination of TSA grants, Delta equity and PFCs would fund the remainder of the Project. Pursuant to the TSA's grant program for in-line baggage screening system installations, JFKIAT would be reimbursed by the Port Authority, subject to the receipt of grant funds from the TSA, for up to 90 percent of all allowable costs for construction of the in-line baggage screening system in Terminal 4. JFKIAT would be responsible for 10 percent of the allowable costs, plus 100 percent of any additional expense required to install the baggage screening system. In addition, up to \$215 million in PFCs would be used to fund work on the Terminal 3 site, as well as taxiway improvements at the Terminal 4 site. In the event the FAA does not approve, in part or in whole, the Port Authority's PFC application, Delta would be responsible for funding that portion of the work, as well as any construction overruns.

To oversee completion of the Project's five-year construction program, the Port Authority would expend an estimated \$11 million to secure dedicated Port Authority program management resources, consisting primarily of Port Authority staff and, to the extent necessary, consultants to support the increased volume of work in connection with the aggressive design and construction schedule. An additional \$5 million would be set aside for Project contingencies affecting the

Port Authority, including unforeseen field conditions, such as infrastructure work on Port Authority property.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Sartor and Steiner voting in favor; none against; Commissioner Moerdler recused:

RESOLVED, that a project for the expansion of Terminal 4, the demolition of Terminal 3, the construction of an aircraft parking area at Terminal 3, and such related work at Terminals 2, 3 and 4 at John F. Kennedy International Airport (JFK) as is necessary in connection therewith, to provide for the relocation of the Terminal 3 operations of Delta Air Lines, Inc. (Delta) to the expanded Terminal 4 facility (Project), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into a supplement to Lease AYC-685 with JFK International Air Terminal, LLC (JFKIAT) for its extended use and occupancy of Terminal 4 through the earlier of 30 years from the Date of Beneficial Occupancy of the expanded terminal or December 2043, providing for: (a) the expansion of Terminal 4 to accommodate Delta's operations; (b) the Port Authority's consent to an Anchor Tenant Agreement, whereby Delta will have preferential use of 16 gates at Terminal 4; and (c) the Port Authority to reimburse JFKIAT for the costs associated with the installation of an in-line baggage screening system at Terminal 4, but only to the extent that the United States Department of Homeland Security Transportation Security Administration reimburses the Port Authority, substantially in accordance with the terms outlined to the Board; (2) enter into a supplement to Lease AYC-325 with Delta providing for the extension of the letting of Terminal 2 at JFK to Delta through December 2020, and for the demolition of Terminal 3 at JFK and the construction of an aircraft parking area, substantially in accordance with the terms outlined to the Board; (3) enter into new agreement(s) with Delta providing for preferential use of the aircraft parking area constructed at the Terminal 3 site, substantially in accordance with the terms outlined to the Board; (4) submit an application to the Federal Aviation Administration for the collection and use of up to \$215 million in Passenger Facility Charges to reimburse Delta for designated Project costs, including the cost of the demolition of Terminal 3 and the costs of site and other airside improvements; and (5) invest up to \$16 million to cover potential expenses to the Port Authority during the Project's five-year construction period, including the award of contracts for professional, technical and advisory services and other agreements necessary to effectuate the Project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements as may be necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

RESCISSION AND CANCELLATION OF RESOLUTIONS AUTHORIZING SPECIAL PROJECT BONDS, SERIES 7, JFK INTERNATIONAL AIR TERMINAL LLC PROJECT

The Board at its meeting on October 17, 1996, among other matters, established and authorized the issuance of, and authorized the sale of, Special Project Bonds, Series 6 and 7, JFK International Air Terminal LLC Project (the “Resolutions”). On or about April 25, 1997, The Port Authority of New York and New Jersey Special Project Bonds, Series 6, JFK International Air Terminal LLC Project were issued and sold for the purpose of financing the cost of a new passenger terminal at John F. Kennedy International Airport, now known as Terminal 4. The Port Authority of New York and New Jersey Special Project Bonds, Series 7, JFK International Air Terminal LLC Project (the “Series 7 Bonds”) have not as yet been issued and there are no plans to issue this series for the purposes authorized in the Resolutions, nor as part of the plan of financing for a multi-level expansion of Terminal 4 at John F. Kennedy International Airport including new gates, hold rooms, other passenger facilities, airline support facilities, retail facilities and passenger processing facilities and other related improvements and airport facilities (the “2010 Expansion Project”).

Therefore, it was recommended that prior to the actions to be taken at today’s meeting in connection with the plan of financing for the 2010 Expansion Project, the Board rescind and cancel the Resolutions solely with respect to the Series 7 Bonds.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Sartor and Steiner voting in favor; none against; Commissioner Moerdler recused:

RESOLVED, that the resolutions of the Authority adopted October 17, 1996, entitled “*Special Project Bonds, Series 6 and 7, JFK International Air Terminal LLC Project - Establishment and Authorization of Issuance*” and “*Special Project Bonds, Series 6 and 7, JFK International Air Terminal LLC, Project - Authorization of Sale*”, solely with respect to the Series 7 Bonds, are rescinded and cancelled in their entirety.

SPECIAL PROJECT BONDS, SERIES 8 AND 9, JFK INTERNATIONAL AIR TERMINAL LLC PROJECT – REPORT

It was reported that, at today's meeting, the Board authorized a project for the expansion of Terminal 4 (the "2010 Expansion Project"), the demolition of Terminal 3, the construction of an aircraft parking area at Terminal 3, and such related work at Terminals 2, 3 and 4 at John F. Kennedy International Airport (JFK), as necessary in connection therewith, to provide for the relocation of the Terminal 3 operations of Delta Air Lines, Inc. to the expanded Terminal 4.

It was also reported that to effectuate the 2010 Expansion Project, Lease AYC-685 between the Authority and JFK International Air Terminal LLC ("JFKIAT"), as lessee, would be further supplemented and, among other items, provide that at the lessee's request, the Authority would consider the issuance of Special Project Bonds in an aggregate principal amount not to exceed \$1.2 billion to provide for certain costs of the 2010 Expansion Project. Any Special Project Bonds to be issued for these purposes would be issued under and pursuant to the Special Project Bond Resolution adopted by the Board on June 9, 1983, and would only be issued upon request of JFKIAT for this type of project financing. Debt service on these bonds would be a special obligation of the Authority payable from the sources and to the extent generally as provided in the Special Project Bond Resolution and the Authority's full faith and credit would not be pledged to the payment of such debt service. Additionally, these bonds would be issued on a parity basis with Special Project Bonds, Series 6, which were issued in 1997 for the construction of Terminal 4.

It was recommended, to provide for the timely issuance of Special Project Bonds for the 2010 Expansion Project, that the Board establish the general terms and conditions of two series of Special Project Bonds, to be known as Special Project Bonds, Series 8 and Series 9, respectively, in aggregate principal amount of up to \$1.2 billion at any one time outstanding at a true interest cost to the Authority not in excess of 12 percent, and that Authorized Officers be authorized to take various actions to provide for the sale of such Bonds, at the request of JFKIAT, at public or private sale, and on either a competitive or negotiated basis.

On August 4, 2010, public hearings in connection with the Series 8 Bonds and Series 9 Bonds, consistent with, and to the extent provided under, the public approval provisions of Section 147(f) of the Internal Revenue Code of 1986, were conducted by staff of the Authority's Treasury Department at the offices of the Authority located at 225 Park Avenue South, New York, New York and at the Journal Square Transportation Center, Jersey City, New Jersey, pursuant to notices published on July 21, 2010, in *The New York Times*, a newspaper of general circulation in the New York portion of the Port District, and in *The Star-Ledger* and *The Bergen Record*, both newspapers of general circulation in the New Jersey portion of the Port District. In pertinent part, the notices contained the following description of the Bonds, the facility, and the 2010 Expansion Project: "The Port Authority of New York and New Jersey Special Project Bonds, JFK International Air Terminal LLC Project, in one or more series with a total aggregate principal amount of up to \$1.2 billion, are being issued as part of a plan of financing in connection with the costs of or related to the construction of an expansion of Terminal 4 located on a site of approximately 165 acres operated by JFK International Air Terminal LLC at John F. Kennedy International Airport, in the Borough of Queens, City and State of New York. The expansion project will include a multi-level expansion of Terminal 4, including new gates, hold rooms, other passenger facilities, airline support facilities, retail facilities and passenger processing facilities and other related improvements and airport facilities."

SPECIAL PROJECT BONDS, SERIES 8 AND 9, JFK INTERNATIONAL AIR TERMINAL LLC PROJECT – ESTABLISHMENT AND AUTHORIZATION OF ISSUANCE

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Sartor and Steiner voting in favor; none against; Commissioner Moerdler recused:

WHEREAS, on June 9, 1983, The Port Authority of New York and New Jersey (hereinafter called the “Authority”) adopted the Special Project Bond Resolution (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to Section 1 of this Resolution) providing for the issuance of Special Project Bonds of particular series, from time to time, in conformity with the Special Project Bond Resolution, for certain specified purposes, on the basis that any such Special Project Bonds so issued would not be direct and general obligations of the Authority and would be secured in the manner and be payable from the sources and to the extent set forth in the Special Project Bond Resolution, which Special Project Bond Resolution constitutes a contract with the holders of the Special Project Bonds so issued; and

WHEREAS, the Special Project Bond Resolution provides that Special Project Bonds shall be issued in such series as the Authority may determine, and that the characteristics of the bonds of each such series shall be determined by the Authority pursuant to a particular Special Project Bond Series Resolution, and that such Special Project Bond Series Resolution may contain other terms and provisions not inconsistent with the Special Project Bond Resolution; and

WHEREAS, on October 17, 1996, the Authority adopted a resolution providing for the establishment and authorization of the issuance of Special Project Bonds, Series 6, JFK International Air Terminal LLC Project and Special Project Bonds, Series 7, JFK International Air Terminal LLC Project for the purposes set forth in the 1996 Resolution and the 1996 Sale Resolution providing for the sale of Special Project Bonds, Series 6, JFK International Air Terminal LLC Project and Special Project Bonds, Series 7, JFK International Air Terminal LLC Project ; and

WHEREAS, on or about April 25, 1997, the Authority issued and sold the Series 6 Bonds in the principal amount of \$934,100,000 for the purposes authorized in the 1996 Resolution; and

WHEREAS, on August 5, 2010, the Authority adopted a resolution rescinding and cancelling the 1996 Resolution and the 1996 Sale Resolution solely with respect to the establishment and authorization of the issuance of, and the authorization of the sale of, Special Project Bonds, Series 7, JFK International Air Terminal LLC Project, since this previously authorized series had not as yet been issued; and

WHEREAS, the 2010 Expansion Project will consist of an expansion of the Project, as contemplated by the definition of “Project” in the 1996 Resolution which will continue to serve or be available on a regular basis for general public use, and the Authority has duly considered issuance of Special Project Bonds in connection with the 2010 Expansion Project; and

WHEREAS, the Authority has heretofore established certain series of Special Project Bonds for purposes other than with respect to the Project, has heretofore established, issued and sold the Series 6 Bonds in connection with the Project, and has now determined that it is necessary, advisable and in the public interest to establish two series of Special Project Bonds to be issued on a parity basis with each other and the Series 6 Bonds for and in connection with the 2010 Expansion Project, without prejudice to its right hereafter to establish other and additional series of Special Project Bonds for purposes with respect to the Project or otherwise; and

WHEREAS, pursuant to Section 2(c) of the 1996 Resolution, the Authority may, from time to time, establish and authorize the issuance and sale of additional series of Special Project Bonds for the purposes of the Project on a parity basis with the Series 6 Bonds, and the same pledges, mortgages, security interests and assignments applicable to the Series 6 Bonds may be extended to each of such additional series in the Special Project Bond Series Resolution pertaining to such series; and

WHEREAS, the Lease is to provide, among other items, for and in connection with the 2010 Expansion Project, the issuance, sale and delivery of Special Project Bonds, Series 8, JFK International Air Terminal LLC Project and Special Project Bonds, Series 9, JFK International Air Terminal LLC Project, pursuant to a plan of financing for the 2010 Expansion Project, which shall be supplemental to that established and authorized for the Project under the 1996 Resolution; and

WHEREAS, there will be pledged to the payment of Debt Service, the Trust Estate and the Leasehold Mortgage by the Lessee, and in addition thereto JFK International Air Terminal LLC shall also agree in the Guaranty by JFK International Air Terminal LLC that JFK International Air Terminal LLC shall pay Debt Service, when due, as a separate and independent obligation of JFK International Air Terminal LLC;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. Definitions.

Unless the context shall clearly indicate some other meaning or may otherwise require, the terms defined in this Section 1 shall, for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto and of any certificate, opinion, instrument or document herein or therein mentioned (unless otherwise defined therein), have the meanings specified in this Section 1, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined in this Section 1 and vice versa. Terms of special meaning which are not defined in this Section 1 shall have the meanings specified in Section 1 of the Special Project Bond Resolution (except as herein otherwise expressly provided or unless the context otherwise requires).

The term “1996 Resolution” shall mean the resolution of the Authority adopted October 17, 1996, entitled “*Special Project Bonds, Series 6 and 7, JFK International Air Terminal LLC Project – Establishment and Authorization of Issuance.*”

The term “1996 Sale Resolution” shall mean the resolution of the Authority adopted October 17, 1996, entitled “*Special Project Bonds, Series 6 and 7, JFK International Air Terminal LLC Project – Authorization of Sale.*”

The term “2010 Expansion Project” shall mean a multi-level expansion of Terminal 4 at John F. Kennedy International Airport including new gates, hold rooms, other passenger facilities, airline support facilities, retail facilities and passenger processing facilities and other related improvements and airport facilities and covered by the Lease.

The term “2010 Expansion Project Costs” shall mean the costs as provided in the Lease to be financed or refinanced through the issuance of the Series 8 Bonds and Series 9 Bonds for or in connection with the 2010 Expansion Project, including, without limitation, any fees, costs or reserves related to the financing, refinancing, construction or installation of the 2010 Expansion Project or in connection with the issuance of the Series 8 Bonds and Series 9 Bonds.

The term “Authorized Officer” shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman of the Authority; Vice Chairman of the Authority; Chairman of the Committee on Finance of the Authority; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

The term “Bond Fund” shall mean the special trust fund established by the Authority in connection with the 1996 Resolution, known as the “Special Project Bonds JFK International Air Terminal LLC Project Bond Fund”.

The term “Bondholder” shall mean the registered holder or holders, individually and collectively, of the Bonds, as determined on the basis of the books and records maintained with respect to the Bonds by the Registrar; provided, however, the term “Bondholder” shall refer to the holder or holders of either series of the Bonds on an individual basis, in a consistent manner throughout the Resolution, but shall not refer to the holder or holders of both series, collectively, unless otherwise specified.

The term “Bonds” shall mean each of The Port Authority of New York and New Jersey Special Project Bonds, Series 8, JFK International Air Terminal LLC Project and The Port Authority of New York and New Jersey Special Project Bonds, Series 9, JFK International Air Terminal LLC Project on an individual basis; provided however, the term “Bonds” shall refer to either of such series on an individual basis, in a consistent manner, throughout the Resolution but shall not refer to both series, collectively, unless otherwise specified.

The term “Construction Fund” shall mean the special trust fund established by the Authority in connection with the 1996 Resolution known as the “Special Project Bonds JFK International Air Terminal LLC Project Construction Fund”.

The term “Debt Service” shall mean the interest payable on the Bonds, and the amounts which the Authority is obligated by agreements with or for the benefit of the Bondholder to pay or set aside for the amortization, maturity, redemption (including redemption premium, if any) or retirement of the Bonds.

The term “Debt Service Fund” shall mean the special trust fund established by the Authority in connection with the 1996 Resolution currently known as the “Special Project Bonds JFK International Air Terminal LLC Project Debt Service Reserve Fund”.

The term “Facility Rental” shall mean, the “Facility Rental” (as defined in the Lease) payable by the Lessee pursuant to the Lease.

The term “Governmental Obligations” shall mean (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) obligations issued by any agency controlled or supervised by or acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed, as a full faith and credit obligation of the United States of America (including any securities described in clause (i) or clause (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America).

The term “Guaranty by JFK International Air Terminal LLC” shall mean the guaranty dated as of May 13, 1997 by JFK International Air Terminal LLC in favor of The Port Authority of New York and New Jersey and The Bank of New York, as trustee, as the same shall be amended and supplemented in connection with the Bonds, and as the same may from time to time be further amended and supplemented.

The term “Investment Securities” shall mean those types of securities in which the Trustee is authorized to invest the monies held in the account(s) pertaining to the Bonds within each of the Construction Fund, the Bond Fund, the Debt Service Fund and any fund established pursuant to Section 7(e) of this Resolution.

The term “JFK International Air Terminal LLC” shall mean JFK International Air Terminal LLC, a limited liability company formed under the laws of the State of New York.

The term “Lease” shall mean the agreement of lease pertaining to the Project dated May 13, 1997 between the Authority and the Lessee, as amended and supplemented by that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002, that certain Supplemental Lease Agreement No. 3, dated as of January 1, 2004, that certain Supplemental Lease Agreement No. 4, dated as of December 1, 2004, and as the same shall be amended and supplemented in connection with the authorization and issuance of the Bonds and as the same may from time to time be further amended and supplemented.

The term “Leasehold Mortgage by the Lessee” shall mean the leasehold mortgage dated as of May 13, 1997 by the Lessee in favor of The Bank of New York, as trustee, of its interest in the Lease, as the same shall be amended and supplemented in connection with the Bonds, and as the same may from time to time be further amended and supplemented.

The term “Lessee” shall mean JFK International Air Terminal LLC, or its successors or assigns pursuant to the Lease.

The term “Minimum Debt Service Fund Balance” shall mean with respect to the Bonds, as of any date of calculation, the amount of monies and the value of Investment Securities and the other assets required to be on deposit in the account established in connection with the Bonds within the Debt Service Fund on such date of calculation in accordance with the provisions of the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture.

The term “Personal Property Security Interest by the Lessee” shall mean the personal property security interest dated as of May 13, 1997 granted by the Lessee to the Authority, mortgaged by the Authority in favor of The Bank of New York, as trustee, in certain items of personalty of the Lessee located or to be located at the Project and listed on schedules attached or to be attached to the Personal Property Security Interest by the Lessee from time to time, as the same shall be amended and supplemented in connection with the Bonds, and as the same may from time to time be further amended and supplemented.

The term “Project” shall mean the buildings, structures and other improvements in connection with a passenger terminal at John F. Kennedy International Airport and covered by the Lease, including the equipment permanently affixed thereto or permanently located therein, including but not limited to electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch basins, located or to be located or constructed or to be constructed in connection with the Lease by or on behalf of the Lessee, or necessary or convenient in connection therewith, and any future expansions thereof, including without limitation the 2010 Expansion Project.

The term “Resolution” shall mean this Special Project Bond Series Resolution adopted August 5, 2010, entitled “*Special Project Bonds, Series 8 and 9, JFK International Air Terminal LLC Project – Establishment and Authorization of Issuance*”, including any amendments, modifications or supplements to this Resolution.

The term “Series 6 Bonds” shall mean The Port Authority of New York and New Jersey Special Project Bonds, Series 6 JFK International Air Terminal LLC Project established by and authorized to be issued under the 1996 Resolution.

The term “Series 8 Bonds and Series 9 Bonds” shall mean, collectively, if and when issued, The Port Authority of New York and New Jersey Special Project Bonds, Series 8, JFK International Air Terminal LLC Project and The Port Authority of New York and New Jersey Special Project Bonds, Series 9, JFK International Air Terminal LLC Project.

The term “Special Project Bond Resolution” shall mean the resolution of the Authority adopted June 9, 1983, entitled “*Special Project Bonds – Establishment of Issue*”, including any amendments, modifications or supplements thereto.

The term “Special Project Bond Series Resolution” shall mean the resolution adopted by the Authority establishing and authorizing a particular series of Special Project Bonds.

The term “Special Project Bonds” shall mean bonds of the issue established by the Special Project Bond Resolution, of which the Bonds are each a series.

The term “Trust Estate” shall mean, with respect to the Bonds, all rights, title and interest of the Authority, in and to (i) the Facility Rental; (ii) all amounts on deposit from time to time in the account(s) pertaining to the Bonds within the Construction Fund (to the extent not disbursed or otherwise disbursable as provided in the Lease), the Bond Fund, the Debt Service Fund and any fund established pursuant to Section 7(e) of this Resolution, subject to the provisions of this Resolution, the Special Project Bond Resolution, the Trust Indenture and the Lease, permitting

the application thereof for the purposes and on the terms and conditions set forth in this Resolution, the Special Project Bond Resolution, the Trust Indenture and the Lease; (iii) the Personal Property Security Interest by the Lessee; and (iv) any assets of the Lessee (other than those described in clause (iii) above) in which the Authority is granted a security interest by the Lessee to the extent of such security interest granted by the Lessee.

The term “Trust Indenture” shall mean the Trust Indenture dated as of May 13, 1997 between the Authority and The Bank of New York, as trustee, as the same shall be amended and supplemented in connection with the Bonds, and as the same may from time to time be further amended and supplemented.

The term “Trustee” shall mean the Trustee appointed under Section 9 of this Resolution by the Authority pursuant to the Special Project Bond Resolution for and in connection with the Bonds, and any successor Trustee appointed in accordance with the foregoing.

SECTION 2. Establishment and Issuance of and Security for the Bonds.

(a) General Provisions with Respect to the Establishment and Issuance of the Bonds.

Each of “The Port Authority of New York and New Jersey Special Project Bonds, Series 8, JFK International Air Terminal LLC Project” and “The Port Authority of New York and New Jersey Special Project Bonds, Series 9, JFK International Air Terminal LLC Project” is established as a separate series of Bonds, to be issued in conformity with the provisions of the Special Project Bond Resolution and this Resolution, in an aggregate principal amount of up to One Billion Two-Hundred Million Dollars (\$1,200,000,000) at any one time outstanding; *provided, however*, that the total aggregate principal amount of the Series 8 Bonds and Series 9 Bonds shall not exceed One Billion Two-Hundred Million Dollars (\$1,200,000,000) at any one time outstanding. This Resolution shall apply with equal force and effect to each of such series on an individual basis. The Series 8 Bonds and Series 9 Bonds are to be secured on a parity basis with each other and with the Series 6 Bonds, in the manner and shall be payable from the sources and to the extent provided in or pursuant to the Special Project Bond Resolution, this Resolution, the Lease, the Trust Indenture, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC. The issuance of the Bonds is determined to be necessary to accomplish the purposes for which the Series 8 Bonds and Series 9 Bonds are authorized to be issued – to wit, to provide for the financing and/or refinancing of 2010 Expansion Project Costs.

(b) Security for the Bonds.

The payment of Debt Service on the Series 8 Bonds and Series 9 Bonds, regardless of the dates of their issue or maturity, shall be separately secured equally and ratably, on a parity basis with each other and with the Series 6 Bonds by (i) a mortgage by the Authority, in favor of the Trustee, of the Facility Rental; (ii) the Leasehold Mortgage by the Lessee; (iii) the Personal Property Security Interest by the Lessee; (iv) the assets of the Lessee encompassed by clause (iv) of the Trust Estate under the Trust Indenture; and (v) the Guaranty by JFK International Air Terminal LLC. The Authority hereby reaffirms that and the Facility Rental is hereby irrevocably mortgaged, on a parity basis as between the Series 8 Bonds and Series 9 Bonds and the Series 6 Bonds by the Authority in favor of the Trustee, and pledged, on a parity basis as between the

Series 8 Bonds and Series 9 Bonds and the Series 6 Bonds, to the payment, when due, of Debt Service, subject, however, to the provisions of this Resolution, the Special Project Bond Resolution, the Lease and the Trust Indenture relating to the application of funds in the Construction Fund, the Bond Fund, and Debt Service Fund and any fund established pursuant to Section 7(e) of this Resolution.

The Bonds shall constitute special limited obligations of the Authority payable by the Authority solely from the revenues and other sources pledged, mortgaged and assigned by the Authority in the Special Project Bond Resolution, this Resolution and the Trust Indenture and shall not constitute general obligations of the Authority or of either of the States of New York or New Jersey, or of any municipality or subdivision of either of the States of New York or New Jersey, and neither the full faith and credit of the Authority nor any of its revenues, assets or reserve funds (other than Facility Rental, the Construction Fund, to the extent not disbursed or otherwise disbursable as provided in the Lease, the Bond Fund, the Debt Service Fund, any fund established pursuant to Section 7(e) of this Resolution, the Personal Property Security Interest by the Lessee and the assets of the Lessee encompassed by clause (iv) of the Trust Estate under the Trust Indenture) are pledged or shall be deemed to be pledged by the Authority in any manner whatsoever for the payment of Debt Service or for the fulfillment of any obligation which the Authority has assumed or may hereafter assume to or for the benefit of the Bondholders.

In the event that all or a portion of the Bonds shall be deemed to be paid in accordance with the provisions of Section 10(a) of this Resolution from the proceeds of a series of Refunding Bonds, then and in that event the same pledges, mortgages, security interests and assignments applicable to the Bonds may be extended to the Refunding Bonds in the Special Project Bond Series Resolution pertaining to the Refunding Bonds, and the Trustee shall execute such documents as may reasonably be required by the Authority acting at the request of the Lessee to accomplish such purpose.

(c) Additional Series of Special Project Bonds
for the Project.

The Authority may, from time to time, establish and authorize the issuance and sale of additional series of Special Project Bonds for purposes of the Project on a parity basis with the Series 8 Bonds and Series 9 Bonds and, in accordance with the 1996 Resolution, the Series 6 Bonds, and the same pledges, mortgages, security interests and assignments applicable to the Series 8 Bonds and Series 9 Bonds and the Series 6 Bonds may be extended to each of such additional series in the Special Project Bond Series Resolution pertaining to such series, and the Trustee shall execute such documents as may reasonably be required by the Authority acting at the request of the Lessee to accomplish such purposes.

SECTION 3. General Terms and Provisions of the Bonds.

(a) General.

The Bonds shall be issued in one or more installments as an Authorized Officer may hereafter determine, and in connection with the issuance of the Bonds, an Authorized Officer is authorized prior to the issuance of each installment of the Bonds (i) to establish the date as of which such installment shall be dated; (ii) to establish, adjust or change the provisions relating to the rate or rates of interest to be borne by such installment and to the payment of interest on such

installment; (iii) to establish the date or dates (in the event such installment is comprised in whole or in part of serial maturities) at which any of such installment shall mature; (iv) to adjust or change the medium of payment for such installment; (v) to establish, adjust, change or rescind the redemption, retirement and call provisions relating to such installment; (vi) to provide for such installment to be issued on original issuance as registered bonds or as book-entry only securities, in either case, subject to a book-entry system for determining interests therein, with such adjustments and changes in the provisions of this Resolution as in the opinion of such Authorized Officer are appropriate to effectuate such issuance of such installment; (vii) at the request of the Lessee, to rescind the provisions pertaining to the Debt Service Fund set forth in this Resolution as such provisions pertain to such installment and provide that such installment shall not be payable from or otherwise secured by the Debt Service Fund, if any, established for the Bonds; (viii) to provide for such installment to be separately registrable as to principal and interest (including any authorized incremental interest) to any one or more Bondholders or holders of certificates (if any) with respect to the payment of interest thereon; (ix) to establish the authorized denomination or denominations of such installment; (x) to establish events, in addition to those set forth in Section 5 of this Resolution, the occurrence of which shall require the extraordinary mandatory redemption, in whole or in part, of such installment; and (xi) to take such other action as in the opinion of such Authorized Officer will best serve the public interest.

(b) Form and Places of Payment.

Unless otherwise determined by an Authorized Officer, Debt Service shall be payable in lawful money of the United States of America; principal of the Bonds shall be payable upon presentation and surrender thereof by the Bondholders, at the office or offices, designated by the Authority, of the Paying Agent or Paying Agents, in a county which is in whole or in part in the Port District; and interest on the Bonds shall be payable when due to the Bondholders by check or draft drawn on the Paying Agent or Paying Agents and mailed to the Bondholders, or by wire transfer.

(c) Effect of Saturdays, Sundays and Legal Holidays.

If the date for payment of Debt Service, or the date fixed for maturity or redemption of any of the Bonds shall be a Saturday, a Sunday, a legal holiday or a day on which banking institutions within the Port District are required or authorized by law to remain closed, then such payment or redemption may be made on the next succeeding business day not a Saturday, a Sunday, a legal holiday or a day on which banking institutions within the Port District are required or authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Resolution.

(d) Form and Denominations of the Bonds; Registrar;
Books of Registry.

Unless otherwise determined by an Authorized Officer, the Bonds shall be issued only in registered form, registered as to both principal and interest and not as to either alone, in authorized denominations.

The Authority will keep or cause to be kept at the offices, designated by the Authority, of its Registrar appointed for that purpose, in a county which is in whole or in part in the Port District, proper and sufficient books for the registration of the Bonds.

(e) Transfer and Exchange of the Bonds.

Each bond issued under this Resolution shall be transferable by the Bondholder thereof in accordance with the provisions of this Resolution, only upon the books for registration of the Bonds kept pursuant to Section 3(d) of this Resolution.

Upon the written request of the Bondholder and upon surrender of a bond or bonds, such bond or bonds may be exchanged for a bond or bonds of like tenor of any other authorized denominations, registered as designated in such request.

All requests for the registration, transfer, exchange and delivery pertaining to any of the Bonds shall be filed with the Registrar; all bonds to be surrendered pursuant to such requests shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds surrendered to the Registrar in exchange for other bonds or for transfer shall be cancelled by the Registrar upon such surrender.

All costs incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of any of the Bonds, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this Resolution, shall be borne by the Lessee, except to the extent provided in Section 3(f) of this Resolution.

Nothing contained in this Resolution shall be deemed to authorize the execution and delivery of bonds except in authorized denominations.

(f) Mutilated, Lost or Destroyed Bonds.

In case any bond issued under this Resolution shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond of like tenor in exchange or substitution for and upon cancellation of such mutilated bond or in lieu of or in substitution for such destroyed or lost bond; or if such bond shall have matured, instead of issuing a substitute bond the Paying Agent may pay the same without surrender thereof upon the written request or authorization of the Authority. In case of destruction or loss, the applicant for a substitute bond shall furnish to the Authority and the Trustee evidence satisfactory to the Authority of the destruction or loss of such bond and of the ownership thereof and also such security and indemnity as may be required by the Authority. Upon the issuance of any substitute bond, the Authority, at its option may require the applicant for such substitute bond to pay a sum sufficient to reimburse the Authority and the Trustee for any stamp tax or other governmental

charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond so issued in substitution. Any bond issued under the provisions of this Section 3(f) in lieu of any bond alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of the Special Project Bond Resolution, this Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee and the Guaranty by JFK International Air Terminal LLC.

SECTION 4. Execution of Bonds.

(a) Execution of Bonds.

Each of the Bonds shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be manually signed by an Authorized Officer; *provided, however*, that each bond may be executed by the facsimile signature of an Authorized Officer and, in such event, such bond shall have endorsed thereon a certificate of authentication manually executed by the Trustee. No bond bearing a facsimile signature of any Authorized Officer shall be entitled to any benefit under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee or the Guaranty by JFK International Air Terminal LLC, or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been manually executed by the Trustee, as aforesaid, and such manually executed certificate upon such Bond shall be conclusive evidence that such bond has been authenticated and delivered under this Resolution. Such certificate of authentication on any such bond shall be deemed to have been executed by the Trustee, as aforesaid, if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of such bonds issued under this Resolution.

(b) Validity of Signature on the Bonds.

In case any Authorized Officer who shall have signed or whose facsimile signature shall appear on any of the Bonds shall cease to be an Authorized Officer before such bonds shall have been actually issued, such bonds may nevertheless be issued as though such Authorized Officer who signed such bonds had not ceased to be an Authorized Officer.

SECTION 5. Redemption or Retirement of Bonds.

(a) Optional Redemption.

In the event that prior to the issuance of any installment of the Bonds it is determined that such installment shall be subject to optional redemption by the Authority, such installment shall be subject to optional redemption by the Authority only upon request of the Lessee, from monies deposited into the Bond Fund, in whole or in part, on prior notice, on the date to be fixed for redemption in the Authority's notice of intention to redeem bonds.

The Authority's obligation with respect to optional redemption pursuant to the provisions of this Section 5(a) shall be subject to the provision of sufficient monies by the Lessee to

accomplish such redemption, and shall be limited solely to the monies so provided by the Lessee and deposited into the Bond Fund for such purposes.

(b) Mandatory Periodic Retirement.

In the event that prior to the issuance of any installment of the Bonds it is determined that such installment shall be subject to mandatory periodic retirement by the Authority, such installment shall be subject to mandatory periodic retirement by the Authority prior to maturity at the times and in the amounts set forth on the schedule of mandatory periodic retirement established by the Authority for such installment, from monies to be deposited into the Bond Fund (to the credit of a sinking fund to be established in the Bond Fund) for such purposes.

The Authority's obligation with respect to mandatory periodic retirement pursuant to the provisions of this Section 5(b) shall be subject to the provision of sufficient monies by the Lessee to accomplish such mandatory periodic retirement and shall be limited solely to the monies so provided by the Lessee and deposited into the Bond Fund for such purposes.

At any time and from time to time the Lessee may, and the Authority shall at the request of the Lessee and upon provision to the Authority of the requisite monies, instructions and/or any of the Bonds, deliver to the Trustee (i) such amount of monies, with instructions to purchase and cancel the principal amount of the Bonds which is equal to the principal amount of bonds acquired with such monies or (ii) such bonds for cancellation. On or before the sixtieth day next preceding the mandatory periodic retirement date in each year (except the year of maturity) set forth in the schedule of mandatory periodic retirement established for an installment of the Bonds, the Trustee shall furnish the Lessee and the Authority with a certificate (i) specifying the aggregate principal amount, if any, of the bonds which prior to such date have been redeemed or purchased by the Trustee (otherwise than through the operation of sinking fund retirement) and cancelled or delivered by the Lessee or the Authority to the Trustee for cancellation and (ii) specifying the aggregate principal amount of the bonds not theretofore applied as a credit against any mandatory periodic retirement obligation for the Bonds. On or before the fiftieth day next preceding each mandatory periodic retirement date, the Lessee shall furnish the Trustee and the Authority with a certificate specifying the amount, if any, of such bonds which the Trustee shall apply as a credit in respect of the mandatory periodic retirement obligation of the Authority on such mandatory periodic retirement date. Each bond so credited shall be credited by the Trustee at 100% of the principal amount thereof and any excess over the amount required for such current mandatory periodic retirement obligation may be credited against such mandatory periodic retirement obligations or such future mandatory periodic retirement obligations as the Lessee may specify.

(c) Extraordinary Mandatory Redemption.

The Bonds shall be redeemed by the Authority in whole and not in part at par on any date prior to maturity from monies to be deposited into the Bond Fund for such purposes (i) upon the expiration or termination of the Lease or (ii) in accordance with the provisions of Section 9(c) of this Resolution, upon notice from the Trustee.

In the event that prior to the issuance of any installment of the Bonds it is determined that such installment shall be subject to extraordinary mandatory redemption by the Authority, upon the occurrence of events in addition to those set forth in the first paragraph of this Section 5(c),

such installment shall also be subject to extraordinary mandatory redemption prior to maturity upon the occurrence of such events, from monies to be deposited into the Bond Fund for such purposes.

The Authority's obligation with respect to extraordinary mandatory redemption pursuant to the provisions of this Section 5(c) shall be subject to the provision of sufficient monies by the Lessee to accomplish such redemption, and shall be limited solely to the monies so provided by the Lessee and deposited into the Bond Fund for such purposes.

(d) Notice of Redemption.

Notice of intention to redeem any bonds issued under this Resolution, except under Section 5(c) of this Resolution, shall be given by the Authority not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the Bondholders of the bonds to be called for redemption, by deposit of a copy of such notice, postage prepaid by first class mail, certified or registered, in a United States Post Office, addressed to such Bondholders at their last known addresses as appearing upon the books for the registration of the Bonds kept pursuant to Section 3(d) of this Resolution. Notice of the mailing of such notice of intention to redeem bonds shall also be published by the Authority in a daily newspaper of general circulation in the Port District not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption; *provided, however*, that failure to give such notice by publication, or any defect therein, shall not affect the validity of any action with respect to the redemption of such bonds. Notice of intention to redeem any bonds issued under this Resolution shall not be required in connection with a redemption under Section 5(c) of this Resolution.

(e) Payment of Redemption Price; Effect of Redemption.

Before the date fixed for redemption specified in the Authority's notice of intention to redeem, the Authority will cause to be paid to the Paying Agent (or Paying Agents), subject to receipt by the Trustee from the Lessee of the same, an amount in cash which together with other funds available therefor in the Bond Fund, is in the aggregate sufficient to redeem all of the outstanding bonds which are to be redeemed, at the respective redemption prices thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any) to be held by the Paying Agent (or Paying Agents), in trust for the account of the Bondholders of the bonds so called for redemption and to be paid to such Bondholders, respectively, upon presentation and surrender of such bonds with accrued interest included in such redemption price to be paid to the Bondholders in accordance with the provisions of this Resolution. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for the redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called on and after the date fixed for their redemption, and such bonds shall not be entitled to the benefit or security of the Special Project Bond Resolution, this Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee or the Guaranty by JFK International Air Terminal LLC, but shall rely solely upon the funds so deposited.

(f) Selection of Bonds for Redemption.

If less than all of any installment of the Bonds then outstanding are to be called for redemption at the option of the Authority, and if such installment then outstanding includes bonds of any serial maturities, the bonds so to be called shall be in such order of maturity as shall be determined prior to the issuance of such installment, and if bonds constituting a particular maturity are to be called for redemption, but not all bonds constituting such maturity are to be called for redemption, the bonds so to be called shall be determined by lot by the Authority or the Registrar, in such manner and by such entity as the Authority may elect or by such other system or method as an Authorized Officer may determine.

If bonds are to be called for redemption to meet the schedule of mandatory periodic retirement established for an installment of the Bonds, the bonds so to be called shall be determined by lot by the Authority or the Registrar, in such manner and by such entity as the Authority may elect or by such other system or method as an Authorized Officer may determine.

(g) Partial Redemption of the Bonds.

In the case of bonds of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate bond of the minimum authorized denomination, and the word “bond” as used in the foregoing provisions of this Section 5 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any bond are to be called for redemption, then upon notice of intention to redeem such unit or units, the Bondholder of such bond shall forthwith present such bond to the Registrar which shall issue a new bond or bonds of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange for such bond, pursuant to Section 3 of this Resolution, including a new bond or bonds with the aggregate principal amount of the unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the Bondholder thereof. If the Bondholder of such bond of a denomination greater than the minimum authorized denomination shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefore, as aforesaid, such bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent or Paying Agents, as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee or the Guaranty by JFK International Air Terminal LLC, to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption and premium, if any) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. Form of the Bonds.

The form for the bonds issued under this Resolution, including provisions with respect to numbering, authentication and assignment, shall be determined by an Authorized Officer prior to the issuance of the first installment of the Bonds.

SECTION 7. Establishment of Funds.

(a) Construction Fund.

Account(s) pertaining to the Bonds shall be established within the Construction Fund by an Authorized Officer as such Authorized Officer shall deem necessary on the date of sale of the Bonds, and into which there shall be deposited any portion of the proceeds received from the sale of the Bonds which is required to be deposited into such Construction Fund account(s) in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture. In addition, there shall also be deposited into the Construction Fund account(s) pertaining to the Bonds all other monies required to be paid thereto in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture. The Construction Fund account(s) pertaining to the Bonds shall be administered by the Trustee in accordance with the provisions of the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture and any amounts remaining in such account(s) upon completion of the 2010 Expansion Project shall be applied as provided in the Trust Indenture, this Resolution, the Special Project Bond Resolution and the Lease.

(b) Bond Fund.

Account(s) pertaining to the Bonds shall be established in the Bond Fund by an Authorized Officer as such Authorized Officer shall deem necessary on the date of the sale of the Bonds, and into which there shall be deposited any portion of the proceeds received from the sale of the Bonds required to be deposited into such account(s) in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture. In addition thereto, the Lessee shall pay the Facility Rental, when due in accordance with the Lease and the Trust Indenture, in an amount sufficient together with other monies available therefor in the Bond Fund account(s) pertaining to the Bonds to pay Debt Service not later than when due, directly to the Trustee for deposit into such account(s). Further, the Trustee shall transfer from the Construction Fund account(s) pertaining to the Bonds amounts remaining in such account(s) within the Construction Fund upon completion of the 2010 Expansion Project, if any, for deposit to the Bond Fund account(s) pertaining to the Bonds in accordance with this Resolution, the Special Project Bond Resolution, the Lease and the Trust Indenture. In the event that the Trustee shall receive any monies from a partial sale (by condemnation or otherwise) of the premises covered by the Lease, and the Lease has not been terminated in accordance with its terms, such monies shall be deposited into the Bond Fund in accordance with this Resolution, the Special Project Bond Resolution, the Lease and the Trust Indenture. Any portion of the proceeds of a series or installment of Refunding Bonds issued to refund the Bonds shall be paid to the Trustee, deposited into the Bond Fund account(s) pertaining the Bonds and disbursed in accordance with the terms and conditions for the Refunding of the Bonds as provided in this Resolution and in the Special Project Bond Series Resolution pertaining to the Refunding Bonds issued to refund the Bonds. In addition, there shall also be deposited into the Bond Fund account(s) pertaining to the Bonds all other monies required to be paid thereto in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture. The Bond Fund account(s)

pertaining to the Bonds shall be administered by the Trustee in accordance with the provisions of the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture.

Pursuant to the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture, in the event that the monies in the Bond Fund account(s) pertaining to the Bonds are insufficient to pay Debt Service on the Bonds in full, such monies in such account(s) shall be applied to the payment of interest, then to the payment of premium (if any), and then to the payment of the principal of the Bonds ratably as to each of the Series 8 Bonds and the Series 9 Bonds.

(c) Debt Service Fund.

Account(s) pertaining to the Bonds shall be established within the Debt Service Fund by an Authorized Officer as such Authorized Officer shall deem necessary on the date of the sale of the Bonds. The monies, Investment Securities and other assets credited to the Debt Service Fund account(s) pertaining to the Bonds shall constitute a reserve for the payment of Debt Service on the Bonds. The Minimum Debt Service Fund Balance shall be determined by an Authorized Officer in connection with the sale of the Bonds, or each installment thereof, at the time of each such sale. There shall be deposited into the Debt Service Fund account(s) pertaining to the Bonds, or each installment thereof, from the proceeds received from the sale of the Bonds, or each installment thereof, any amount which is required to be deposited from such proceeds to cause the amount on deposit in the Debt Service Fund account(s) pertaining to the Bonds, together with any amounts to be deposited by the Lessee pursuant to the Lease in connection with the Bonds, to equal the then applicable Minimum Debt Service Fund Balance. In addition, there shall also be deposited into the Debt Service Fund account(s) pertaining to the Bonds all other monies required to be deposited therein in connection with the Bonds in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture. The Debt Service Fund account(s) pertaining to the Bonds shall be administered by the Trustee in accordance with the provisions of the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture.

(d) Establishment of Accounts and Sub-Accounts of the Construction Fund, the Bond Fund and the Debt Service Fund.

Any Authorized Officer may establish in connection with the Bonds such additional accounts or sub-accounts within the Construction Fund, the Bond Fund and the Debt Service Fund for such purposes as such Authorized Officer shall deem necessary, consistent with this Resolution, the Special Project Bond Resolution, the Lease and the Trust Indenture.

(e) Establishment of Additional Funds within the Trust Estate.

Any Authorized Officer may establish any funds and all accounts and sub-accounts therein in connection with the Bonds, to be established, held and administered by the Trustee under this Resolution, the Lease or the Trust Indenture for purposes of or in connection with those assets comprising a portion of the Trust Estate, encompassed by clause (iv) of the Trust Estate.

(f) Continuation of Funds.

The Construction Fund, the Bond Fund, and the Debt Service Fund shall remain in existence so long as any of the Bonds are outstanding, subject to the provisions of the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture.

SECTION 8. Investments.

Subject to the provisions of Section 7 of the Special Project Bond Resolution, the Trustee may invest the monies in the account(s) pertaining to the Bonds within the Construction Fund, the Bond Fund, the Debt Service Fund and in any funds and all accounts and sub-accounts therein established pursuant to Section 7(e) of this Resolution, respectively, in such Investment Securities as are designated by an Authorized Officer for such purposes.

The value of Investment Securities shall be computed at such times and by such methods provided in or pursuant to the Trust Indenture.

Pursuant to Section 7 of the Special Project Bond Resolution, all income or other gain derived from or attributable to Investment Securities shall be credited to or deposited into the account(s) pertaining to the Bonds within the fund which purchased such Investment Securities and any loss derived from or attributable to Investment Securities shall be charged to such account(s). In accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture, any such income or gain credited to or deposited into the account pertaining to the Bonds within the Debt Service Fund shall be transferred by the Trustee for deposit into the account(s) pertaining to the Bonds within the Construction Fund to the extent and upon the determination by the Trustee in accordance with Section 7(c) of this Resolution that there is in the account pertaining to the Bonds within the Debt Service Fund an amount in excess of the Minimum Debt Service Fund Balance required to be maintained therein, and upon and after final disbursement of the Construction Fund account(s) pertaining to the Bonds into the Bond Fund account(s) pertaining to the Bonds, to be applied in accordance with the Special Project Bond Resolution, this Resolution, the Lease and the Trust Indenture.

SECTION 9. The Trustee.

(a) Appointment and Powers of the Trustee.

The Authority shall appoint a bank or trust company as Trustee for and in connection with the Bonds. The Trustee is hereby authorized to (i) institute any action or proceeding on behalf of the Bondholders against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the Bondholders; *provided, however*, that any action instituted or taken with respect to the Authority shall only be instituted or taken to the limited extent of any liability of the Authority with respect to the Bonds. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the Bondholders. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority concerning the Project or any of the contracts or agreements of the Authority concerning the Project or exercise any of the rights or powers vested in it by this Section 9 in connection with the Project whether on the Trustee's initiative or at the request or direction of any of the Bondholders.

(b) Qualification of the Trustee.

The Trustee (which shall include any successor Trustee) shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at least \$25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by the Special Project Bond Resolution, this Resolution, the Trust Indenture, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC. The Trustee may be the same entity that serves as the trustee for the Series 6 Bonds.

(c) Declaration by the Trustee of Principal of and Interest on the Bonds as Due.

In the event that the Lessee fails to provide sufficient monies for deposit into the Bond Fund account(s) pertaining to the Bonds to pay Debt Service, when due, or, to the extent set forth in the Lease, in the event that certain events involving the bankruptcy or insolvency of the Lessee or the appointment of a receiver, trustee or liquidator in connection therewith for the property of the Lessee shall occur, to the extent set forth in the Trust Indenture, the Trustee may, and upon the written request or direction of the Bondholders representing not less than a majority in aggregate principal amount of the Bonds then outstanding (excluding any of the Bonds held by or for the account of the Authority or the Lessee), the Trustee shall, by written notice to the Authority and the Lessee, declare the principal amount of the Bonds then outstanding and the interest accrued thereon to be immediately due and payable, and said principal and interest shall thereupon become immediately due and payable (subject to the rights or rescission and annulment set forth in the paragraph below and in the Lease), anything contained in the Special Project Bond Resolution, this Resolution, the Trust Indenture and the Lease, to the contrary notwithstanding.

If however, at any time after the principal of the Bonds then outstanding and the accrued interest thereon shall have been so declared to be due and payable, and before the later of (i) entry of final judgment or decree in any suit, action or proceeding instituted on account of any of the events referred to in the first paragraph of this Section 9(c) and (ii) the completion of the enforcement of any other remedy under this Resolution, monies shall have accumulated or shall have been deposited into the Bond Fund account(s) pertaining to the Bonds sufficient to pay the principal of and any premium (or redemption price) on all of such matured Bonds, and all of such Bonds (or portions of the principal amount thereof) then or theretofore required to be redeemed pursuant to any provisions of this Resolution (excluding principal not then due except by reason of the aforesaid declaration) and all arrears of interest and interest then due, if any, upon all of such Bonds then outstanding, and if the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Authority hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other such event (other than a default in the payment of the principal of such Bonds then due only by reason of the aforesaid declaration) shall have been remedied to the satisfaction of the Trustee or, in the case of any such event other than the nonpayment of an amount due and owing or an event involving the bankruptcy or insolvency of the Lessee or the appointment of a receiver, trustee or liquidator in connection therewith for the property of the Lessee to the extent set forth in the Lease, the Authority or the Lessee shall be

taking, or shall be causing to be taken, appropriate action in good faith to effect its cure, then in every such event the Trustee may, and upon the written request or direction of the Bondholders representing not less than a majority in aggregate principal amount of the Bonds then outstanding (excluding any of the Bonds held by or for the account of the Authority or the Lessee) not then due by their terms (except by reason of the aforesaid declaration), the Trustee shall, by written notice to the Authority and the Lessee, rescind and annul such declaration and its consequences, and such rescission shall be binding upon the Bondholders. No such rescission or annulment pursuant to the next preceding sentence shall extend to or affect any subsequent default or impair any right consequent thereto.

(d) Liability of the Trustee.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority or the Lessee, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC, in good faith and in accordance therewith. The Trustee shall not be liable in connection with the exercise, performance or non-performance of its powers and duties except for its own willful misconduct, negligence or bad faith.

(e) Evidence Upon Which the Trustee May Act.

If the Trustee for the Bonds shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established as to the Trustee and the Bondholders by a certificate of an Authorized Officer or an authorized representative of the Lessee as provided in the Lease, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC, in reliance thereon; *provided, however*, that in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(f) Reports by Trustee.

In addition to any other reports or information which the Trustee shall be required to furnish to the Authority and the Lessee pursuant to the Trust Indenture, not more than ninety (90) days after the close of each bond year with respect to the Bonds, the Trustee shall furnish to the Authority, the Lessee and any Bondholder filing with the Trustee a written request for a copy, a statement setting forth (to the extent applicable) in respect to such bond year (i) all transactions relating to the receipt, disbursement and application of all monies received by the Trustee applicable to the Bonds; (ii) the amount held by the Trustee at the end of such bond year to the

credit of each fund established in connection with the Bonds, including a breakdown by account and sub-account; (iii) a brief description of all Investment Securities held by the Trustee as of the end of such bond year as an investment of monies in each fund established in connection with the Bonds, including a breakdown by account and sub-account; (iv) the principal amount of the Bonds, purchased by the Trustee during such bond year from monies available therefor in each fund pursuant to the provisions of this Resolution, and the respective purchase price of the Bonds; (v) the principal amount of the Bonds redeemed or retired during such bond year and the redemption prices thereof, if any; and (vi) any other information which the Authority or Lessee may reasonably request. The Trustee shall also furnish to the Authority and the Lessee monthly statements setting forth the foregoing information (to the extent applicable) with respect to each month of such bond year.

(g) Cancellation and Destruction of Bonds by the Trustee.

All of the bonds surrendered to the Trustee or other Paying Agent for payment pursuant to Section 5 of this Resolution shall be cancelled upon such payment by the Trustee or such other Paying Agent as the case may be. Whenever cancellation of any bonds is by any Paying Agent other than the Trustee, such bonds so cancelled shall be delivered to the Trustee or as it may direct. All cancelled bonds, including those cancelled by the Trustee, shall be delivered to the Authority or as it may direct. Upon the written request of the Authority, the Trustee (or other Paying Agent) may in lieu of such cancellation and delivery destroy such bonds. If any bonds are destroyed by the Trustee, the Authority may require that such destruction be done in the presence of its appointee, and if any bonds are destroyed by a Paying Agent other than the Trustee, the Authority or the Trustee may require that such destruction be done in the presence of its respective appointee or officer. If the Trustee shall destroy any bonds it shall deliver a certificate of such destruction to the Authority, and if such destruction be performed by a Paying Agent other than the Trustee, such Paying Agent shall deliver a certificate of such destruction to both the Authority and the Trustee.

(h) Compensation of the Trustee, the Paying Agent and the Registrar.

The Authority shall provide in the Lease for the Lessee to (i) pay to the Trustee, the Paying Agent and the Registrar, from time to time, reasonable compensation for all services rendered by each of them under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Paying Agent's Agreement, the Registrar's Agreement, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC; (ii) reimburse the Trustee, the Paying Agent and the Registrar upon each of their requests for all reasonable expenses, disbursements and advances incurred or made by each of them in connection with the exercise, performance or non-performance of any of their powers or duties under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Paying Agent's Agreement, the Registrar's Agreement, the Lease, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC (including the reasonable compensation and the expenses and disbursements of each of their agents and counsel); and (iii) to indemnify the Trustee, the Paying Agent and the Registrar for, and hold each of them harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on their part, arising out of or in connection with the exercise, performance or non-performance of each of their powers and duties under this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Paying Agent's Agreement, the Registrar's Agreement, the Lease, the

Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC, including the costs and expenses of any defense against any claim or liability in connection with such exercise, performance or non-performance.

(i) Right of the Trustee to Own or Hold Bonds.

The Trustee may become a Bondholder with the same rights as it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for the Authority, act as paying agent and registrar for other obligations of the Authority and obligations of others, act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the Lessee, the Bonds and the Bondholders as it or its officers or directors would be able to act were it not the Trustee. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the Lessee.

(j) Resignation of the Trustee.

The Trustee may at any time resign and be discharged of all of the duties and obligations created by this Resolution by giving not less than sixty (60) days' written notice to the Authority and the Lessee and by giving such notice thereof, specifying the date when such resignation shall take effect, to the Bondholders. Such notice shall be given to the Bondholders by deposit of a copy of such notice, postage prepaid by first class mail, certified or registered, in a United States Post Office, addressed to the Bondholders at their last known addresses as appearing upon the books for the registration of the Bonds kept pursuant to Section 3(d) of this Resolution. Notice of such resignation shall also be published by the Trustee once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the Port District. Such resignation shall take effect upon the later of the date specified in such notice (unless previously a successor Trustee shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor Trustee) and the appointment by the Authority of a successor Trustee.

(k) Removal of the Trustee.

The Trustee or any successor thereto may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the Bondholders representing a majority in aggregate principal amount of Bonds then outstanding or by their attorneys duly authorized, excluding any of the Bonds held by or for the account of the Authority or the Lessee.

(l) Appointment of a Successor Trustee.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Bondholders representing a majority in aggregate principal amount of the Bonds then outstanding (excluding any of the Bonds held by or for the account of the Authority or the Lessee), by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys duly authorized and delivered to such successor Trustee,

notification thereof being given to the Authority and the predecessor Trustee; *provided, however*, that the Authority shall forthwith appoint a Trustee to fill such vacancy unless and until a successor Trustee shall be appointed by the Bondholders as authorized in Section 9 of this Resolution. The Authority shall mail notice of any such appointment made by it to the Bondholders. Such notice shall be given to the Bondholders by deposit of a copy of such notice, postage prepaid by first class mail, certified or registered, in a United States Post Office, addressed to the Bondholders at their last known addresses as appearing upon the books for the registration of the Bonds kept pursuant to Section 3(d) of this Resolution. Notice of such appointment shall also be published by the Authority once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the Port District, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders representing a majority in aggregate principal amount of Bonds then outstanding as authorized in Section 9 of this Resolution. Any appointment of a successor Trustee or Trustees shall be made in compliance with the requirements of Section 9 of this Resolution.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act; *provided, however*, that such company shall otherwise meet the qualifications set forth in Section 9(b) of this Resolution.

The failure of the Authority to take any action required by this Section 9 shall not invalidate any of the Bonds or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section 9 from entering any defense to an action or proceeding instituted by the Trustee or by the Bondholders.

SECTION 10. Discharge.

- (a) Discharge of Pledges, Mortgages, Security Interests and Assignments; Bonds Deemed to be Paid Under this Resolution.

The obligations of the Authority and the Lessee under the Special Project Bond Resolution, this Resolution and the Trust Indenture, and the pledges, mortgages, security interests and assignments of the Authority and the Lessee provided for in this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee, the Personal Property Security Interest by the Lessee and the Guaranty by JFK International Air Terminal LLC, shall be fully discharged and satisfied as to each of the Bonds and each bond shall be deemed to have been paid for all purposes of Section 10(b) either:

- (i) when such bond shall have been cancelled, or shall have been surrendered for cancellation and is subject to cancellation, or shall have been purchased or redeemed in whole by the Trustee from monies in the Bond Fund account(s) pertaining to the Bonds; or
- (ii) as to any bond not so cancelled, or not so surrendered for cancellation and subject to cancellation, or not so purchased pursuant to (i) above, when payment

of the principal of and the premium, if any (or redemption price) on such bond, plus interest on such principal to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or by declaration as provided in Section 9(c) of this Resolution, or otherwise), either (a) shall have been made or caused to be made in accordance with the terms of such bond, or (b) shall have been provided by irrevocably depositing with the Trustee or Paying Agent, in trust, and irrevocably appropriating and setting aside exclusively for such payment, either (1) monies sufficient to make such payment or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient monies to make such payment, or (3) a combination of both such monies and such Governmental Obligations, and all necessary and proper fees, compensation and expenses of the Trustee and Paying Agent pertaining to the bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee and such Paying Agent.

At such time as a bond shall be deemed to be paid under this Section 10 such bond shall cease to bear interest from the due date thereof (whether such due date be by reason of maturity, or upon redemption or by declaration as aforesaid, or otherwise) and, except for the purpose of any payment to be made with respect to such bonds from such monies or Governmental Obligations, such bond shall no longer be secured by or entitled to the benefits of this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee and the Guaranty by JFK International Air Terminal LLC.

Notwithstanding the foregoing, in the case of any of the Bonds which the Authority has been requested to redeem or otherwise prepay prior to their stated maturities and which by their terms may be so redeemed or otherwise so prepaid, no deposit under clause (b) of subparagraph (ii) above shall constitute such payment, discharge and satisfaction as aforesaid, until such bonds shall have been irrevocably called or designated for redemption or prepayment and proper notice of such redemption or prepayment shall have been previously given in accordance with Section 5(d) of this Resolution or provision satisfactory to the Trustee shall have been irrevocably made for the giving of such notice at the first date at which such notice may be given to the Bondholders.

Any of the monies deposited with the Trustee or other Paying Agent as provided in this Section 10 may, in accordance with the instruction of the Authority acting at the request of the Lessee, also be invested and reinvested in Governmental Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Governmental Obligations in the custody of the Trustee or the Paying Agent pursuant to this Section 10 which is not required for the payment of Debt Service in full on the particular bonds with respect to which such monies shall have been so deposited, shall be paid to the Lessee as received by the Trustee, free and clear of any trust, lien or pledge under this Resolution.

Notwithstanding any provision of any other section of this Resolution which may be contrary to the provisions of this Section 10, all monies or Governmental Obligations set aside and held in trust pursuant to the provisions of this Section 10 for the payment of Debt Service in full on a particular bond shall be applied to and used solely for such payment of the particular bond with respect to which such monies and Governmental Obligations have been so set aside in trust.

If monies or Governmental Obligations have been deposited or set aside with the Trustee or a Paying Agent pursuant to this Section 10 for such payment of bonds prior to the due date thereof (whether such due date be by reason of maturity or upon redemption or by declaration as aforesaid, or otherwise) and such bonds shall be deemed to have been paid hereunder as provided in this Section 10, but such bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Section 10 shall be made without the consent of the Bondholder of each bond affected thereby.

The Authority, acting at the request of the Lessee, or the Lessee may at any time surrender to the Trustee for cancellation by it any of the Bonds previously executed and delivered which the Authority or the Lessee may have acquired in any manner whatsoever, and upon such surrender for cancellation such bonds shall be deemed to be paid hereunder.

(b) Release of this Resolution; Termination of Right, Title and Interest of the Trustee.

When all of the Bonds shall be deemed to be paid in accordance with the provisions of Section 10(a) of this Resolution then and in that event the right, title and interest of the Trustee in the Trust Estate, the Leasehold Mortgage by the Lessee and the Guaranty by JFK International Air Terminal LLC, shall thereupon cease, determine and become void with respect to the Bonds, and the Trustee in such case, shall release this Resolution, the Special Project Bond Resolution, the Trust Indenture, the Leasehold Mortgage by the Lessee and the Guaranty by JFK International Air Terminal LLC, with respect to the Bonds, and shall execute such documents to evidence such release, and shall turn over to or as directed by the Lessee any surplus monies and balances remaining in any of the funds and accounts pertaining to the Bonds created in or held under this Resolution other than monies and Governmental Obligations held by it pursuant to the third-to-last paragraph of Section 10(a) of this Resolution or the provisions of Section 4(b) of the Special Project Bond Resolution for the redemption, payment or prepayment of any of the Bonds; otherwise, this Resolution shall be, continue and remain in full force and effect.

SECTION 11. Titles.

Titles to the Sections of this Resolution are solely for convenience and are not an aid in the interpretation of this Resolution or any part of this Resolution.

SECTION 12. Certain Actions to be Taken by the Lessee under the Internal Revenue Code of 1986.

In the event that the Bonds are issued on the basis that the Bonds are to be in conformity with, and that the interest on the Bonds is not to be includible for Federal income tax purposes, in the gross income of the recipients thereof under Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, the Authority shall provide in the Lease for the Lessee to take any action which may be appropriate to assure that the Bonds are issued and during their term are outstanding, on such basis.

SECTION 13. Establishment of Funds not a Part of the Trust Estate.

Any Authorized Officer is authorized to provide for the establishment of all funds and accounts and sub-accounts therein with respect to the Bonds, to be established, held and

administered by the Trustee separate and apart from the Trust Estate under this Resolution, the Lease or the Trust Indenture for purposes of or in connection with the receipt of monies by the Trustee which are not required to be deposited into the account(s) pertaining to the Bonds in each of the Construction Fund, the Bond Fund, the Debt Service Fund or any fund established pursuant to Section 7(e) of this Resolution, the Lease or the Trust Indenture. Any such funds, accounts or sub-accounts and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment to the Trustee in favor of the Bondholders or otherwise be or be deemed to be a part of the Trust Estate or be available for the payment of Debt Service.

SECTION 14. Resolution to Constitute a Contract.

The provisions of this Resolution shall constitute a contract with the Bondholders of the Bonds, and with each such Bondholder.

SPECIAL PROJECT BONDS, SERIES 8 AND 9, JFK INTERNATIONAL AIR TERMINAL LLC PROJECT – AUTHORIZATION OF SALE

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino, Sartor and Steiner voting in favor; none against; Commissioner Moerdler recused:

WHEREAS, heretofore and on June 9, 1983, The Port Authority of New York and New Jersey (hereinafter called the “Authority”) adopted a resolution (hereinafter called the “Special Project Bond Resolution”) providing for the issuance of certain bonds other than direct and general obligations of the Authority (hereinafter called “Special Project Bonds”), from time to time in conformity with the Special Project Bond Resolution for the purposes therein set forth, and which Special Bond Resolution constitutes a contract with the holders of the Special Project Bonds so issued; and

WHEREAS, on August 5, 2010, the Authority adopted a resolution (hereinafter called the “Series Resolution”) providing for the establishment and the authorization of the issuance of Special Project Bonds, Series 8, JFK International Air Terminal LLC Project and Special Project Bonds, Series 9, JFK International Air Terminal LLC Project for the purposes set forth in the Series Resolution, and which Series Resolution constitutes a contract with the registered holders of the Bonds so issued; and

WHEREAS, the Authority has now determined that it is advisable and in the public interest to provide for offering the Bonds for sale;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. All capitalized terms of special meaning used and not otherwise defined in this resolution shall have the meanings ascribed to such terms in or pursuant to the Series Resolution. This resolution shall apply with equal force and effect to each series of the Bonds on an individual basis.

SECTION 2. An Authorized Officer is authorized to sell all or any part of up to One Billion Two Hundred Million Dollars (\$1,200,000,000) in aggregate principal amount of the Series 8 Bonds and Series 9 Bonds at any one time outstanding, at a price which will result in a true interest cost to the Authority not in excess of twelve per centum (12%), and to do so in the name of and on behalf of the Authority, at public or private sale, and on either a competitive or negotiated basis, with or without advertisement, in one or more installments or in one or more lots, at one or more times, and to apply the proceeds of such sale or sales as provided in the Series Resolution; *provided, however*, that the total aggregate principal amount of all the Series 8 Bonds and Series 9 Bonds sold in no event shall exceed One Billion Two Hundred Million Dollars (\$1,200,000,000) at any one time outstanding; and, *provided further, however*, that the total aggregate principal amount of the Series 8 Bonds and Series 9 Bonds sold in no event shall exceed the amount required to finance or refinance the 2010 Expansion Project Costs.

SECTION 3. An Authorized Officer is authorized, in connection with the Bonds, to fix the time or times of sale of the Bonds, to determine the terms and conditions upon which sales shall be made and to accept or reject offers in connection with such sales, and to do so in the name of and on behalf of the Authority.

SECTION 4. An Authorized Officer is authorized, in the name of and on behalf of the Authority, in connection with the Bonds, to enter into any contracts or agreements pertaining to the Bonds; to fix the time or times and determine the terms and conditions of delivery of the Bonds; to appoint a Paying Agent, a Registrar and a Trustee and to designate the office or offices of any such Paying Agent at which payments shall be made and the office or offices of any such Registrar at which the books for registration of the Bonds shall be kept; to designate the depository or depositories for any monies to be held by the Trustee; to enter into or consent to agreements providing for mortgages, pledges, assignments or grants of security interests of or in Facility Rental and all or any part of the property constituting or located or to be located at the premises covered by the Lease; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised in connection with the Bonds, the Authority hereby adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinion and exercises of discretion or judgment as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of an Authorized Officer will best serve the public interest.

SECTION 5. An Authorized Officer is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Bonds and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized, in connection with the issuance of the Bonds on the basis that the Bonds are to be issued in conformity with, and that the interest on the Bonds is not to be includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Bonds are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are hereby ratified. Any Authorized Officer is hereby authorized to certify on behalf of the Authority as to the need for the issuance of the Bonds for the purposes for which the Bonds are issued, as to the status of the 2010 Expansion Project, as to the Authority's intentions with respect to the application and investment of the proceeds of the Bonds, and as to such other related matters as may be authorized by an Authorized Officer and any such actions taken in connection therewith are hereby ratified.

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR VERTICAL TRANSPORTATION AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Otis Elevator Company for vertical transportation work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$40,932,000, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$2 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The WTC Hub Project includes the construction of the Transit Hall in the East Bathtub and the PATH Hall in the West Bathtub. The scope of work under the proposed contract includes furnishing and installing 19 hydraulic elevators and 47 escalators primarily servicing these areas, as well as the East-West Connector and Towers 2, 3 and 4. The contractor would install in-ground hydraulic, roped hydraulic, and one-stage hydraulic elevators at these locations. The contract also would include the installation of a vertical transportation monitoring system, which will utilize state-of-the-art security and control features to monitor and manage the elevators and escalators.

The recommended award is to the lowest-price proposer, Otis Elevator Company, which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. From March 2006 through June 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project, to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the proposed increase and an increase pursuant to a companion item being advanced at this meeting, a total of \$366 million will have been authorized. Approximately \$287 million of that amount has been expended to date.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture, with Otis Elevator Company, for vertical transportation work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$40,932,000, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$2 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR EAST BATHTUB HUDSON & MANHATTAN WALL DEMOLITION AND INCREASE IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES

It was recommended that the Board authorize the Executive Director to: (1) enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with R. Baker and Sons All Industrial Services, Inc. (R. Baker and Sons) for East Bathtub Hudson & Manhattan (H&M) Wall demolition work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$4,308,120, inclusive of an eight-percent allowance for extra work; and (2) increase, by an estimated amount of \$250,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project.

The scope of work under the proposed contract provides for the removal of portions of the H&M Wall, in order to provide connections from New York City Transit's Dey Street corridor to the WTC Hub and Battery Park City, including demolition and removal of concrete foundation walls, removal of temporary steel braces and restoration of pavement on Church Street.

The recommended award is to the lowest-price proposer, R. Baker and Sons, which was selected by Tishman/Turner from a pre-qualified list of proposers. The proposed WTC Hub Project trade contract was procured pursuant to the procedures established in the Tishman/Turner Construction Management Agreement, dated August 10, 2009, and the Federal Transit Administration Lower Manhattan Recovery Office Third Party Contracting Requirements, dated August 21, 2003.

In September 2003, the Executive Director authorized an agreement with DDP to provide professional architectural and engineering services for the development of the WTC Hub Project for a five-year term, at an estimated amount of \$60 million. From March 2006 through June 2010, the Board authorized increases to the existing DDP contract for additional architectural and engineering and construction support services through Stage IV of the WTC Hub Project to implement various components of the project. To continue the implementation of the project, it is necessary to increase compensation to DDP at this time. Including the proposed increase and an increase pursuant to a companion item being advanced at this meeting, a total of \$366 million will have been authorized. Approximately \$287 million of that amount has been expended to date.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution with Commissioners Bauer, Coscia, Grayson, Holmes, Pocino and Steiner voting in favor; none against; Commissioners Moerdler and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture, with R. Baker and Sons All Industrial Services, Inc. for East Bathtub Hudson & Manhattan Wall demolition work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of \$4,308,120, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an estimated amount of \$250,000, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for architectural and engineering services to support the continued construction of the WTC Hub Project; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary