THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Wednesday, August 1, 2012

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, August 1, 2012 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY	**NEW YORK**
Hon. David Samson, Chairman	Hon. Scott H. Rechler, Vice-Chairman
Hon. Richard H. Bagger	Hon. H. Sidney Holmes III
Hon. Raymond M. Pocino	Hon. Jeffrey H. Lynford
Hon. William P. Schuber	Hon. Rossana Rosado
Hon. David S. Steiner	Hon. James P. Rubin

Patrick J. Foye, Executive Director
William Baroni, Jr., Deputy Executive Director
Darrell B. Buchbinder, General Counsel
Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation
Steven J. Coleman, Deputy Director, Media Relations
Stephanie E. Dawson, Acting Chief Operating Officer
Gerard A. Del Tufo, Assistant Director of Development and Operations, Real Estate and Development
John C. Denise, Audio Visual Supervisor, Marketing
Michael P. DePallo, Director, Rail Transit
Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
John J. Drobny, Director, Security Projects, Office of the Chief Operating Officer
Michael G. Fabiano, Chief Financial Officer
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Michael B. Francois, Chief, Real Estate and Development
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
Ann M. Georgas, Manager, Legal Management Division, Law
Lash L. Green, Director, Office of Business Diversity and Civil Rights
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Director, Human Resources
Andrew T. Hawthorne, Director, Marketing
Anthony Hayes, Manager, Media Planning, Media Relations
Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
Howard G. Kadin, Esq., Law
James A. Keane, General Manager, Inspection and Safety-Risk Management, Operations Services
Kirby King, Director, Technology Services
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
Diana Lopez, Senior Advisor, Port Commerce
John H. Ma, Chief of Staff to the Executive Director
Lisa MacSpadden, Director, Media Relations
Stephen Marinko, Esq., Law
Michael G. Massiah, Director, Management and Budget
Daniel G. McCarron, Comptroller
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer

William A. Nurthen, General Manager, Program Support and Performance Management, Port Commerce
Patrick B. O'Reilly, Senior Advisor to the Chairman
Ann O'Rourke, Assistant Director, Government and Community Affairs
Hunter Pendarvis, Public Information Officer, Media Relations
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
Richard J. Rebisz, Senior External Relations Representative, Government and Community Affairs
Alan L. Reiss, Deputy Director, World Trade Center Construction
Paul J. Richman, Director, Federal Affairs, Government and Community Affairs
Brian W. Simon, Director, Government and Community Affairs, New York
Timothy G. Stickelman, Assistant General Counsel
Robert A. Sudman, Director, Audit
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
Lillian D. Valenti, Director, Procurement
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director
Peter J. Zipf, Chief Engineer

Guests:
Nicole Crifo, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey

Speakers:
Murray Bodin, Member of the Public
Glenn Corbett, Member of the Public
Jacinto Diaz, Member of the Public
Margaret Donovan, Twin Towers Alliance
Yvonne Garrett-Moore, Member of the Public
Amy Goldsmith, Chair, Coalition for Healthy Ports, State Director, NJ Environmental Federation
Richard Hughes, Twin Towers Alliance
Joyce James, Unite Here
Cynthia Mellon, Ironbound Community Corporation
Theodore Moore, Alliance of Greater New York
Sally Regenhard, Co-founder, SkyScraper Safety Campaign

The public meeting was called to order by Chairman Samson at 1:33 p.m. and ended at 2:32 p.m. The Board met in executive session prior to the public session. Commissioner Sartor was present for executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of June 28, 2012. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on June 29, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on July 16, 2012.

Whereupon, the Board unanimously approved the Minutes of the meeting of June 28, 2012, including the Minutes of the special meeting of the Committee on Operations.

Report of Governance and Ethics Committee

The Governance and Ethics Committee reported, for information, on matters discussed in public session at its meeting on August 1, 2012, which included discussion of legal and regulatory requirements, ethical standards of the States of New York and New Jersey, the code of ethics for Commissioners, and bi-State and corporate trends in governance and ethics, and the report was received.

Report of Security Committee

The Security Committee reported, for information, on matters discussed in executive session at its meeting on August 1, 2012, which included discussion of matters involving public safety or law enforcement, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public session at its meeting on August 1, 2012, which included review of a Port Authority Plan of Financing, discussion of an item that authorizes the negotiated sale of taxable Consolidated Bonds and Notes for capital expenditures in connection with the World Trade Center redevelopment and for refunding prior debt obligations issued for World Trade Center purposes, and discussion of an item that authorizes consent agreements with existing lessees to refinance outstanding bonds issued to develop existing cargo facilities at John F. Kennedy International Airport and Newark Liberty International Airport, and the report was received.

Report of Committee on Capital Programs/Agency Planning

The Committee on Capital Programs/Agency Planning reported, for information, on matters discussed in public session at its meeting on August 1, 2012, which included discussion of an item that authorizes an increase in planning to support Interstate 278 corridor access improvements in the vicinity of the New Jersey side of the Goethals Bridge, and discussion of an item that authorizes planning to improve access from Interstate 278, east of the Goethals Bridge, to the Howland Hook Marine Terminal in Staten Island, New York, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on August 1, 2012, which included discussion of a project for the design and construction of a new electrical substation at LaGuardia Airport, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on August 1, 2012, which included discussion of two new lease agreements for retail space at the Port Authority Bus Terminal, a program to encourage operators of ocean-going vessels that call at the Port Authority's marine terminals to reduce emissions beyond existing regulatory requirements, a lease extension for the operation and management of the food and beverage, and retail concessions program in the Central Terminal Building at LaGuardia Airport, and discussion of staff overtime results for the second quarter 2012, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on August 1, 2012, which included discussion of several contracts and agreements in connection with the continued development of the World Trade Center site, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Chairman's Report

On behalf of the Board, Chairman Samson welcomed Commissioner Richard H. Bagger and congratulated him on his recent appointment to the Board.

LAGUARDIA AIRPORT – EAST END SUBSTATION – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the design and construction of a new East End Substation (Substation) to replace the existing Central Electric Substation (CES) at LaGuardia Airport (LGA), at an estimated total project cost of $106.9 million; (2) the Executive Director to award construction contracts for: (a) Substation foundation and site utilities, at an estimated amount of $11.6 million; and (b) Substation building, equipment and feeders, at an estimated amount of $64 million; (3) the Executive Director to enter into an amendment to the LGA Central Terminal Building (CTB) Modernization Program Agreement for expert planning, architectural and engineering services with Skidmore, Owings and Merrill, LLP (SOM), to include final design and construction support services to support the Substation project, at an estimated increased cost of $4.3 million; (4) the Executive Director to enter into agreements with Consolidated Edison Company of New York, Inc. (Con Ed) to deliver 24 megawatts (MW) of power via six 27-kilovolt (kV) feeders to the new Substation, at an estimated cost of $4.2 million; (5) the Executive Director to enter into agreements for temporary and permanent easements required in connection with the Substation project, as well as for ongoing maintenance of electrical infrastructure connecting to the new Substation once completed; and (6) submittal of an application for the collection and use of up to $106.9 million in Passenger Facility Charges (PFC) for project expenditures.

LGA currently relies on two substations to deliver electricity. The more heavily utilized of the two, the CES, which would be replaced under the proposed project, is located adjacent to the CTB, and was built in the 1960s. The CES currently provides an operating capacity of 12 MW. The proposed project would provide for the construction of a new three-story Substation with an electrical capacity of 24 MW, which would provide for more efficient handling of growing electrical demand at LGA and would accommodate electricity for future growth, including a new CTB. The new Substation would increase the overall electrical capacity of LGA to 36 MW. In addition, the new Substation would allow for the construction of a new CTB, because the current CES is located within the footprint designated for a new CTB and must be removed prior to advancing the CTB replacement

Con Ed would deliver 24 MW of power to the Substation through six 27-kV feeders on the south side of the Grand Central Parkway, near Parking Lot 4, where the new Substation would be located. The approximate cost for setting up this service would be $4.2 million. Con Ed would permit dual operation of the new Substation and the existing CES for approximately six months after the new Substation is energized, and separate authorization would be sought for decommissioning and removal of the CES.

Con Ed's feeders would cross under the Grand Central Parkway in new ductbanks. In collaboration with New York State Department of Transportation (NYSDOT), which presently is rehabilitating the Grand Central Parkway, ductbank infrastructure would be installed via a coordinated effort with NYSDOT under an existing Port Authority work order contract. In addition, other necessary work is being advanced to prepare the site. This includes demolition of one of the two exit toll plazas in Parking Lot 4 currently in conflict with the proposed construction. This would shorten the overall duration of the foundation and site utilities construction for the new Substation

At its February 25, 2010 meeting, the Board authorized the award of an agreement for expert professional planning, architectural and engineering services for the CTB Modernization Program (now referred to as the LGA Redevelopment Program) to SOM, at an estimated total amount of $30 million. In order to accommodate the aggressive schedule for the development of the new Substation, and given that the CES is fast approaching its useful life limit, the airport's eminent need for more power and SOM's prior work on this critical construction component and its relationship to overall airport redevelopment, the Port Authority is requesting that the existing agreement be amended to include final design and construction support services for the new Substation. The value of SOM's agreement would be increased by $4.3 million, bringing the total authorized amount for SOM's services to $34.3 million.

Easements also are required from NYSDOT, New York City Department of Transportation and New York City Department of Parks and Recreation to build and maintain the electrical infrastructure from Con Ed's point of entry south of the Grand Central Parkway to the new Substation.

Costs associated with the proposed project are 45-percent recoverable via flight fees. In addition, staff plans to seek full recovery of project costs from the Federal Aviation Administration via a future application for Passenger Facility Charges.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Holmes recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the design and construction of a new East End Substation (Substation) to replace the existing Central Electric Substation at LaGuardia Airport (LGA), at an estimated total project cost of $106.9 million, 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 award construction contracts for the following work in connection with the foregoing project: (1) construction of the Substation foundation and site utilities, at an estimated amount of $11.6 million; and (2) construction of the Substation building, equipment and feeders, at an estimated amount of $64 million; and it is further

RESOLVED, the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an amendment to the LGA Central Terminal Building Modernization Program Agreement for expert planning, architectural and engineering services with Skidmore, Owings and Merrill, LLP, to include final design and construction support services to support the Substation project, at an estimated increased cost of $4.3 million; 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 agreements with Consolidated Edison Company of New York, Inc. to deliver 24 megawatts of power via six 27-

kilovolt feeders to the new Substation, at an estimated cost of $4.2 million; 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 agreements with appropriate entities for temporary and permanent easements required in connection with the Substation project, as well as for ongoing maintenance of electrical infrastructure connecting to the new Substation once completed; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the submittal of an application for the collection and use of up to $106.9 million in Passenger Facility Charges for expenditures in connection with the foregoing project be and it hereby is authorized; and it is further

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

GEORGE WASHINGTON BRIDGE AND BUS STATION, HOLLAND TUNNEL, LINCOLN TUNNEL AND PORT AUTHORITY BUS TERMINAL – ACCESS CONTROL SYSTEM ENHANCEMENTS – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for upgrades and enhancements to the physical and infrastructure components of the access control systems at the George Washington Bridge (GWB), George Washington Bridge Bus Station (GWBBS), Holland Tunnel (HT), Lincoln Tunnel (LT), and Port Authority Bus Terminal (PABT), at an estimated total project cost of $34.6 million; and (2) the Executive Director to: (a) expend $232,688 for the continued retention of URS Corporation (URS) to provide expert professional architectural and engineering services through project completion; and (b) award Contract MF-244.202 for the furnishing and installation of the foregoing upgrades and enhancements to the access control systems at the GWB, GWBBS, HT, LT and PABT to the lowest qualified bidder, at an estimated total amount of $21.5 million.

Based on risk and operational assessments identifying the need for additional access control, intrusion detection, and video surveillance equipment in order to enhance public and employee safety and continue to protect critical structural, utility and operational areas from unauthorized access, at its March 26, 2009 meeting, the Board authorized $4 million in planning work to support the future implementation of the proposed project, which included an agreement with URS Corporation to provide expert professional architectural and engineering services related to this effort, with a total value not to exceed $2,232,688, of which the expenditure of $2 million was authorized at that time.

The existing access control systems consist of card readers, closed-circuit television (CCTV) cameras, electronic door locks, fence monitors, motion sensors and video recording equipment, all integrated within a local network configuration originally installed in the late 1990s and subsequently upgraded in 2005. The access control systems monitor activity, control access, and secure various critical areas at the aforementioned facilities.

The proposed project includes the installation of additional access control hardware to areas housing equipment critical to facility operation, while also expanding camera coverage and providing an upgraded video storage system with expanded storage capacity to accommodate the additional cameras. The additional CCTV cameras would provide greater ability to verify alarms remotely. In addition, certain equipment that was installed in the late 1990s is no longer supported by the equipment manufacturer and would be replaced in order to maintain serviceability, improve protection, provide interoperability with new equipment, and allow for greater consolidation of access control system management.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for upgrades and enhancements to the physical and infrastructure components of the access control systems at the George Washington Bridge (GWB), George Washington Bridge Bus Station (GWBBS), Holland Tunnel (HT), Lincoln Tunnel (LT), and Port Authority Bus Terminal (PABT), at an estimated total project cost of $34.6 million, 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 expend $232,688 in connection with an existing agreement with URS Corporation (URS) for the continued retention of URS to provide expert professional architectural and engineering services through project completion; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract MF-244.202 for the furnishing and installation of the foregoing upgrades and enhancements to the access control systems at the GWB, GWBBS, HT, LT and PABT to the lowest qualified bidder, at an estimated total amount of $21.5 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

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

GOETHALS BRIDGE – U.S. ROUTES 1&9 AND INTERSTATE 278 INTERCHANGE RAMPS – INCREASE IN PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) an increase of $5.4 million in the amount of the planning authorization to perform planning and engineering design services for the Interchange Ramps Project, to improve the connections between Interstate 278 (I-278) and U.S. Routes 1&9 on the New Jersey side of the Goethals Bridge, resulting in a total authorization amount of $6.3 million; and (2) the Executive Director to: (a) take action with respect to the award of contracts for professional, technical and advisory services, contracts for the preparation of necessary environmental documents and associated planning and design work; (b) enter into such other agreements as may be necessary to effectuate the planning work; and (c) enter into other agreements with appropriate entities, including agreements associated with right-of-way planning, real estate appraisals, title searches, topographical surveys, wetland and soil/groundwater contamination delineations and remediation cost estimates and entry agreements with property owners for site investigations and surveys.

At its meeting of February 19, 2009, the Board authorized preliminary planning, environmental analysis and design support work associated with improvements to the Interchange Ramps Project, in an estimated amount of $900,000, as part of a larger planning effort to support the Goethals Bridge Modernization Program (GBMP), which included authorization for the Executive Director to enter into agreements with appropriate entities to support preliminary environmental analysis and design for the Interchange Ramps Project.

The preliminary work performed to date supported initial planning for the development of an Interchange Ramps Project Environmental Impact Statement (EIS). The proposed additional planning work would support the further development, refinement and execution of the EIS, with associated concept design. The work also would include fulfillment of necessary National Environmental Policy Act requirements and development of external outreach programs for the Interchange Ramps Project.

The existing partial interchange on the New Jersey side of the Goethals Bridge only provides connections between the portion of I-278 east of the interchange (including New Jersey Turnpike Exit 13 and the Goethals Bridge) and the portion of Routes 1&9 south of the interchange (*i.e.,* from westbound I-278 to southbound Routes 1&9, and from northbound Routes 1&9 to eastbound I-278). The current configuration of the partial interchange does not provide direct connections from southbound Routes 1&9 to eastbound I-278 or from westbound I-278 to northbound Routes 1&9; such connections would be constructed through the Interchange Ramps Project.

Although the Interchange Ramps Project is not needed for the GBMP, and is a separate project from the GBMP, the City of Elizabeth and the City of Linden, which support the GBMP, have expressed concern about traffic congestion on the existing approaches and adjacent local roads in Elizabeth in the vicinity of the Goethals Bridge, and have advocated that the Interchange Ramps Project be made a priority.

Improvements to the I-278 Corridor would improve traffic safety, local roadway congestion and traffic movement, thereby resulting in more efficient traffic flows, reduced vehicle travel and idling times, reduced overall fuel consumption and associated air pollution

caused by vehicular traffic. The Interchange Ramps Project would improve through-traffic from Bayway Avenue in Elizabeth to and from the Goethals Bridge and New Jersey Turnpike Exit 13.

The Interchange Ramps Project would be pursued under the jurisdiction of the New Jersey Department of Transportation (NJDOT), covering NJDOT properties in Elizabeth and Linden, New Jersey.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that an increase in the amount of $5.4 million for the planning authorization to perform planning and engineering design services, including preparation of necessary environmental documents and development of outreach programs, leading to the necessary decisions and permits/agreements/consultations from or with the appropriate agency(ies), as required to pursue construction of the Interchange Ramps Project, to improve the connections between Interstate 278 and U.S. Routes 1&9 on the New Jersey side of the Goethals Bridge, resulting in a total authorization amount of $6.3 million, 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 take action, as needed, with respect to the award of contracts for professional, technical and advisory services in connection with the foregoing planning work, including contracts for the preparation of necessary environmental documents and associated planning and design 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: (1) take action, as needed, with respect to the award of such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and (2) enter into other agreements with appropriate entities, including agreements associated with right-of-way planning, real estate appraisals, title searches, topographical surveys, wetland and soil/groundwater contamination delineations and remediation cost estimates and entry agreements with property owners for site investigations and surveys; and it is further

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

HOWLAND HOOK MARINE TERMINAL – ACCESS IMPROVEMENTS – PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) planning and design work, as required, to pursue construction of the Howland Hook Marine Terminal (HHMT) Access Improvements Project, which would provide direct access between Interstate 278 (I-278) eastbound at the New York side of the Goethals Bridge and the HHMT in Staten Island, at a total estimated cost of $3.7 million; and (2) the Executive Director to: (a) take action, as needed, with respect to the award of contracts for professional and advisory services, contracts for the preparation of necessary environmental documents and associated planning and design work; (b) enter into such other agreements as may be necessary to effectuate the planning work; and (c) enter into other agreements with appropriate entities in connection with right-of-way planning, real estate appraisals, title searches, topographical surveys, wetland and soil/groundwater contamination delineations and remediation cost estimates, and entry agreements with property owners for site investigations and surveys.

The Port Authority currently leases the HHMT from the City of New York, and New York Container Terminal, LLC (NYCT) currently subleases the HHMT from the Port Authority under an agreement that expires in December 2019.

The HHMT has been undergoing a modernization program that includes terminal wharf extensions, berth deepening, and roadway and railroad improvements. Since 1999, traffic at the HHMT has more than tripled, and one of the factors inhibiting the efficiency of the HHMT's operations is the restricted access to and from the HHMT facility through local roads that were not designed to support the forecast volume of marine terminal traffic. The queuing of trucks along the current roadway network surrounding the HHMT also has negatively impacted HHMT operations.

In 2007, the Port Authority completed a preliminary study, which determined that the most cost-effective short-term solution was to modify local streets at the interchange of I-278 and Forest Avenue in Staten Island. The preferred long-term improvement involves the construction of a direct eastbound exit ramp from the New York side of the Goethals Bridge, primarily to serve the HHMT. At its meeting of June 22, 2010, the Board authorized the Executive Director to provide up to $3.5 million to the New York City Economic Development Corporation to construct the short-term improvements, with the Port Authority to be reimbursed for these funds by NYCT pursuant to its lease agreement for the HHMT.

The Port Authority also currently is advancing a project to modernize and replace the Goethals Bridge, along a southern alignment. The proposed HHMT Access Improvements Project, as an independent project standing on its own merits, was not included in the planning effort for the Goethals Bridge replacement project. Since the new alignment for the Goethals Bridge is now known, the HHMT Access Improvements Project "study area" (the area within which the work would affect its surroundings) can be determined. As a result, formal review of the HHMT Access Improvements Project would be evaluated in greater detail, including the review of various alternatives and other documentation required under the National Environmental Policy Act.

Planning and preliminary design work under the proposed authorization would include: review and development of all information necessary to complete environmental reviews; field inspections; documentation of existing conditions; review of various alternatives to address traffic concerns; analysis to determine appropriate methods of construction; preparation of preliminary design documents; construction cost estimates; analysis of staging options; and the development of external outreach programs in support of the project.

The HHMT Access Improvements Project would result in more efficient traffic flow and enhanced traffic safety, and would reduce vehicle travel and idling times, thereby reducing overall fuel consumption and associated air pollution caused by vehicular traffic. The project would improve through-traffic between I-278 and the HHMT facility, thereby improving regional freight delivery to the HHMT.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that planning and design work, as required, to pursue construction of the Howland Hook Marine Terminal (HHMT) Access Improvements Project, to provide direct access between Interstate 278 eastbound and the HHMT at the New York side of the Goethals Bridge in Staten Island, and to develop external outreach programs in support of the project, at a total estimated cost of $3.7 million, 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 take action, as needed, with respect to the award of contracts for professional and advisory services, including contracts for the preparation of necessary environmental documents and associated planning and design work, and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; 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 such other agreements to effectuate the foregoing planning work (which may contain indemnification provisions) with appropriate entities in connection with right-of-way planning, real estate appraisals, title searches, topographical surveys, wetland and soil/groundwater contamination delineations and remediation cost estimates and entry agreements with property owners for site investigations and surveys; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AERO JFK, LLC – CONSENT TO REFUNDING OF NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY BONDS AND SUPPLEMENTAL AGREEMENT NO. 3 TO LEASES AYD-037 AND AYD-038; NEWARK LIBERTY INTERNATIONAL AIRPORT – AERO NEWARK, LLC – CONSENT TO REFUNDING OF NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY BONDS AND SUPPLEMENTAL AGREEMENT NO. 4 TO LEASE ANA-884

It was recommended that the Board authorize the Executive Director to enter into: (1)(a) a consent to the refinancing of New York City Industrial Development Agency (IDA) bonds supporting the Aero JFK, LLC (AeroJFK) cargo facility at John F. Kennedy International Airport (JFK), and associated transactions; and (b) a supplemental agreement with AeroJFK amending the leasehold mortgaging and rental provisions of Leases AYD-037 and AYD-038; and (2)(a) a consent to the refinancing of New Jersey Economic Development Authority (NJEDA) bonds supporting the Aero Newark, LLC (AeroEWR) cargo facility at Newark Liberty International Airport (EWR), and associated transactions; and (b) a supplemental agreement with AeroEWR amending the leasehold mortgaging and rental provisions of Lease ANA-884 (collectively, with Leases AYD-037 and AYD-038, the Leases).

AeroJFK and AeroEWR, respectively, have operated air cargo facilities since 1998 at JFK, under Leases AYD-037 and AYD-038, and since 1996 at EWR, under Lease ANA-884. Aeroterm US, Inc. (Aeroterm), the parent of AeroJFK and AeroEWR, is proposing to refinance the existing debt related to a number of properties in its portfolio, including the air cargo facilities at JFK and EWR. The refinancing will be undertaken as two separate bond transactions. Aeroterm is requesting the IDA to issue new bonds, in the amount of approximately $130 million, to refinance the current IDA Bonds Series 2001, associated with the JFK facility. Aeroterm also anticipates refinancing the existing NJEDA bonds from a portion of the proceeds of a Wisconsin Public Finance Authority bond issuance, in the amount of approximately $350 million. (This bond issuance also will cover 37 other Aeroterm facilities.) In order to secure repayment of these two new bond issuances, Aeroterm will create an obligated group of all of the facility properties (Obligated Group) under a Master Trust Indenture, and each entity will pledge all of its assets to the Master Trustee and grant a mortgage (of its leasehold or fee interest, as the case may be) on its facility. All the bonds will thus be the joint and several obligations of each member of the Obligated Group, secured by each mortgage (and other collateral). As members of the Obligated Group, AeroJFK and AeroEWR will, in addition to granting leasehold mortgages, also pledge the revenues associated with their respective facilities.

AeroJFK and AeroEWR have agreed to pay the Port Authority an Assignment Fee and additional rental payments aggregating $3.45 million in total over the remaining term of the Leases, in consideration for the Port Authority's consent to the refinancing transaction.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioners Holmes and Samson recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1)(a) a consent to the refinancing of the New York City Industrial Development Agency bonds supporting the Aero JFK, LLC (AeroJFK) cargo facility at John F. Kennedy International Airport, and associated transactions; and (b) a supplemental agreement with AeroJFK amending the leasehold mortgaging and rental provisions of Leases AYD-037 and AYD-038; and (2)(a) a consent to the refinancing of the New Jersey Economic Development Authority bonds supporting the Aero Newark, LLC (AeroEWR) cargo facility at Newark Liberty International Airport, and associated transactions; and (b) a supplemental agreement with AeroEWR amending the leasehold mortgaging and rental provisions of Lease ANA-884; in each case, substantially in accordance with the terms outlined to the Board; 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 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.

LAGUARDIA AIRPORT – CENTRAL TERMINAL BUILDING – MARKETPLACE LAGUARDIA LIMITED PARTNERSHIP LLC – LEASE AGA-317 – LEASE EXTENSION

It was recommended that the Board authorize the Executive Director to enter into an amendment to the existing agreement with MarketPlace LaGuardia Limited Partnership LLC (MLLP) to provide for MLLP's extended letting of approximately 46,000 square feet of concessions-related space at the Central Terminal Building (CTB) at LaGuardia Airport for a five-year term through August 31, 2018, with three one-year renewal options, at the Port Authority's discretion.

In April 1992, the Board authorized a lease of the center section of the CTB for a principal term of 15 years, the commencement of which was effective following a preliminary term covering the duration of certain Port Authority construction within the CTB and MLLP's subleasing program. Thereafter, several lease supplements were executed, none of which extended the lease term. The principal term of the lease was effective as of September 1, 1998 and is due to expire on September 1, 2013.

The amendment would provide for MLLP to continue to operate the concessions program at the CTB during the terminal's anticipated redevelopment, and for the authorized extension of MLLP's subleases at the CTB, subject to Port Authority approval. During the extension term, MLLP would pay rent to the Port Authority, consistent with the existing lease, but would make a capital investment of up to $4.7 million for infrastructure and related needs for temporary or transitional concessions, as needed during the CTB redevelopment program. The investment would be amortized on a straight-line basis over the initial five-year lease extension period. MLLP's capital investments would be subject to the Port Authority's prior approval. The Port Authority would continue to retain the right to terminate the lease without cause, and in such event the Port Authority would be obligated to reimburse MLLP for the unamortized cost of its investment, on a straight-line basis, during the extension term. The aggregate minimum annual guaranteed rent during the five-year extension term would be approximately $18.4 million, with additional variable rent to be paid.

The extension of the term pursuant to the amendment would enable the Port Authority to receive a steady revenue stream from concessions, have necessary capital investments made in the CTB and offer uninterrupted concessions services to passengers at the CTB, at the same time that it pursues the redevelopment of the CTB.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an amendment to the existing agreement with MarketPlace LaGuardia Limited Partnership LLC for its extended letting of the concessions-related space at the Central Terminal Building at LaGuardia Airport through August 31, 2018, with three one-year renewal options, at the Port Authority's discretion, substantially in accordance with the terms outlined to the Board; 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, and to take such other actions, 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.

PORT AUTHORITY BUS TERMINAL – STARBUCKS CORPORATION – LEASE LBT-728 – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Starbucks Corporation (Starbucks) for the letting of approximately 2,165 square feet of retail space on the ground floor of the South Wing of the Port Authority Bus Terminal (PABT) for a term of ten years, with Starbucks having one five-year extension option.

Starbucks would use the premises for the operation of a Starbucks store, which specializes in the sale of coffee, baked goods and related items. Starbucks would make the necessary improvements, in an estimated amount of $1 million, to the currently vacant space, in order to prepare the premises for initial occupancy and perform certain base-building work. The lease would commence upon delivery of the premises by the Port Authority, which is expected to occur on or about September 1, 2012. The aggregate fixed rent over the term of the lease would be approximately $4.1 million. In addition, Starbucks would pay percentage rent of gross receipts above a specific threshold.

Starbucks would be responsible for all operational, maintenance and repair costs associated with the leased premises. The Port Authority would have the right to terminate the lease, without cause, on 30 days' notice. In the event the Port Authority exercised this right, without cause, the Port Authority would reimburse Starbucks for its unamortized investment in the premises, in an amount not to exceed $1 million.

Consistent with the terms of the Retail Management Agreement for the North and South Wings of the PABT authorized by the Board at its May 18, 2010 meeting, the Port Authority would pay a commission to 20X Square Associates, LLC, in the amount of approximately $31,978, and a commission of $127,911 to Northwest Atlantic Real Estate Services, Starbucks' broker.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioner Samson recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with Starbucks Corporation for the letting of approximately 2,165 square feet of retail space on the ground floor of the South Wing of the Port Authority Bus Terminal, substantially in accordance with the terms outlined to the Board; and it is further
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> **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 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.

PORT AUTHORITY BUS TERMINAL – PNC BANK, N.A. – LEASE LBT-729 – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with PNC Bank, N.A. (PNC), for the letting of approximately 4,910 square feet on the ground floor and second floor of the North Wing and approximately 150 square feet for automated teller machines (ATMs) on the ground floor of the South Wing in the Port Authority Bus Terminal (PABT). The lease term for the retail space would be 15 years, and the lease term for the ATM space would be ten years.

PNC would use the premises for the operation of a retail bank. PNC would make the necessary improvements, in an estimated amount of $3,140,500, to the space, in order to prepare the premises for initial occupancy. The lease commencement date would be the later of (1) execution and delivery of the lease, or (2) delivery of possession of the leased premises. The aggregate fixed rent over the term of the lease would be approximately $19.9 million.

PNC would be responsible for all operational, maintenance and repair costs associated with the leased premises. The Port Authority would have the right to terminate the lease, without cause, on 120 days' notice. In the event the Port Authority exercised this right, without cause, the Port Authority would reimburse PNC for its unamortized investment in the premises, in an amount not to exceed $3,140,500.

Consistent with the terms of the Retail Management Agreement for the North and South Wings of the PABT authorized by the Board at its May 18, 2010 meeting, the Port Authority would pay a commission to 20X Square Associates, LLC (20X), in the amount of approximately $110,025, and a commission of $330,750 to Robert K. Futterman & Associates, LLC, PNC's broker.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin and Schuber voting in favor; Commissioners Samson and Steiner recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with PNC Bank, N.A., for the letting of approximately 4,910 square feet of retail space on the ground and second floors in the North Wing and 150 square feet for automated teller machines on the ground floor of the South Wing of the Port Authority Bus Terminal, substantially in accordance with the terms outlined to the Board; and it is further
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> **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 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.

PORT OF NEW YORK AND NEW JERSEY – OCEAN-GOING VESSEL CLEAN VESSEL INCENTIVE PROGRAM

It was recommended that the Board authorize: (1) an Ocean-going Vessel Clean Vessel Incentive (CVI) Program to encourage the operators of ocean-going vessels that call at Port Authority marine terminal facilities to make voluntary engine, fuel and technology enhancements that reduce emissions beyond the regulatory environmental standards set by the International Maritime Organization (IMO), at a total cost to the Port Authority of up to $4.875 million; and (2) the Executive Director to amend and extend the Interconnection Security Agreement with the United States Coast Guard (Coast Guard) for a three-year period, to provide vessel tracking data to support the CVI Program, at no cost to the Port Authority.

In November 2008, the Board adopted a Statement of Principles for Improving Air Quality at the Port of New York and New Jersey (Statement of Principles) that reaffirmed its support of the Port Authority's continuing sustainability initiatives to reduce Port-related emissions of particulate matter, nitrogen oxides, and sulfur dioxides by three percent, and greenhouse gases by five percent, on an annual basis, with the goal of achieving an 80-percent reduction in greenhouse gas emissions from 2006 levels by 2050. The Statement of Principles also stated that the Port Authority would take the lead to develop a Clean Air Strategy for the Port of New York and New Jersey (Port) to reduce Port-related diesel and greenhouse gas emissions by achieving reductions in advance of potential or future applicable regulations. The Clean Air Strategy for the Port, which was completed in October 2009, identified a range of emission reduction actions organized by the sources of maritime emissions, including ocean-going vessels, cargo-handling equipment, rail, trucks and harbor vessels, and committed up to $30 million for such purposes. One such action is the proposed CVI Program, which would reduce emissions from ocean-going vessels serving the Port, thereby improving regional air quality.

Fifty-five of the world's key ports – including the Port of New York and New Jersey – have committed to reducing their greenhouse gas emissions. In connection with that commitment, a web-based tool, known as the Environmental Ship Index (ESI), was developed to identify vessels that perform beyond the regulatory environmental standards set by the IMO in reducing air emissions. Shipping lines voluntarily register their vessels in the ESI and provide information that includes engine specifications and emissions certification, type of fuel purchased, installation of plug-in-ready on-board shore power equipment, and development and use of a vessel energy efficiency management plan. Using that information, the ESI Bureau calculates a score for the vessel and publishes the score on its website.

Utilizing the ESI, the Port Authority would offer an incentive to operators of ocean-going vessels that call at Port Authority marine terminal facilities and achieve a score of at least 20 for their vessels. Vessel operators that adopt some or all of the measures listed in the ESI would receive financial incentives based on the overall score that the vessel achieves. In addition, the Port Authority would add five points to the ESI score if the vessel also participates in the vessel speed reduction program, which is an initiative to reduce emissions from ocean-going vessels by reducing vessel speed to no more than ten knots from a point 20 nautical miles from the entrance to the New York/New Jersey Harbor to the Verrazano-Narrows Bridge.

Vessels that achieve a score of 20-29 points (inclusive of the five points assigned for participation in the vessel speed reduction program) would qualify to receive a fixed financial

incentive of $1,500 per vessel call. Vessels that achieve a score of 30 points or greater (inclusive of the five points assigned for participation in the vessel speed reduction program) would qualify to receive a fixed financial incentive of $2,500 per vessel call. Additionally, in order to get vessel operators to send their cleanest ships to the Port, the CVI Program would provide an additional incentive for ships equipped with Tier II and Tier III engines, of $1,000 and $2,000, respectively, per vessel call. Tier II and Tier III engines are 15 percent and 80 percent cleaner, respectively, than Tier I engines.

As part of the total CVI Program funding, the Port Authority would retain Starcrest Consulting Group, LLC (Starcrest) for an approximate three-year term to provide administrative and technical support for the CVI Program, at an estimated cost to the Port Authority of $180,000. Starcrest would provide administrative and technical support to the CVI Program by utilizing the Coast Guard Automatic Identification System data feed to identify and verify that enrolled vessels are complying with the vessel speed reduction limitation.

Port Authority funds in connection with the CVI Program would be provided for approximately three years, through 2015. Should the total funding allocated for a calendar year be exhausted, the payment of additional incentives under the CVI Program would be suspended for the remainder of that year.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that an Ocean-going Vessel Clean Vessel Incentive (CVI) Program to encourage the operators of ocean-going vessels that call at Port Authority marine terminal facilities to make voluntary engine, fuel and technology enhancements that reduce emissions beyond the regulatory environmental standards set by the International Maritime Organization, at a total cost to the Port Authority of up to $4.875 million, be and it hereby is established and 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 amend and extend the Interconnection Security Agreement with the United States Coast Guard for a three-year period, to provide vessel tracking data to support the CVI Program, at no cost to the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take any and all action to effectuate the foregoing, including the execution of agreements, contracts and other documents to facilitate such action, together with amendments and supplements thereof, including amendments and supplements to existing agreements, and to take action in accordance with the terms of such agreements, contracts and other documents, as may be necessary in connection therewith; and it is further

RESOLVED, that the form of all agreements, contracts and other documents 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 THE OCULUS AND TRANSIT HALL COATING SYSTEMS AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to FCS Group, LLC, to furnish and apply paint and intumescent coatings on steel members for the Oculus and Transit Hall, as part of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of $10,143,998, inclusive of clause work and an eight-percent allowance for extra work; (2) increase, by an estimated amount of $700,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of $800,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and ensure the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed construction trade contract includes paint and intumescent coatings to be applied to approximately 11,000 tons of steel for the Oculus steel arches, below-grade structural steel and certain architectural elements in the Transit Hall. The contract also provides for associated work, including scaffolding, equipment staging, surface preparation and climate controlled containment.

The recommended award is to the lowest price qualified proposer, FCS Group, LLC, which was selected by Tishman/Turner following a publicly advertised Request for Proposals process. 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. Through June 2012, 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 requested increase of $700,000, and an increase pursuant to a companion item being advanced at this meeting, a total of $411.35 million will have been authorized. Approximately $359 million of that amount has been expended to date.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to maximize opportunities for competition, flexibility and overall cost savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of $800,000, and an increase pursuant to a companion item being advanced at this meeting, a total of $138.7 million will have been authorized. Approximately $59.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to FCS Group, LLC, to furnish and apply paint and intumescent coatings on steel members for the Oculus and Transit Hall, as part of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of $10,143,998, inclusive of clause work and 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 $700,000, the compensation under the Port Authority's existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub 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 increase, by an estimated amount of $800,000, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management 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 TRANSIT HALL INTERIOR STONE AND INCREASES IN EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION MANAGEMENT SERVICES

It was recommended that the Board authorize the Executive Director to: (1) award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), to Gem Construction & Restoration Corporation, to purchase, deliver and install interior stone for the Transit Hall, as part of the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of $29,773,000, inclusive of clause work and an eight-percent allowance for extra work; (2) increase, by an estimated amount of $1.5 million, the compensation under the Port Authority's existing agreement with Downtown Design Partnership (DDP), a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub Project; and (3) increase, by an estimated amount of $2 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management services.

The WTC Hub Project is necessary to re-establish and enhance transportation facilities and infrastructure that existed at the World Trade Center complex prior to September 11, 2001, and to ensure the long-term accessibility and economic vitality of Lower Manhattan. The scope of work under the proposed contract includes the purchase, delivery and installation of approximately 225,000 square feet of interior stone, including floors, walls, staircases, and benches that circle the exterior base of the Oculus structure. At its February 25, 2010 meeting, the Board authorized a contract award to Skanska USA Civil Northeast, Inc./Granite Construction Northeast, Inc./Skanska USA Building, Inc., a Joint Venture, which included installation of the stone marble in the PATH Hall.

The recommended award is to the lowest price qualified proposer, Gem Construction & Restoration Corporation, which was selected by Tishman/Turner from a publicly advertised, low bid process. 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. Through June 2012, 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 requested increase of $1.5 million, and an increase pursuant to a companion item being advanced at this meeting, a total of $411.35 million will have been authorized. Approximately $359 million of that amount has been expended to date.

In July 2009, the Board authorized the retention of Tishman/Turner to provide construction management services to support the implementation of the WTC Hub Project. At the time of award, it was anticipated that the project would be implemented through the issuance of two major contracts to procure all trades needed to construct the Transit Hall in the East Bathtub. Through subsequent discussions with Tishman/Turner, the procurement strategy was modified to procure the construction trade packages individually, in order to maximize opportunities for competition, flexibility and overall savings in contract value. The proposed increase in compensation to Tishman/Turner would provide for the development, management and supervision of this construction trade package. Including the requested increase of $2 million, and an increase pursuant to a companion item being advanced at this meeting, a total of $138.7 million will have been authorized. Approximately $59.5 million of that amount has been expended to date.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a construction trade contract, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with Gem Construction & Restoration Corporation, to purchase, deliver and install interior stone for the Transit Hall, as part of the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of $29,773,000, inclusive of clause work and 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 $1.5 million, the compensation under the existing agreement with Downtown Design Partnership, a joint venture of AECOM and STV, Inc., for expert professional architectural and engineering services to support the continued construction of the WTC Hub 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 increase, by an estimated amount of $2 million, the compensation under the Port Authority's existing agreement with Tishman/Turner for construction management 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 – TRANSIT HALL FOUNDATIONS – AUTHORIZATION OF SUPPLEMENTAL AGREEMENT WITH EIC ASSOCIATES, INC.

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement under the existing Contract WTC-264.596, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture (Tishman/Turner), with EIC Associates, Inc. (EIC) for Transit Hall foundations work associated with the construction of the World Trade Center Transportation Hub (WTC Hub) Project, at an estimated total cost of $6,230,902, inclusive of clause work.

On June 22, 2010, the Board authorized the Executive Director to enter into Contract WTC-264.596 with EIC, at an estimated total cost of $19,224,000, to construct the Transit Hall foundations. The scope of work under that contract includes installation of rock anchors, concrete footings, and concrete floor slab on grade, with under-slab drainage and waterproofing. Through subsequent actions in August 2011 and December 2011, the Executive Director authorized, respectively, the establishment of clause work, in the amount of $250,000, and an increase to extra work, in the amount of $1,810,083, for Contract WTC-264.596, bringing the total authorized contract amount to $21,284,083. This foundation contract provides for construction of the essential infrastructure for all the other trade contracts associated with the WTC Hub Project, including the Oculus.

During its performance of the foundations work contract, EIC incurred delays, due to the longer-than-anticipated presence of the structural steel contractor's equipment and operations associated with the PATH Hall and Greenwich Street Corridor construction. As a result, work scope was transferred from the Greenwich Street Corridor contractor to EIC, to facilitate construction sequencing and improve scheduling. The additional scope of work under the proposed supplement includes: installation of additional concrete mud-mats and footings for shoring towers; modifications to rebar, due to changes in construction sequencing; the removal of a large crane utilized by the steel contractor; changes in field conditions requiring additional rock excavation and modifications to slab on grade; and unexpected design changes requiring changes to plumbing, modifications of blast doors and electrical manholes.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioner Samson recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental agreement under the existing Contract WTC-264.596, through construction manager Tishman Construction Corporation and Turner Construction Company, a Joint Venture, with EIC Associates, Inc. for Transit Hall foundations work associated with the construction of the World Trade Center Transportation Hub Project, at an estimated total cost of $6,230,902, inclusive of clause work; and it is further

RESOLVED, that the form of the foregoing supplemental agreement shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR GENERAL CONDITIONS WORK

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner III), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Northbrook Contracting Corporation, for general conditions work associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of $10,518,274, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking projects.

Via several prior actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site. On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of $252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner III to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of $27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner III under that agreement is estimated at $220.5 million, which amount includes the proposed general conditions contract.

On February 9, 2012, the Board authorized a transaction between the Port Authority and Westfield America, Inc. (Westfield) in which Westfield and the Port Authority formed a 50/50 joint venture to develop, lease and operate the WTC retail development project. The Board also, among other things, re-authorized the project to design and construct the WTC retail development, at an estimated amount of $1.966 billion.

The scope of work under the proposed construction trade contract includes the performance of all general conditions work, including general labor, clean-up of construction debris and miscellaneous localized demolition as necessary to support the installation of other trades during construction of the WTC retail and parking projects. This work would be performed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3, and 4, and under the New York City Transit No. 1 Subway Line.

Tishman/Turner III, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Northbrook Contracting Corporation was the lowest qualified bidder. The proposed contract with Northbrook Contracting Corporation would be awarded pursuant to the Tishman/Turner III construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, WTC Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Northbrook Contracting Corporation, for general conditions work associated with the World Trade Center site retail and parking areas, at an estimated total cost of $10,518,274, inclusive of an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER VEHICLE ROADWAY NETWORK AND EASTSIDE TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR HEATING, VENTILATION AND AIR CONDITIONING

It was recommended that the Board authorize the Executive Director to award an early-action construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to WDF Inc., for heating, ventilation and air conditioning (HVAC) systems associated with the construction of the World Trade Center (WTC) Vehicle Roadway Network and Eastside Tour Bus Parking Facility (WTC Roadway Network), at an estimated total cost of $8,802,000, inclusive of an eight-percent allowance for extra work.

The WTC Roadway Network is a sub-grade roadway network that will span the length of the East Bathtub and connect to the loading docks of Towers 2, 3 and 4, as well as to the WTC Transportation Hub. Once completed, the WTC Roadway Network will accommodate delivery trucks, improve the operation and efficiency of the WTC complex, and enhance accessibility and circulation within Lower Manhattan. The WTC Roadway Network is critical for the redevelopment of the WTC site and will play an important role in the safe and efficient delivery of goods and services to the WTC site facilities, as well as provide for new tour bus parking areas that will accommodate approximately 46 buses, which will alleviate the need for tour buses to park or idle on local streets.

The scope of work under the proposed contract includes the furnishing and installation of all HVAC trade work, including airside sheet-metal ducts, fans, dampers, insulation and related equipment. The scope also includes temporary ventilation work to support construction. Air conditioning scope would be limited to electrical rooms. The recommended award is to the lowest price qualified proposer, WDF Inc., which was selected by Tishman following a publicly advertised Request for Proposals process.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioner Samson recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award an early-action construction trade contract, through construction manager Tishman Construction Corporation, to WDF Inc., for heating, ventilation and air conditioning systems associated with the construction of the World Trade Center Vehicle Roadway Network and Eastside Tour Bus Parking Facility, at an estimated total cost of $8,802,000, inclusive of an eight-percent allowance for extra work; 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 VEHICLE ROADWAY NETWORK AND EASTSIDE TOUR BUS PARKING FACILITY – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR ELECTRICAL WORK

It was recommended that the Board authorize the Executive Director to award an early-action construction trade contract, through construction manager Tishman Construction Corporation (Tishman), to Zwicker Electric Co., Inc., for electrical work associated with the construction of the World Trade Center (WTC) Vehicle Roadway Network and Eastside Tour Bus Parking Facility (WTC Roadway Network), at an estimated total cost of $24,246,000, inclusive of an eight-percent allowance for extra work.

The WTC Roadway Network is a sub-grade roadway network that will span the length of the East Bathtub and connect to the loading docks of Towers 2, 3 and 4, as well as to the WTC Transportation Hub. Once completed, the WTC Roadway Network will accommodate delivery trucks, improve the operation and efficiency of the WTC complex, and enhance accessibility and circulation within Lower Manhattan. The WTC Roadway Network is critical for the redevelopment of the WTC site and will play an important role in the safe and efficient delivery of goods and services to the WTC site facilities, as well as provide for new tour bus parking areas that will accommodate approximately 46 buses, which will alleviate the need for tour buses to park or idle on local streets.

The scope of work under the proposed contract includes all electrical trade work, including power distribution, lighting, fire alarm, communications, security, traffic control, related specialty subsystems, and temporary electrical work for construction purposes. The recommended award is to the lowest price qualified proposer, Zwicker Electric Co., Inc., which was selected by Tishman following a publicly advertised Request for Proposals process.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Schuber and Steiner voting in favor; Commissioner Samson recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award an early-action construction trade contract, through construction manager Tishman Construction Corporation, to Zwicker Electric Co., Inc., for electrical work associated with the construction of the World Trade Center Vehicle Roadway Network and Eastside Tour Bus Parking Facility, at an estimated total cost of $24,246,000, inclusive of an eight-percent allowance for extra work; 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 STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROGRAM – PHASE II, PACKAGE III – FINAL STREETS AND SIDEWALK SURFACES, STREETSCAPE ELEMENTS AND OPEN SPACES – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to award Contract WTC-324.359.03, through construction manager Tishman Construction Corporation (Tishman), to Paul J. Scariano, Inc., the lowest bidder pursuant to a publicly advertised/low-bid process, for the installation of streets and sidewalk surfaces, streetscape elements and open spaces adjacent to Tower 4 at the World Trade Center (WTC) site, along Liberty, Greenwich, and Church Streets, as part of Phase II of the WTC Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated cost of $6,606,300, inclusive of net cost work and an eight-percent allowance for extra work.

At its meeting of October 22, 2009, the Board authorized Phase II of the WTC Streets Program, which includes the final design and construction of street and sidewalk surface finishes, trees, paving, bollards and streetscape furniture, at an estimated cost of $140 million. Via a related action at that meeting, the Board also authorized the retention of Tishman to provide construction management services to support the WTC Streets Program and other projects at the WTC site.

The scope of work for Contract WTC-324.359.03 supports the areas surrounding Tower 4, including Liberty, Greenwich, and Church Streets, and provides for the installation of: granite sidewalks and curbing, bollards, streetlights and traffic signals, concrete foundations and asphalt surfaces, trees and streetscape furniture on Liberty, Greenwich, and Church Streets, as well as the readjustment of utility covers, as required, on Liberty, Greenwich, and Church Streets. The pre-purchase of granite curb materials to be installed under the proposed contract was authorized previously by the Board. The pre-purchase of bollard covers to be installed was authorized previously by the Executive Director.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract WTC-324.359.03, through construction manager Tishman Construction Corporation, to Paul J. Scariano, Inc. for the installation of streets and sidewalk surfaces, streetscape elements and open spaces adjacent to Tower 4 at the World Trade Center (WTC) site, along Liberty, Greenwich, and Church Streets, as part of Phase II of the WTC Streets, Utilities and Related Infrastructure Program, at an estimated cost of $6,606,300, inclusive of net cost work and an eight-percent allowance for extra work; and it is further
>
> **RESOLVED**, that the form of all contracts, agreements and documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM

The Commissioners also authorized a transaction in executive session, which shall not be made available for public inspection.

CONFIDENTIAL ITEM

The Commissioners also authorized a transaction in executive session, which shall not be made available for public inspection.

AMENDMENT TO BY-LAWS – GOVERNANCE OF THE PORT AUTHORITY

As part of the Board's continuing review of governance enhancements that improve oversight, accountability and transparency, the Chairman and Vice Chairman recommended that the By-Laws of the Port Authority (and its wholly owned subsidiary corporations) be amended to provide for changes to the current Committee organization and operations.

The proposed By-Laws revisions would provide for enhanced governance of the Port Authority by: (i) revising the organization of the current Committees to reflect a renewed focus on the current issues before and the priorities of the Board; (ii) requiring each Committee, with the approval of the Board, to adopt a formal written charter clearly defining the roles and responsibilities of such Committee, and to review and assess such charter from time to time; (iii) requiring the Committee charters to be posted on the Port Authority's Internet site; (iv) requiring regular meetings of the Committees; and (v) requiring each Committee to provide regular written communications, reports and recommendations to the Board on the results of its oversight and other activities. Together, these changes are intended to further strengthen the Board's oversight responsibilities and the accountability of the agency to the public that it serves.

Conforming changes will be made to the By-Laws of each of the Port Authority's wholly owned subsidiary corporations.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED,** that the proposed amended By-Laws of the Port Authority presently before the Board of Commissioners (a copy of which is annexed to these Minutes) be and they hereby are approved; and it is further
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> **RESOLVED,** that the By-Laws of the Port Authority's wholly owned subsidiary corporations be and each hereby is amended consistent with the foregoing.

BY-LAWS OF

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

I. SEAL

The official seal of The Port Authority of New York and New Jersey (hereinafter referred to as the "Port Authority") shall be a design bearing a combination of the seals of the State of New York and of the State of New Jersey, and bearing the words "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY — ESTABLISHED BY COMPACT BETWEEN NEW YORK AND NEW JERSEY — APRIL THIRTIETH — 1921."

II. OFFICERS

The officers of the Port Authority shall be a Chairman, a Vice-Chairman, an Executive Director, a Deputy Executive Director, a General Counsel, a Chief Financial Officer, a Treasurer, a Comptroller, and a Secretary.

III. DUTIES

A. Board of Commissioners — The Board of Commissioners shall establish the policies of the Port Authority and shall be responsible for reviewing and monitoring whether Port Authority procedures and regulations and executive staff's financial, management, and operational decisions and controls are in compliance with such overall policies. The Board of Commissioners shall receive from the Executive Director reports on a regular basis, and shall cause the Executive Director to provide such reports, in order for the Commissioners to perform their oversight duties described herein. The Board of Commissioners shall also be responsible for adopting the Strategic Plan, Capital Plan, and Budget of the Port Authority. In serving as a Commissioner of the Port Authority, each Commissioner shall act in a fiduciary capacity with a duty of loyalty and care owed to the Port Authority.

B. Chairman — The Chairman shall preside at all meetings of the Board of Commissioners; communicate to the Executive Director and, where appropriate, executive staff, the policies of the Port Authority established by the Board of Commissioners; and be responsible for advancing the mission and promoting the objectives of the Port Authority to members of the general public.

C. Vice-Chairman — The Vice-Chairman shall perform the duties of the Chairman in the event the office of Chairman is vacant, or in the event that the Chairman is unable to perform such duties by reason of illness, disability, or absence.

D. Executive Director — The Executive Director shall manage the operations of the Port Authority in compliance with the agency's policies as established by the Board of Commissioners. The Executive Director shall prepare proposals for presentation to the Board of Commissioners which carry out approved policies or which propose policies for adoption and implement such proposals after presentation to and approval by the Board of Commissioners. In furtherance of these duties, the Executive Director shall hold executive staff responsible and accountable for making financial, management, and operational decisions in compliance with the policies established by the Board of Commissioners, and shall consult with the Board of Commissioners, as necessary, to enable the Commissioners to perform their oversight duties described above. The Executive Director shall sign all deeds of conveyance when authorized by resolution of the Board of Commissioners.

E. Secretary — The Secretary shall prepare the minutes of the meetings of the Board of Commissioners; keep the official records and the seal of the Port Authority; certify, when required to, copies of records; be responsible for administering the Freedom of Information Code providing for access by the public to records of the Port Authority; and perform such other duties as may be assigned by the Chairman.

F. General Counsel — General Counsel shall be legal counsel to the Port Authority and shall also furnish such legal opinions, advice, counsel, and representation as shall, from time to time, be required by the Board of Commissioners. In the performance of these duties, General Counsel is authorized to use Port Authority staff and, with the approval of the Executive Director, to retain outside counsel in accordance with policies established by the Board of Commissioners and guidelines adopted by General Counsel from time to time.

G. Chief Financial Officer — The Chief Financial Officer shall, under the supervision of the Executive Director, act as chief financial officer of the Port Authority and supervise the activities of the Treasurer and the Comptroller.

H. Comptroller — The Comptroller shall, under the supervision of the Chief Financial Officer, be in charge of the books of account of the Port Authority and be responsible for all payments to and expenditures by the Port Authority.

I. Treasurer — The Treasurer shall, under the supervision of the Chief Financial Officer, have custody of all funds and be responsible for investments of the Port Authority.

J. Inspector General — The Inspector General, under the general direction of the Chairman and the Executive Director, shall be charged with the responsibility for receiving and investigating, where appropriate, all complaints regarding wrongdoing, fraud, waste, and abuse by Commissioners, officers, and employees of the Port Authority, or third-party individuals or organizations doing business with the Port Authority; and consulting with the Board of Commissioners, the Audit Committee, the Executive Director, and General Counsel, as appropriate; provided, however, that the Inspector

General shall continue to be independent and free from interference in the conduct of the Inspector General's responsibilities. The Inspector General shall provide reports to the Board of Commissioners and, as appropriate under the circumstances, its Committees, with respect to the foregoing.

K. Director of the Audit Department — The Director of the Audit Department shall, under the general direction of the Inspector General, be responsible for the internal auditing functions in the Port Authority and for external auditing of financial and operating records of firms doing business with the Port Authority.

IV. TERM OF OFFICE

All officers of the Port Authority shall hold office until the next annual meeting of the Port Authority, or until their successors are elected or appointed, whichever may be the later.

V. MEETINGS; OPEN MEETINGS POLICY; FREEDOM OF INFORMATION CODE

A. An annual meeting of the Board of Commissioners shall be held each year for the purpose of election of officers. Special meetings of the Board of Commissioners may be called by the Chairman of the Port Authority and shall be called by the Chairman of the Port Authority on request of any two Commissioners, one from each State. The time and place for all annual, regular, and special meetings shall be determined by the Chairman of the Port Authority.

B. The Secretary shall give notice to the Commissioners of annual, regular, and special meetings, specifying the time and place of the meeting, by mail, facsimile, telephone, or in person, at least two days before the meeting. The notice of a special meeting shall specify the subject(s) to be considered thereat. Any Commissioner may waive the requirement for such notice.

C. The provisions of these By-Laws may be suspended by unanimous consent of a quorum of the Board of Commissioners.

D. Quorum – Six Commissioners, three from each State, shall constitute a quorum for all meetings of the Board of Commissioners. In the absence of a quorum at any meeting of the Board of Commissioners, or, if as a result of prospective recusals there would not be a sufficient number of Commissioners present at such meeting to consider any item on the agenda for such meeting, the Committee on Operations is authorized to act for and on behalf of the Board of Commissioners at a special meeting of the Committee on Operations called by the Chairman.

E. Votes – After due debate, the vote shall be recorded upon all resolutions or amendments thereto presented at any meeting of the Board of Commissioners. If three votes from each State shall not be cast therefor (or in case six Commissioners from either State are present, if four votes from such State shall not be cast therefor), the resolution or amendment shall be deemed lost. But a motion to adjourn, to lay on the table, to postpone consideration, or to refer a matter may be carried by a vote of a simple majority of Commissioners present.

F. Order of Business – The order of business at annual, regular, and special meetings of the Board of Commissioners shall be determined by the Chairman of the Port Authority; provided, however, that upon request of any two Commissioners, one from each State, received no less than two days prior to the meeting, a matter shall be placed on the calendar for any meeting as special business.

G. Open Meetings Policy

The Port Authority has an obligation to conduct its business and activities in the public interest and to solicit public participation and make its affairs known to members of the general public. In accordance with this obligation, the Port Authority shall follow an Open Meetings Policy, which shall require that: meetings of the Board of Commissioners and its Committees shall be open to the public consistent with the open meetings laws of the two States; sufficient advance notice shall be provided to members of the general public and representatives of the press of all meetings to be held in open public or closed executive session and, if in closed executive session, the reason(s) therefor; where meetings are held in open public session, anticipated agendas for such meetings shall be provided to members of the general public and representatives of the press sufficiently in advance of such meetings; representatives of all groups and constituencies who may wish to attend meetings held in open public session shall be accommodated; where meetings are held in open public session, members of the public shall have the opportunity to comment to the Board of Commissioners prior to action on those items; materials reflecting actions taken in open public and closed executive session, including minutes of meetings of the Board of Commissioners, shall be released to members of the general public. Meetings of the Board of Commissioners and its Committees (other than meetings held in closed, executive session) are to be publicly broadcast, to the extent technologically feasible.

The term "meeting" as used herein shall refer to any gathering, whether corporeal or by means of communications equipment, which is attended by, or open to, members of the Board of Commissioners, held with the intent, on the part of the Commissioners present, to discuss or act as a unit upon the specific public business of the Port Authority; provided, that the term "meeting" does not mean a gathering (1) attended by less than a quorum, or (2) attended by or open to all the members of three or more similar public bodies at a convention or similar gathering. The term "public business" shall refer to matters that relate in any way, directly or indirectly, to the performance of the functions of the Port Authority or the conduct of its business.

H. Open Meetings Policy – Limited Exceptions

1. In certain limited circumstances, public consideration by the Board of Commissioners (or a Committee thereof) of matters relating to the business and affairs of the Port Authority would clearly endanger the public interest or constitute an unwarranted invasion of the personal privacy of individuals (including Port Authority employees). Accordingly, in such limited circumstances, the Board of Commissioners or Committee may determine to take action on or discuss only such subjects in closed, executive session. Consistent with the open meetings laws of the two States, the following matters may be considered in closed, executive session: (i) public safety or law enforcement; (ii) proposed, pending, or current litigation, judicial or administrative proceedings, and external or internal investigations or audits; (iii) ongoing bargaining or negotiations, reviews of contracts or proposals related to the purchase, sale, or lease of real property or securities where disclosure could affect the public interest; (iv) the necessary consideration of facts that, if made public, would constitute an unwarranted invasion of an individual's personal privacy; (v) the necessary consideration of facts that are deemed confidential, privileged, or private pursuant to federal or state law, regulations, rules, or decisions of court; or (vi) information that, if made public, could impair the Port Authority's right to receive funds from the United States or other grantor.

2. From time to time, the Chairman of the Port Authority may, in the best interests of the Port Authority, permit discussion in public, open session of and action on any matter otherwise exempted under the Open Meetings Policy.

3. In exigent circumstances when required for action, the Chairman of the Port Authority may request that one or more absent Commissioners participate and attend any meeting of the Port Authority through the use of communications equipment.

I. Freedom of Information Code

The Port Authority conducts its business and activities in the public interest and therefore the public should have access to records of the Port Authority. The Port Authority shall follow a Freedom of Information Code consistent with the freedom of information laws of the two States.

The Port Authority shall, to the extent technologically feasible, provide access to the minutes of meetings of the Board of Commissioners and the Committees and to reports provided for in accordance with these By-Laws, by posting such documents on its Internet site, or any successor electronic media designated by the Executive Director for such purposes.

VI. PUBLIC HEARINGS

A. Public hearings shall be held on matters requiring public consideration or public comment and information and may be held upon the request of (i) the Chairman of

the Port Authority or (ii) any two Commissioners, one from each State.

B. Pursuant to direction by the Board of Commissioners, the Executive Director shall have authority to arrange for public hearings, in connection with the budgeting, planning, and programming of the Port Authority, including proposals for instituting or changing tolls and fares imposed for use of the Port Authority's vehicular tunnels and bridges and passenger rail facilities. In connection therewith, the Executive Director shall

(1) determine the dates, times, and locations in each of the two States for the conduct of such hearings, which shall be designed to encourage the broadest possible attendance and participation, and which, in the case of each hearing pertaining to proposals for instituting or changing tolls and fares imposed for use of the Port Authority's vehicular tunnels and bridges and passenger rail facilities, shall include the attendance of at least two Commissioners, one from each State;

(2) provide for appropriate notice to be given not less than ten days in advance of such hearings, with notice to be published within the Port District in one or more newspapers of general circulation in each State, on the Port Authority Internet site or any successor electronic media designated by the Executive Director, and through other available electronic media used by the Port Authority, and which, in the case of each hearing pertaining to proposals for instituting or changing tolls and fares imposed for use of the Port Authority's vehicular tunnels and bridges and passenger rail facilities, shall include the charge or charges proposed to be instituted or changed, shall set forth a comparison of the existing charges with the proposed charges, and shall state the purpose or purposes for which such tolls, fares or other charges are to be instituted or changed and an estimate of the overall increase or decrease in revenues to the Port Authority resulting from such proposed charges;

(3) designate hearing officers (if any) in connection therewith;

(4) arrange for transcripts and reports of the hearings, which shall be made available to all Commissioners prior to the consideration of any proposal; and

(5) take such other action as will effectuate the Port Authority's policy, as established by the Board of Commissioners, for the conduct of public hearings.

VII. NOMINATING COMMITTEE

The Nominating Committee shall consist of all of the Commissioners of the Port Authority except the Chairman of the Port Authority and the Vice-Chairman of the Port Authority.

The Nominating Committee shall meet at least once during the 30 days immediately preceding the annual meeting of the Port Authority to consider a slate of officers for nomination and shall present such slate to the Board of Commissioners. If the office of Chairman of the Port Authority or Vice-Chairman of the Port Authority shall become vacant for any reason other than expiration of term, the Nominating Committee shall meet as soon as practical thereafter. The Nominating Committee may also meet to consider vacancies in any other office or offices.

Meetings of the Nominating Committee shall be held pursuant to notice given by the Secretary at the request of any member of the Committee.

At each meeting of the Nominating Committee, the members thereof shall elect a Chairman of the Committee whose duties shall be to preside at such meeting, and to submit or cause to be submitted to the Board of Commissioners any reports or recommendations adopted at such meeting.

VIII. COMMITTEES OF THE BOARD

The Committees on Capital Planning, Execution and Asset Management; Finance; Operations; Security; Audit; and Governance and Ethics, are established under this Article VIII to provide for the effective and efficient governance of the Port Authority, and to make recommendations to, and act on behalf of, the Board of Commissioners to the extent set forth in these By-Laws and the formal written charter of such Committee.

Each Committee shall, with the approval of the Board of Commissioners, adopt a formal written charter clearly defining the roles and responsibilities of such Committee. Committee charters shall be posted on the Port Authority's Internet site, or any successor electronic media designated by the Executive Director for such purpose. Each Committee shall follow the provisions of its charter in connection with the satisfaction of its responsibilities under these By-Laws, and shall review and reassess such charter from time to time, with any amendments to such charter resulting from such review and reassessment to be made with the approval of the Board of Commissioners.

A Chairman, a Vice-Chairman, and members of all Committees shall be appointed by the Chairman of the Port Authority, who shall be an *ex officio* member of each Committee of which the Chairman of the Port Authority is not a regular member, except the Audit Committee. If one or more regular members are absent from any Committee meeting, the Chairman of the Port Authority shall be counted towards a quorum and entitled to vote on Committee business. The Chairman of the Port Authority shall also be

entitled to vote to decide a tie vote.

The Vice-Chairman of the Port Authority shall likewise be an *ex officio* member of each Committee of which the Vice-Chairman of the Port Authority is not a regular member, except the Audit Committee. The Vice-Chairman of the Port Authority shall be counted towards a quorum and entitled to vote on Committee business under the same circumstances as the Chairman of the Port Authority, but only in the absence of the Chairman of the Port Authority.

A quorum for the conduct of business at any meeting of any Committee shall consist of a number equal to the majority of the regular members, provided that at least one Commissioner from each State shall be present. If there is no quorum at any regular, special, or adjourned meeting of any Committee, then the Commissioner presiding at such Committee meeting may, in order to achieve a quorum, designate any Commissioner present who is not already a member of such Committee as a substitute member *pro tem* to act at such meeting in the place and stead of an absent Committee member. Any Committee member *pro tem* shall be treated as a regular member for purposes of (i) determining whether a quorum is present; (ii) voting; and (iii) determining whether an *ex officio* member may vote. Action shall be taken by a majority vote of the Committee members present; provided that no action of a Committee shall be binding unless at least one Commissioner from each State shall vote in favor thereof.

In order to assure the right of approval or veto by the Governor of each State, any action by a Committee taken pursuant to the powers vested under these By-Laws or its formal written charter shall be considered part of the minutes of the Board of Commissioners.

Whenever a Committee purports to act pursuant to powers vested under these By-Laws or its formal written charter then all third persons are entitled to rely on the Committee's representation that it has power to act.

The Committees shall meet regularly as determined in each Committee's charter, or at the request of the Chairman of the Port Authority, in connection with the conduct of Port Authority business. Each Committee shall provide regular written communications, reports, and recommendations to the Board of Commissioners from time to time, or at the request of the Chairman of the Port Authority, on the results of its oversight and other activities, including any recommendations which in its opinion may be desirable regarding policies and procedures to govern the Port Authority.

Each Committee shall consist of five regular members (including a Chairman and Vice-Chairman), in addition to *ex officio* members, except the Audit Committee, which shall have no *ex officio* members and shall consist of four regular members (including a Chairman and Vice-Chairman), two from each State, and at least one of whom shall have a high level of financial expertise as determined in accordance with Article VIII of these By-Laws. When two or more Committees have powers relating to the same subject matter, none shall be deemed to have exclusive authority, but such Committees shall

confer and cooperate in regard thereto. Executive management and support staff shall be assigned to each Committee as a continuing resource for such Committee to carry out its oversight responsibilities.

Each Committee shall have the responsibilities and powers set forth below and as may be set forth in its formal written charter, as such formal written charter may be modified from time to time pursuant to these By-Laws:

A. Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management shall:

(1) have oversight of the Port Authority's Capital Plan and Strategic Plan;

(2) review the long-term planning for the development of new facilities, the initiation of new business and activities, and studies conducted in furtherance of such purposes;

(3) keep informed regarding the duties of the Port Authority, whether imposed by statutes or otherwise, and from time to time recommend to the Board of Commissioners such programs and policies as in its opinion may be desirable and as will enable the Port Authority to perform its duties most effectively and in due relation to their order of importance;

(4) keep informed of the needs of the Port District with regard to marine, air, railroad, and motor vehicle terminals and other transportation and terminal facilities and facilities of commerce and economic development, and matters relating thereto, and, from time to time, make recommendations in reference thereto;

(5) have general supervision over transportation, terminal and commerce and economic development studies and do all things necessary and convenient to advance such studies;

(6) have oversight of all construction by the Port Authority, including without limitation rehabilitation, repairs, demolition, and excavation, and shall, from time to time, make such recommendations to the Board of Commissioners in reference to the establishment of policies with respect thereto as in its opinion may be desirable;

(7) have oversight of agreements and contracts for the acquisition, purchase, lease, and/or use by the Port Authority of real property and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such agreements or contracts;

(8) have oversight of agreements and contracts for the purchase or

acquisition of materials for use by the Port Authority in connection with construction and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such agreements and contracts; and

(9) have oversight of such other matters as may be set forth in its formal written charter.

B. Committee on Finance

The Committee on Finance shall:

(1) have oversight of the financial affairs of the Port Authority, and, from time to time, make such recommendations to the Board of Commissioners in reference to the establishment of policies with respect thereto as in its opinion may be desirable;

(2) approve the selection of depositories for Port Authority funds and authorize and approve investments and reinvestments thereof;

(3) approve insurance policies and surety bonds, and adopt or approve policies or practices followed in connection with insurance and surety bonds; and

(4) have oversight of such other matters as may be set forth in its formal written charter.

C. Committee on Operations

The Committee on Operations shall have oversight of:

(1) the operation and maintenance of all facilities and properties owned and/or operated by the Port Authority, and shall, from time to time, make such recommendations to the Board of Commissioners in reference to the establishment of policies with respect thereto as in its opinion may be desirable;

(2) agreements and contracts for the acquisition or purchase by the Port Authority of equipment, tools, materials, supplies, or other personal property for use in connection with the operation of any Port Authority facility or property, and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such agreements or contracts;

(3) the sale, consistent with legislation, of real or personal property owned and/or operated by the Port Authority;

(4) personnel matters, and shall approve all agreements with organizations representing Port Authority employee groups relating to wages, working conditions, and benefits; and

(5) such other matters as may be set forth in its formal written charter.

D. Security Committee

The Security Committee shall:

(1) keep informed of the security needs of the facilities and properties owned and/or operated by the Port Authority;

(2) keep informed of the needs of the Port District generally with regard to security matters, and, from time to time, make recommendations in reference thereto; and

(3) have oversight of such other matters as may be set forth in its formal written charter.

E. Audit Committee

The Audit Committee shall:

(1) have oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial reporting processes; select pursuant to a competitive process, determine the compensation for, and have oversight of the activities of all independent accountants retained for auditing purposes, who shall report directly to the Committee; and keep informed regarding the management of the Port Authority;

(2) recommend, establish, maintain, and reassess procedures for processing complaints regarding accounting, internal controls, or auditing matters, as well as the confidential, anonymous submission of concerns about questionable accounting or auditing practices;

(3) review the annual financial statements of the Port Authority (including certifications by the Executive Director and the Chief Financial Officer required pursuant to Article XIII of these By-Laws) and recommend to the Board of Commissioners the inclusion of such financial statements in the Port Authority's annual report and other publications, as appropriate;

(4) receive from the Inspector General reports regarding concerns and complaints received by the Office of Inspector General involving wrongdoing,

fraud, waste, and abuse by Commissioners, officers, and employees of the Port Authority, or third party individuals or organizations doing business with the Port Authority, including the progress of any investigation thereof, as well as referrals made or other matters pursued in connection therewith, and it shall be the duty of the Inspector General to report such information to the Audit Committee. The Audit Committee shall recommend, establish, maintain, and reassess procedures for reviewing reports submitted by the Inspector General with respect to the foregoing; provided, however, that such procedures shall not limit the Inspector General's independence and freedom from interference in the conduct of the Inspector General's responsibilities; and

(5) have oversight of such other matters as may be set forth in its formal written charter.

The (i) appointment of any person to the position of Director of the Audit Department or Inspector General shall not be made or terminated; (ii) salary or benefits of the Director of the Audit Department and the Inspector General shall not be increased or reduced; and (iii) responsibilities of the Director of the Audit Department and the Inspector General shall not be changed in any way, without the approval of the Chairman of the Audit Committee (or of the Board of Commissioners); provided, that any increase or reduction in salary or benefits that may be made with respect to Port Authority department heads generally and would be effective as to the Director of the Audit Department and the Inspector General in the absence of the foregoing requirement of approval shall not require such approval in order to be effective as to the Director of the Audit Department and the Inspector General.

The members of the Audit Committee which, for independence purposes, shall not include the Chairman or Vice-Chairman, shall include at least one member, who in the determination of the Governance and Ethics Committee possesses a high level of financial expertise, which may be demonstrated, among other factors, by a general understanding of (i) generally accepted accounting principles and financial statements; (ii) the preparation or auditing of financial statements of entities comparable to the Port Authority; (iii) the application of such principles in connection with the accounting for estimates, accruals, and reserves; (iv) internal accounting controls; and (v) audit committee functions.

The Audit Committee shall assist the Board of Commissioners in fulfilling its oversight responsibility relating to the Port Authority's compliance with legal or regulatory requirements relating to accounting, auditing, financial reporting, and/or internal controls, all subject to and consistent with the principle that compliance matters which are not primarily related to accounting, auditing, financial reporting, and/or internal controls shall be submitted to the Governance and Ethics Committee.

In addition to other regular written communications, reports, and recommendations required pursuant to these By-Laws, the Audit Committee shall report from time to time to the Board of Commissioners with respect to its oversight activities

and the policies and procedures governing the accounting, auditing, financial reporting, and internal controls of the Port Authority.

F. Governance and Ethics Committee

The Governance and Ethics Committee shall:

(1) have oversight of questions relating to the development of, and compliance with, governance and ethics principles of the Port Authority, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable;

(2) define and make recommendations to the Board of Commissioners with respect to the establishment of policies and practices that will (i) assist in identifying qualifications for prospective appointments to the Board of Commissioners; (ii) evaluate the ongoing performance of the Board of Commissioners and its members; (iii) lead the Board of Commissioners in an annual review and evaluation of the Board of Commissioners' performance, and the effectiveness of Committees; (iv) ensure that the Board of Commissioners and staff are familiar with and committed to the ethics principles and programs that have been adopted by the Port Authority; (v) ensure that each member of the Board of Commissioners has received training with respect to the ethical standards applicable to the member as an unsalaried public officer from the member's state of appointment; (vi) assist the Board of Commissioners in fulfilling its oversight responsibility relating to the Port Authority's compliance with legal and regulatory requirements; (vii) ensure that the Inspector General shall continue to be independent and free from interference in the conduct of the Inspector General's responsibilities; and (viii) require executive staff to annually review Port Authority operations with the specific goal of identifying waste and inefficiencies, and to take appropriate remedial steps that shall be publicly reported.

(3) recommend to the Chairman of the Port Authority changes in the size, composition, and organization of the Committees; policies and practices relating to Board operations; Commissioner policies and practices; and associated matters of corporate governance;

(4) lead the Board of Commissioners in an annual review and evaluation of the Executive Director's performance;

(5) recommend, develop, and maintain a Code of Ethics for the Board of Commissioners and for the staff, which Code shall include (a) requirements for disclosures of outside business dealings of Commissioners and their employers, executive staff, or the immediate family members of Commissioners and executive staff; (b) restrictions on participation by Commissioners, officers, or employees in any contracting decision relating to a family member or firms in which a family member may have an interest; and (c) rules precluding contributions to the

political campaigns of Port Authority Commissioners or officers;

(6) on an annual basis, reassess the adequacy of the Code of Ethics and oversee compliance with such Code;

(7) review the independence and objectivity of the members of the Board of Commissioners and its Committees on a periodic basis (but in no event less than once per year), as well as any relationships such members may have with the Port Authority and/or its wholly owned corporate entities or subsidiaries or otherwise that may reasonably create the appearance of non-independence and/or non-objectivity;

(8) review corporate trends and best practices generally with respect to governance procedures and ethics policies and requirements. In carrying out this responsibility, the Committee shall, on an annual basis, review ethical standards in the two States (and any other jurisdictions whose standards may be useful in determining best practices at the Port Authority) and make recommendations to the Board of Commissioners concerning appropriate practices, including adoption of the higher ethical standard when the two states apply different standards to the same conduct or situation; and

(9) have oversight of such other matters as may be set forth in its formal written charter.

The Governance and Ethics Committee's duties as described herein shall be subject to and consistent with the following:

(a) compliance matters which are primarily related to accounting, auditing, financial reporting, and/or internal controls shall be subject to the jurisdiction and oversight of the Audit Committee; and

(b) compliance matters which are not primarily related to accounting, auditing, financial reporting and/or internal controls shall be submitted to the Governance and Ethics Committee, which shall determine the proper handling thereof (including the involvement of other Board Committees, outside advisers and others) with such oversight by the Board of Commissioners as it determines is appropriate.

IX. RULES AND REGULATIONS

In compliance with policies established by the Board of Commissioners, the Executive Director shall establish rules and regulations as required for the conduct of the Port Authority's business, consistent with policies established by the Board of Commissioners.

The Executive Director shall cause such rules and regulations to be filed with the Board of Commissioners at least 30 days prior to the effective date of such rules and regulations. Absent objections by the Board of Commissioners such rules and regulations shall become effective upon the expiration of such 30-day period. If such objections are made, the Board of Commissioners shall, after due consideration, decide upon adoption, amendment or rejection of the proposed rules and regulations.

It is the policy of the Port Authority that the process for adoption of such rules and regulations shall be an open process with the opportunity for the general public to comment on such rules and regulations prior to adoption, and for such purposes such proposed rules and regulations shall be made publicly available at the time they are filed with the Board of Commissioners.

X. EXECUTIVE DIRECTOR POWERS AND RESPONSIBILITIES

The Executive Director shall have the following powers, unless otherwise provided by any resolution of the Board of Commissioners or a Committee thereof, subject to the limitations, if any, of the Budget adopted by the Board of Commissioners. These powers shall be in addition to any other powers conferred by any other provisions of these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners or a Committee thereof.

(a) Unless otherwise directed by the Committee on Operations or otherwise provided by any resolution of the Board of Commissioners and subject to the limitations, if any, of the Budget adopted by the Board of Commissioners, the Executive Director is authorized:

(i) To determine and prescribe the duties of new and existing positions and the qualifications for appointments made thereto;

(ii) Subject to the approval of the Chairman of the Committee on Operations, to make permanent appointments to the Port Authority staff;

(iii) To make promotions and demotions within the staff;

(iv) To terminate appointments to the staff subject to the approval of the Chairman of the Committee on Operations whenever approval of the Committee on Operations is not otherwise specifically required;

(v) To create temporary positions and to make temporary appointments thereto for periods not exceeding three (3) months' duration; and

(vi) To grant or authorize the granting of vacation, sick leave, other leave of absence and to establish or modify other employee benefits (other than retirement matters) and to take other action affecting personnel.

(b) The Executive Director is authorized:

(i) to authorize or arrange for the printing and engraving of bonds, notes or other securities or obligations, the issuance whereof has been authorized by the Board of Commissioners;

(ii) to authorize and arrange for the payment of the interest upon and principal of such bonds, notes, or other securities or obligations, in accordance with the resolutions authorizing their issuance, out of any revenues directly pledged therefor, out of any sinking funds or special reserve funds especially established in connection therewith and, in case there are no other moneys available for the payment of such interest and principal, out of the General Reserve Fund if such fund has been pledged as security for such payments;

(iii) to authorize or arrange for the making of payments into such reserve funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, and to authorize or arrange for the making of payments into such sinking funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, out of any special reserve funds especially established in connection with the particular issue of such bonds, notes, securities or other obligations for which such payments are to be made, out of any other special reserve funds available for such purposes, out of any other Port Authority funds available for such purposes, and, in case all the preceding available sources are insufficient to make such payment, then out of the General Reserve Fund; and

(iv) whenever the resolutions of the Board of Commissioners establishing the issue of bonds and the various resolutions of the Board of Commissioners establishing the separate series of such bonds require the redemption of bonds for retirement for sinking fund purposes, to (*a*) arrange for or authorize the call of such bonds for redemption, within the limitations of said bond resolutions to select or arrange for the selection of the particular bonds to be redeemed, (*b*) publish or arrange for the publication of notice of redemption, (*c*) pay or arrange for the payment of such bonds upon the date set for their redemption, and (*d*) generally do all things necessary or incidental to the redemption and retirement of such bonds.

(c) The Executive Director is authorized to authorize, approve, or award agreements, contracts, or purchase orders for

(i) professional, technical, or advisory services, including but not limited to the services of consultants, engineers, architects, designers, artists, technicians, inspectors, appraisers, and experts of any kind;

(ii) maintenance, repair, rehabilitation, or other operating expenses;

(iii) capital improvements and additions (including major repairs or rehabilitation);

(iv) construction;

(v) materials, equipment or supplies (including the leasing of equipment);

(vi) utility or other services;

(vii) insurance or brokerage services; and

(viii) settlement of claims (not covered under paragraphs (e) or (o) of this Article X)

upon such terms as the Executive Director may deem proper and to enter into or execute the same on behalf of the Port Authority where the amount of any such agreement, contract, or purchase order (inclusive of any renewal or extension) is not in excess of $2,500,000; provided, however, that the Executive Director may not take such action where the amount of any such agreement, contract, or purchase order (inclusive of any renewal or extension) under subparagraphs (c)(i) through (c)(vii), above, is in excess of

(a) $1,500,000 but not in excess of $2,500,000, unless the agreement, contract, or purchase order is awarded to the lowest qualified bidder after public advertisement, or through cooperative governmental purchasing arrangements; or

(b) $500,000 but not in excess of $1,500,000, unless the agreement, contract, or purchase order is awarded to the lowest qualified bidder, or the proposer best qualified by reason of cost, responsibility, and capacity to perform the work and whose bid price or proposal is deemed reasonable, after the receipt of competitive bids or proposals; and,

provided, further, in connection with authorizations under subparagraph (c)(viii), above, the Executive Director may settle such claims if the total settlement is not in excess of $500,000. In addition, the Executive Director may take such actions under this paragraph (c) with respect to an extension, amendment, or modification of any existing agreement, contract, or purchase order either

(a) on terms and conditions at least as favorable to the Port Authority and under which the Port Authority will incur no additional expenditures or obligations; or

(b) where the amount of the extension, amendment, or modification is not in excess of 25 percent of the base amount of the original

agreement, contract, or purchase order, provided however that such excess amount is not greater than $2,500,000.

(d) In the exercise of authority under this paragraph (d), the Executive Director may take the following actions only upon providing prior notice to the Board of Commissioners. The Executive Director, pursuant to authority granted to the Executive Director in conjunction with the adoption of the Budget or other resolutions of the Board of Commissioners, may, as the Executive Director deems in the best interest of the Port Authority, in connection with agreements, contracts or purchase orders:

(i) (*a*) award to the bidder or proposer who, in the opinion of the Executive Director, is best qualified by reason of cost, responsibility, experience, and capacity to perform the work and whose bid price or proposal the Executive Director deems reasonable, (*b*) reject all bids or proposals, (*c*) solicit new bids or proposals on revised or the same requirements, (*d*) negotiate with one or more bidders, proposers, or other contractors; or (*e*) exercise any rights and the performance of any obligations vested in or assumed by the Port Authority under such agreement, contract, or purchase order;

(ii) execute agreements, contracts, or purchase orders and supplemental agreements, contracts or purchase orders with such bidders, proposers, or contractors;

(iii) order extra work and net cost work; and

(iv) authorize payments to contractors or vendors.

(e) The Executive Director may, in connection with any agreement, contract, or purchase order,

(i) require a bond securing the performance thereof and/or the payment of subcontractors, materialmen, workers, and other third persons;

(ii) settle claims arising under or in connection with such agreements (including leases, permits, and licenses, for the use or occupancy of property), contracts, or purchase orders; provided, that the Executive Director may settle such claims if the total settlement is not in excess of $500,000; and

(iii) authorize the payment to contractors and vendors of all or any portion of their compensation even though not yet payable under the terms of the agreement, contract, or purchase order, in each case whenever the Executive Director deems it advisable under the circumstances.

(f) The Executive Director may acquire temporary interests in real property necessary in connection with construction or operation of Port Authority facilities, provided that the term of any such interest shall not be in excess of five years.

(g) Not less than ten days in advance of any meeting of the Board of Commissioners at which the Board is to consider an action to authorize the sale of real property owned by the Port Authority, the Executive Director shall provide public notice of such proposed action, by posting on the Port Authority's Internet site or any successor electronic media designated by the Executive Director for such purposes.

(h) In compliance with the policies established by the Board of Commissioners, the Executive Director shall, from time to time, adopt appropriate procedural guidelines, consistent with those applied to state authorities in the two States, to ensure that procurement, based on competitive contract-award processes, of agreements and contracts for the purchase of goods and contract services, professional, technical and advisory services, real estate and construction is based on open competition and fairness, with the highest level of integrity, and to discourage attempts by others to influence the Port Authority to achieve preferential, unequal or favored consideration of proposals for procurement based on considerations other than on the merits of such proposals. Such procedural guidelines shall include: restrictions on contacts between Commissioners and staff regarding the procurement process and particular active procurement matters; restrictions on contacts between lobbyists representing contractors, vendors or service providers, and Commissioners and staff, regarding the procurement process and particular active procurement matters; rules controlling flow of procurement inquiries and bids to responsible staff and pursuant to pre-set procedures; advertisement of procurement opportunities by the Port Authority through a broad range of media outlets, to increase vendors' awareness of and participation in the procurement process; and equal opportunity for minority-owned, women-owned and small business enterprises.

(i) In compliance with the policies established by the Board of Commissioners, the Executive Director shall have authority to adopt, rescind, amend, and modify rules and regulations

(i) for and in connection with facilities and properties owned, leased, or operated by the Port Authority and for the conduct of the users thereof and all other persons in or about such facilities or properties, including the officers, employees, or representatives of the Port Authority and of the users of its facilities and properties and people doing business with it or them; and

(ii) for the operation, management, and conduct of the business of the Port Authority and the staff.

(j) The Executive Director shall have authority to enter into any agreement including, but not limited to, leases, permits and licenses, for the use or occupancy of any property owned or operated by the Port Authority and for the use or occupancy of property by the Port Authority or for the exercise of privileges thereat; provided, that such agreement

(i) is for a total term, including any renewals and extensions, of not more than ten years, and the average annual rental (net present value) is not more than $1,000,000;

(ii) is unconditionally revocable without cause by the Port Authority upon 30 days' notice or less and there is no fixed obligation on the Port Authority in excess of $1,000,000; or

(iii) substitutes another for the contracting party to an existing agreement.

Any such agreement may contain such indemnity and other provisions as the Executive Director may deem appropriate.

(k) The Executive Director may authorize or arrange for contracts for the sale of personal property owned by the Port Authority upon such terms and conditions as the Executive Director may deem proper and execute the same on behalf of the Port Authority where the value of such personal property is not in excess of $1,000,000; provided, however, that personal property valued at more than $250,000 shall not be sold by authority of the Executive Director other than to the highest bidder after public advertisement.

(l) The Executive Director may authorize intervention and participation on behalf of the Port Authority in proceedings before any administrative tribunal of the United States or of the States of New York and New Jersey or their subdivisions affecting the trade, commerce, and economic development of the Port District or the terminal or transportation facilities or facilities of commerce and economic development therein; provided, however, that no statement as to the position of the Port Authority on the issues in the proceedings shall be submitted until the position has been authorized by the Board of Commissioners or the appropriate Committee thereof.

(m) With respect to the operation, planning, and development of Port Authority facilities and to other projects, programs, and studies which have been authorized by the Port Authority, the Executive Director may apply for and accept on behalf of the Port Authority grants from federal, state, or other governmental entities. Expenditures in connection with such grants or projects and activities funded in whole or in part by such grants are, however, subject to consideration and authorization in accordance with the provisions of these By-Laws.

(n) The Executive Director may, in the best interests of the Port Authority, enter into or authorize execution of agreements with federal, state, or other governmental entities for the performance of services by Port Authority employees or the participation by such employees in programs or other activities sponsored in whole or in part by such entities.

(o) The Executive Director shall have authority to settle all claims of and all claims against the Port Authority (not covered under paragraphs (c) and (e) of this Article

X) when the total payment or the amount of damages incurred by the Port Authority is not in excess of $1,000,000. Claims of and against the Port Authority shall include claims against individuals for which the Port Authority would be responsible under Article XI of these By-Laws; provided, however, that in the case of claims against individuals for which the Port Authority would be responsible under the said Article XI, which are covered by insurance purchased by or on behalf of such individuals, the Port Authority shall pay such claims only to the extent that they are in excess of the amount for which the insurance carriers are responsible.

(p) With respect to Port Authority property or to the operation, planning and development of Port Authority facilities the Executive Director may enter into such indemnity agreements as the Executive Director may deem appropriate.

(q) The Executive Director shall publish on a regular basis comprehensive reports on

(i) transactions of the Port Authority relating to the business and activities of the Port Authority, which reports shall identify vendors retained to perform services through the procurement process and the terms of their engagements; and

(ii) expenditures and operations of the Port Authority, identifying its programs and associated expenditures, which shall also be delivered to the Governors of New York and New Jersey;

provided, however, that the failure of the Executive Director to report the same shall not affect the validity of any action taken by the Executive Director with respect thereto.

(r) The Executive Director is authorized to delegate in whole or in part any power, authority, or discretion conferred upon the Executive Director by these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners to any other officer or member of the executive staff; provided, however, that the Executive Director shall file all delegations with the Secretary; and, provided further, that this power shall not apply to any case where the Executive Director is authorized to sign checks, drafts, or commercial paper, or deeds of conveyance of real property, or to have access to safe deposit boxes

(s) In exigent circumstances, the Executive Director, after consultation with the Chairman of the Port Authority (which requirement for consultation is waived if the Chairman of the Port Authority cannot be contacted through reasonable means and in a reasonable period of time), may take any action, whether or not otherwise authorized in these By-Laws, with respect to the property or facilities, projects, programs, and business of the Port Authority, or the rules and regulations or fees, fares, tolls, and other charges relating thereto. The Executive Director shall report such action to the Board of Commissioners. The Executive Director shall notify the Chairman of the Port Authority of any contract entered into pursuant to this provision.

Whenever the Executive Director purports to act pursuant to power vested under these By-Laws, then all third persons are entitled to rely on the Executive Director's representation that the Executive Director has the power to act.

The powers conferred upon the Executive Director under these By-Laws shall be discretionary and, unless otherwise expressly provided, shall not be construed to impose upon the Executive Director a requirement to execute any agreement, contract, or purchase order, or to take any other action authorized under these By-Laws. Except as otherwise provided in this Article X, the Executive Director may take action as authorized without providing prior notice to the Board of Commissioners.

XI. DEFENSE AND INDEMNIFICATION OF INDIVIDUALS

1. As used in this Article XI, the term "indemnified party" shall mean an individual who is a Commissioner, officer, or employee of the Port Authority. The terms "Commissioner," "officer," and "employee" shall include a former Commissioner, officer, and employee, and the estate or a judicially appointed personal representative of such present or former Commissioner, officer, or employee.

2. Upon compliance by an indemnified party with the provisions of paragraph 8 of this Article XI, the Port Authority shall provide for the defense of the indemnified party in any civil action or proceeding in any state or federal court arising out of any alleged act or omission which occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of Port Authority employment or duties; or which is brought pursuant to section nineteen hundred eighty-one or nineteen hundred eighty-three of title forty-two of the United States Code and the act or omission underlying the action occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of Port Authority employment or duties. The Port Authority shall not provide for a defense where such civil action or proceeding is brought by or on behalf of the Port Authority or to recover Port Authority funds.

3. Where an individual seeking indemnification delivers process and a request for a defense to General Counsel as required by paragraph 8 of this Article XI, General Counsel shall take the necessary steps on behalf of the individual in order to avoid entry of a default judgment pending resolution of any question pertaining to the determination to provide for a defense. General Counsel shall represent such individual; provided, however, that General Counsel shall, with the approval of the Executive Director (in accordance with policies adopted by the Board of Commissioners), assign outside counsel where General Counsel determines, based upon an investigation and review of the facts and circumstances of the case, that representation by General Counsel would be inappropriate; or whenever a court of competent jurisdiction determines that a conflict of interest exists and that the individual is entitled to be represented by outside counsel.

4. The Port Authority shall indemnify and save harmless an indemnified party in the amount of any judgment obtained against such indemnified party in any state or

federal court, or in the amount of any settlement of a claim, or shall pay such judgment or settlement; provided, however, that the act or omission from which such judgment or settlement arose occurred while the indemnified party was acting within the scope of Port Authority employment or duties; and provided, further, that the Port Authority shall not indemnify and save harmless or pay under this Article XI where the injury or damage resulted from actual fraud, actual malice, willful misconduct or intentional wrongdoing on the part of the party seeking indemnification, or where the Port Authority has brought the action.

5. Any proposed settlement or final judgment which may be subject to indemnification or payment by the Port Authority in accordance with these By-Laws, if not inconsistent with the provisions of this Article XI, shall, as applicable, be authorized for payment in accordance with the provisions of these By-Laws; provided, however, that General Counsel has determined that such proposed settlement or final judgment is in the best interest of the Port Authority. Nothing in this Article XI shall be construed to authorize the Port Authority to indemnify and save harmless or pay an indemnified party with respect to a settlement not so reviewed and approved by General Counsel.

6. Nothing in this Article XI shall require the Port Authority to indemnify or save harmless an indemnified party with respect to fines or penalties; provided, however, that the Port Authority shall indemnify and save harmless an indemnified party in the amount of any costs, attorneys' fees, damages, fines, or penalties which may be imposed by reason of an adjudication that an indemnified party, acting within the scope of Port Authority employment or duties, has, without willfulness or intent, violated a prior order, judgment, consent decree, or stipulation of settlement entered in any court of the State of New York or New Jersey or of the United States.

7. The Port Authority may, consistent with applicable law, provide for a defense when punitive damages are sought or criminal charges are asserted, in connection with any alleged act or omission which occurred or is alleged in the complaint to have occurred while the individual was acting within the scope of Port Authority employment or duties, based upon an investigation and review of the facts and circumstances and a determination by General Counsel that provision of such defense would be in the best interest of the Port Authority; provided, however, that the Port Authority shall provide reimbursement of defense costs incurred by or on behalf of an indemnified party in defense of a criminal proceeding arising out of such an act or omission, upon acquittal or dismissal of the criminal charges. Furthermore, the Port Authority may, consistent with applicable law, indemnify or save harmless an indemnified party with respect to fines or penalties, based upon an investigation and review of the facts and circumstances of the case and a determination by General Counsel that to indemnify and save harmless such indemnified party would be in the best interest of the Port Authority.

8. The benefits of this Article XI shall be conditioned upon (i) delivery to General Counsel of the original or a copy of any summons, complaint, process, notice, demand or pleading within five days after receipt or service of such document, such delivery being deemed a request by the party seeking indemnification that the Port Authority provide for

defense pursuant to this Article XI; (ii) the full cooperation of the indemnified party in the defense of such action or proceeding and in defense of any action or proceeding against the Port Authority based upon the same act or omission, and in the prosecution of any appeal; and (iii) the agreement of the indemnified party that the Port Authority shall be entitled to withdraw such defense and demand reimbursement from such party for costs incurred in connection with such defense in the event that, upon further discovery, indemnification is not required or otherwise warranted under this Article XI.

9. The benefits of this Article XI shall inure only to an indemnified party as defined herein and shall not enlarge or diminish the rights of any other party. This Article XI shall not in any way affect the obligation of any claimant to give any notice otherwise required by any provision of law. The provisions of this Article XI shall not be construed to impair, alter, limit, or modify the rights and obligations of any insurer under any policy of insurance.

10. Except as otherwise specifically provided herein, the provisions of this Article XI shall not be construed in any way to impair, alter, limit, modify, abrogate, or restrict any immunity available to or conferred upon any unit, entity, Commissioner, officer, or employee of the Port Authority, or any right to defense and/or indemnification provided for any governmental officer or employee by, in accordance with, or by reason of, any other provision of state or federal statutory or common law.

11. In compliance with policies established by the Board of Commissioners, the Executive Director is authorized to publish such rules and regulations as are necessary to effectuate the purposes of this Article XI.

XII. BUDGET

Whenever reference in these By-Laws is made to a Budget, it shall mean the Budget of the Port Authority, together with a Capital Plan and Strategic Plan, approved or authorized by the Board of Commissioners at a meeting held pursuant to the Open Meetings Policy. Whenever in these By-Laws an officer is vested with powers or discretion by reason of a budget item, such officer shall also have the same powers and discretion in any case where the Board of Commissioners approves or authorizes an expenditure of a specified amount (or of an approximate sum or of an amount not to exceed a specified sum) for a specified purpose, by resolution or otherwise.

XIII. ANNUAL AUDIT OF FINANCIAL STATEMENTS; ANNUAL REPORT

A. The Port Authority shall prepare financial statements on an annual basis in accordance with accounting principles generally accepted in the United States of America.

B. The Audit Committee of the Port Authority shall arrange for an independent firm of certified public accountants to perform an audit of the financial statements of the Port Authority each year in accordance with auditing standards generally accepted in the United States of America.

C. As a condition to the issuance of the annual financial statements, the Executive Director and the Chief Financial Officer shall be required to make a written certification to the effect that, to the best of their knowledge and belief, the financial and other information in the consolidated financial statements is accurate in all material respects and has been reported in a manner designed to present fairly the Port Authority's net assets, changes in net assets, and cash flows, in conformity with accounting principles generally accepted in the United States of America; and, that on the basis that the cost of internal controls should not outweigh their benefits, the Port Authority has established a comprehensive framework of internal controls to protect its assets from loss, theft, or misuse, and to provide reasonable (rather than absolute) assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America.

D. The Executive Director shall make arrangements for the publication of the annual report submitted to the Governors and Legislatures of the two States as provided by law, which report shall include but not be limited to the following: (i) the Port Authority's annual financial statements; (ii) the independent auditor's report with respect to the annual financial statements; (iii) the certification referred to paragraph C of this Article XIII; and (iv) a list of the compensation, educational background and professional experience of, the 20 highest-paid executive staff members.

XIV. RESERVATION OF POWERS

The powers not delegated by these By-laws are reserved to the Board of Commissioners. The powers vested by these By-Laws in the Committees shall not be construed or deemed to limit the authority of the Board of Commissioners to act in any instance or the statutory veto power of the Governor of each State. If such authority is exercised by the Board of Commissioners, it shall not be construed or deemed to affect the power of the Committees to act in similar cases thereafter. The powers vested in the Executive Director shall not be construed or deemed to affect the power of the Board of Commissioners to act in any case, nor shall any power vested in the Executive Director be construed or deemed to affect the power of any Committee to act where such power is also vested in a Committee, but where either the Board of Commissioners or any Committee exercises a power in any such case, such action shall not be construed or deemed to affect the power of the Executive Director to act in similar cases in the future.

XV. AMENDMENTS

These By-Laws may be amended by resolution duly adopted at any meeting of the Board of Commissioners, regular or special, provided that notice of intention to present such resolution shall be given at least two days in advance of the meeting at which the motion to adopt such resolution is made. Such notice may be given by any Commissioner or by any Committee (or by the Secretary at the request of any Commissioner or any Committee). Such notice shall be given to all Commissioners by mail, facsimile, telephone, or in person, at least two days before the meeting; in the alternate, such notice may be given orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notices of motions to amend motions to amend the By-Laws need not, however, be given. Any amendment of the formal written charter of a Committee adopted pursuant to these By-Laws shall follow the procedures set forth in this Article XV for the amendment of the By-Laws.

RESCISSION AND CANCELLATION OF RESOLUTIONS AUTHORIZING CONSOLIDATED BONDS, ONE HUNDRED SEVENTY-FOURTH SERIES THROUGH CONSOLIDATED BONDS, ONE HUNDRED SEVENTY-SIXTH SERIES AND CONSOLIDATED NOTES, SERIES AAA, SERIES BBB, SERIES CCC AND SERIES DDD

The Board at its meeting on November 19, 2009, among other matters, established and authorized the issuance of, and authorized the sale of, Consolidated Bonds, One Hundred Sixty-second Series through Consolidated Bonds, One Hundred Seventy-sixth Series and Consolidated Notes, Series ZZ, Series AAA, Series BBB, Series CCC and Series DDD. In place of these series, action with respect to the Authority's continuing plan of financing, consisting in part of Consolidated Bonds and Consolidated Notes, is to be considered today by the Board in connection with the anticipated requirements associated with the Authority's capital program projections.

Therefore, it was recommended that prior to the actions to be taken at today's meeting in connection with the Authority's plan of financing, that the Board rescind and cancel certain resolutions solely with respect to the establishment and authorization of the issuance of, and the authorization of the sale of, Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Seventy-sixth Series and Consolidated Notes Series AAA, Series BBB, Series CCC and Series DDD, since these previously authorized series have not as yet been issued.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the resolutions of the Authority adopted November 19, 2009, entitled "*Consolidated Bonds, One Hundred Sixty-second Series through Consolidated Bonds, One Hundred Seventy-sixth Series–Establishment and Issuance*" and "*Consolidated Bonds, One Hundred Sixty-second Series through Consolidated Bonds, One Hundred Seventy-sixth Series–Sale*", solely with respect to Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Seventy-sixth Series, are rescinded and cancelled in their entirety; and it is further

RESOLVED, that the resolutions of the Authority adopted November 19, 2009, entitled "*Consolidated Notes, Series ZZ, Series AAA, Series BBB, Series CCC and Series DDD–Establishment and Issuance*" and "*Consolidated Notes, Series ZZ, Series AAA, Series BBB, Series CCC and Series DDD–Sale*", solely with respect to Consolidated Notes, Series AAA, Series BBB, Series CCC and Series DDD, are rescinded and cancelled in their entirety.

PORT AUTHORITY PLAN OF FINANCING – REPORT

It was recommended that the Board of Commissioners take the actions summarized below in connection with the Port Authority's bonds and notes. As in the past, the recommended actions, which would continue to provide the Port Authority with flexible access to the financial markets, are part of an approval process required by Federal tax law for certain municipal obligations. The plan of financing adopted by the Board as part of this process generally has a three-year life; the last such plan was adopted in November 2009.

The public approval process was added by Congress in 1982 to the Federal tax law to ensure that affected members of the general public would be notified of a pending "private activity" bond issue and made aware of the intended use of proceeds in order to elicit comments that would ensure a substantial public benefit from the issuance of the bonds. The process includes the issuance of a notice for a public hearing, holding the hearing (at which members of the general public may comment, but at which the issuer is not required to engage in dialogue) and approval of the bonds by an applicable elected representative. As these requirements pertain to the Port Authority, they generally apply only to bonds and notes issued for airport and marine terminal purposes, with the requisite approval accomplished through the gubernatorial review process for Board minutes.

Today's actions would add twenty series of Consolidated Bonds and five series of Consolidated Notes, to the existing Versatile Structure Obligations, Variable Rate Master Notes, Equipment Notes and Commercial Paper Obligations, which may be issued to effectuate this plan of financing. However, the total aggregate principal amount of these obligations to be issued for authorized purposes in connection with the Authority's facilities in any year under this plan of financing would not exceed the amount required to effectuate the applicable budget.

Public Hearings

On July 25, 2012, public hearings in connection with this plan of financing, 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 10, 2012, 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*, each a newspaper of general circulation in the New Jersey portion of the Port District.

In pertinent part, the notices contained the following description of the Authority's proposed plan of financing: "Consolidated Bonds to be denominated as the One Hundred Seventy-fourth Series through the One Hundred Ninety-third Series, inclusive; Consolidated Notes to be denominated as Series AAA, Series BBB, Series CCC, Series DDD and Series EEE; Versatile Structure Obligations to be issued in various series under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Versatile Structure Obligations Resolution-Modification*"; Variable Rate Master Notes to be issued in various series under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Variable Rate Master Notes Resolution-Modification*"; Equipment Notes to be issued in various series under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Equipment Notes Resolution-Modification*"; and Commercial Paper Obligations to be issued in various

series under the resolution of the Authority adopted June 22, 2010, entitled "*Port Authority Commercial Paper Obligations-Resolution*", all to be issued and sold in connection with this plan of financing for authorized purposes, including in connection with certain of the facilities of the Port Authority, to wit: the Holland Tunnel; Lincoln Tunnel; George Washington Bridge; Bayonne Bridge; Goethals Bridge; Outerbridge Crossing; Port Authority Bus Terminal; Hudson Tubes (PATH); Trans-Hudson Ferry Service, a facility for the provision of commuter ferry transportation services between terminal facilities in the Port District; LaGuardia Airport; John F. Kennedy International Airport; Newark Liberty International Airport; Teterboro Airport; Stewart International Airport; Port Newark; Brooklyn-Port Authority Marine Terminal; Elizabeth-Port Authority Marine Terminal; Greenville Yard-Port Authority Marine Terminal; Howland Hook Marine Terminal; Port Jersey-Port Authority Marine Terminal located in Bayonne and Jersey City, N.J.; World Trade Center, a facility of commerce in Manhattan, N.Y.; Teleport, a satellite communications center at the Staten Island Industrial Park, Staten Island, N.Y.; Pre-development Site Acquisition Program, a facility for acquisition of real property; Regional Development Facility, a facility for certain of the economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York; Regional Economic Development Program, a facility for certain of the transportation and economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York; New York Transportation, Economic Development and Infrastructure Renewal Program, a facility for certain transportation, economic development and infrastructure renewal projects to be undertaken at the request of the State of New York; and the Hudson-Raritan Estuary Resources Program, a facility for the acquisition of certain real property in the Hudson-Raritan Estuary. The initial owner, operator or manager of these facilities is or will be the Port Authority or one of its related entities (presently, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, New York and New Jersey Railroad Corporation, New York New Jersey Rail, LLC, WTC Retail LLC, New WTC Retail Owner LLC, New WTC Retail JV LLC, PA Retail Newco LLC, Tower 1 Member LLC, Tower 1 Joint Venture LLC, Tower 1 Holdings LLC, WTC Tower 1 LLC, and Tower 5 LLC). The major projects presently authorized or which may be authorized by the Port Authority while this plan of financing remains in effect include (but are not limited to): LaGuardia Airport, security upgrades, central terminal building improvements, general runway, taxiway and roadway modification, paving and utility improvements; John F. Kennedy International Airport, general runway, taxiway and roadway modification and paving, central terminal area infrastructure redevelopment and roadway construction, utility systems improvements, and security enhancements; Newark Liberty International Airport, general runway, taxiway and roadway modification and paving, construction of terminal improvements, improvements to AirTrain system, fuel system modifications, and security enhancements; Teterboro Airport, general runway and taxiway modifications and security enhancements; Stewart International Airport, general runway, taxiway and roadway modification, terminal improvements, and security enhancements; Howland Hook Marine Terminal, improvements to existing intermodal rail freight terminals, roadway access improvements, and security enhancements; Port Newark, various rail freight projects to improve rail freight services among facilities and the national rail system, wharf reconstruction and berth replacement, roadway improvements, and security enhancements; Elizabeth-Port Authority Marine Terminal, wharf reconstruction, roadway improvements, and security enhancements; Brooklyn-Port Authority Marine Terminal, wharf and pier rehabilitation and environmental initiatives; Port Jersey-Port Authority Marine Terminal, various rail freight projects to improve rail freight services among facilities and the national rail system and terminal development; Greenville Yard-Port Authority Marine Terminal, various rail freight projects to expand and improve rail freight services among facilities and the

national rail system and terminal development; World Trade Center site restoration activities, including the design and construction of various components of the World Trade Center site, including One World Trade Center, a World Trade Center Transportation Hub, which includes the permanent PATH World Trade Center terminal, a memorial and memorial-related improvements and cultural uses, vehicle security facilities and site-wide infrastructure; Holland Tunnel, rehabilitation of tunnel and related structures and upgrades to ventilation; Lincoln Tunnel, structural improvements to approach ramps and roadways, upgrades to ventilation, and access improvements from various New Jersey roadways; George Washington Bridge, rehabilitation and replacement of bridge structural steel and suspension systems, improvements to approach roadways, electrical and fire systems, and bus station redevelopment; Bayonne Bridge, rehabilitation of vertical clearance to permit navigation of larger ships; Goethals Bridge, planning and program costs to replace the bridge through a public private partnership; Outerbridge Crossing, structural steel and pavement rehabilitation; Port Authority Bus Terminal, electrical, HVAC, fire alarm, and control systems upgrades, bus terminal redevelopment, and security enhancements; PATH, new signals system, upgrading and expanding stations, rehabilitation of substations, fire alarm, communications systems, and security enhancements; tolls collection and control systems and security enhancements at the Holland Tunnel, Lincoln Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge and Outerbridge Crossing; Trans-Hudson Ferry service, miscellaneous capital improvements; and a comprehensive general port improvement project in the Port of New York and New Jersey, including channel deepening, dredging and disposal of dredged materials, which is also expected to be of benefit to the Port Authority's marine terminal facilities. The obligations of the Port Authority to be issued in connection with this plan of financing and to which the provisions of Section 147(f) of the Internal Revenue Code of 1986 would be applicable, would be in the maximum aggregate principal amounts noted below: each of Consolidated Bonds, One Hundred Seventy-fourth Series through One Hundred Ninety-third Series, inclusive, would be in the principal amount of up to $500,000,000 (provided, however, that to the extent that any of such Series are issued and sold solely for purposes of capital expenditures in connection with the redevelopment of the World Trade Center, such Series may be issued and sold without limit as to principal amount, provided that the total aggregate principal amount of all of such Series (regardless of the purpose for issuance) shall not be in excess of $10 billion); each of Consolidated Notes, Series AAA, Series BBB, Series CCC, Series DDD, and Series EEE, would be in the principal amount of up to $300,000,000; Versatile Structure Obligations would be issued in one or more series but not in excess of a total aggregate principal amount of $500,000,000; Variable Rate Master Notes would be issued in one or more series but not in excess of a total aggregate principal amount of $400,000,000; Equipment Notes would be issued in one or more series but not in excess of a total aggregate principal amount of $250,000,000; and Commercial Paper Obligations would be issued in one or more series but not in excess of a total aggregate principal amount of $500,000,000 outstanding at any one time."

Today's Actions Pertaining to this Plan of Financing

The Board would establish Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Ninety-third Series, and would authorize the issuance and sale of each series in aggregate principal amount of up to $500 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 35 years; provided, however, that to the extent that any of such Series are issued and sold solely for purposes of capital expenditures in connection with the redevelopment of the World Trade Center site, such Series may be issued and sold without limit as to principal amount and term to

maturity, provided that the total aggregate principal amount of all such Series (regardless of the purpose for issuance) shall not be in excess of $10 billion, the maximum aggregate principal amount that can be issued under such resolutions. The Board would also establish Consolidated Notes, Series AAA, Series BBB, Series CCC, Series DDD and Series EEE, and would authorize the issuance and sale of each series in aggregate principal amount of up to $300 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 3 years. The Committee on Finance would be authorized to sell and to deliver all or any part of each of such series with such terms and at such time or times as it deems appropriate, at public or private sale, and would also be authorized to take, and to delegate authority for, certain actions with respect to each of such series. An Authorized Officer of the Authority would be authorized to take any and all action that could be taken by the Committee on Finance in connection with each of such series, but only if such series is issued and sold on a competitive basis. The issuance and sale on a competitive basis would include submission by underwriters of sealed bids to be opened publicly; submission by underwriters of bids or other offers to purchase by electronic means through generally accepted procedures in the financial markets; and submission by underwriters of bids or other offers to purchase in response to written or telephonic requests for proposals directed to a select list of underwriters. Prior to the scheduling by an Authorized Officer of any sale of Consolidated Bonds or Notes, such Authorized Officer would review the proposed issuance with the Chairman of the Committee on Finance and, to the extent practicable, the other members of the Committee.

CONSOLIDATED BONDS, ONE HUNDRED SEVENTY-FOURTH SERIES THROUGH CONSOLIDATED BONDS, ONE HUNDRED NINETY-THIRD SERIES - ESTABLISHMENT AND ISSUANCE

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution"), constituting a contract with the holders of the obligations issued thereunder, providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with the Consolidated Bond Resolution for the purposes therein set forth; and

WHEREAS, the Consolidated Bond Resolution provides that Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of each such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing such series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of Consolidated Bonds and has now determined that it is appropriate to establish certain additional series of Consolidated Bonds, without prejudice to its right hereafter to establish further series of Consolidated Bonds;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, 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; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

SECTION 2. Each of Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Ninety-third Series, inclusive, is established as a separate series of Consolidated Bonds and the issuance of up to Five Hundred Million Dollars ($500,000,000) of each such series with a term to maturity not in excess of thirty-five (35) years is authorized; *provided, however*, that to the extent that any of such series are sold solely for purposes of capital expenditures in connection with the redevelopment of the World Trade Center site, such series may be issued without limit as to principal amount and term to maturity, provided that the total aggregate principal amount of all of such series (regardless of the purpose for issuance) shall not be in excess of $10 billion. Each of such series shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual

basis (each of such series hereinafter called the "Bonds"). This resolution shall constitute a contract with the registered holders of the Bonds and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized to establish, fix and determine the terms of the Bonds and, in connection therewith, to make such changes and adjustments to the provisions set forth in the third paragraph of this Section 3 and in Sections 4, 5, 6, 9 and 10 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Bonds, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

The proceeds of the Bonds may be used for any purpose for which at the time of issuance of the Bonds the Authority is authorized by law to issue its obligations. The Committee on Finance may allocate the proceeds of the Bonds, from time to time, to certain of the authorized purposes, including the specific designation of any obligations to be refunded with the proceeds of the Bonds.

Both principal of and interest on the Bonds 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 registered holders, at the office or offices, designated by the Authority, of the Paying Agent (or Paying Agents) appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District; and interest on the Bonds shall be payable when due to the registered holders thereof by check or draft drawn on the Paying Agent (or Paying Agents) appointed for the purpose by the Authority and mailed to said registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds.

SECTION 4. 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 a Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient Registry Books for the registration of the Bonds. The Bonds shall be transferable only upon such Registry Books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution. Upon the written request of the registered holder or registered holders thereof and upon surrender thereof, a bond or bonds may be exchanged for a bond or bonds of like tenor, registered as designated in such request, of any other authorized denominations. All requests for registration, transfer, exchange and delivery pertaining to the Bonds as above provided shall be filed with the Registrar of the Authority; 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 as above provided shall be cancelled by the Registrar upon such surrender. The Authority shall bear the cost incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of bonds, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

SECTION 5. The Bonds shall be redeemable at the option of the Authority, on prior notice, in whole, or, from time to time, in part, at such redemption price and on such date set forth in the applicable notice of intention to redeem the Bonds.

If less than all of the Bonds then outstanding are to be called for redemption at the option of the Authority, and if the Bonds then outstanding include bonds of any serial maturities, the bonds so to be called shall be in inverse order of maturity, 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 Registrar.

If bonds are to be called for redemption to meet the schedule of mandatory periodic retirement for the Bonds, the bonds so to be called shall be determined by lot by the Registrar.

Notice of intention to redeem any of the Bonds shall be given by the Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds. 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 of New York 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.

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Bonds, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the bonds which are to be redeemed, at the respective redemption price 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 registered holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of such bonds with accrued interest included in such redemption price to be paid to the registered holders 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 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 this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

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 registered holder of such bond shall forthwith present such bond to the Registrar who shall issue a new bond or bonds of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 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 registered holder thereof. If the registered holder 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 therefor, 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 or the Consolidated Bond Resolution 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. The Bonds shall be retired at or prior to maturity, by purchase, call or payment, by the dates and in at least the cumulative principal amounts set forth on the schedule of mandatory periodic retirement for the Bonds.

If, at least forty-five (45) days prior to the mandatory periodic retirement date in each year (except the year of maturity) set forth in the schedule of mandatory periodic retirement for the Bonds, the Authority shall not have purchased or redeemed (at any prior time or times during such year or at any time or times during any prior years) a principal amount of the Bonds at least equal to the principal amount of the Bonds to be retired on such mandatory periodic retirement date, then the Authority shall call a principal amount of the Bonds equal to such deficiency, at the respective redemption price thereof, in the manner and upon the notice set forth in Section 5 of this resolution. Any of the Bonds purchased by the Authority as aforesaid may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and such of the Bonds as are theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others.

Nothing herein contained shall be construed in any way to prevent the Authority from retiring the Bonds more rapidly than is set forth in the schedule of mandatory periodic retirement for the Bonds.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole

or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund except for purposes and upon conditions which are authorized by the Consolidated Bond Resolution.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as trustee for and in connection with the Bonds (hereinafter called the "Trustee"). The Trustee is authorized to (i) institute any action or proceeding on behalf of the registered holders of the Bonds 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 registered holders of 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 registered holder or registered holders of the Bonds. 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 or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the registered holders of the Bonds.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section 8 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 of New York 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 this resolution.

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, 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 in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own wilful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but 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.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a statement of an Authorized Officer showing for the preceding calendar year (i) net revenues, (ii) the aggregate interest paid on bonds of the Authority, and (iii) the payments of principal on bonds of the Authority.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a copy of its annual report for such year and its financial statement for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall file with the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall file with the Trustee a copy of the minutes of every meeting of the Authority and of its subsidiary corporations at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to file with the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to file with the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties

owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without wilful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority and act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the registered holders of a majority in principal amount of the Bonds then outstanding or by their attorneys duly authorized, excluding the principal amount of any of the Bonds held by or for the account of the Authority. 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 holders of a majority in principal amount of the Bonds then outstanding, excluding the principal amount of any of the Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such registered holders of the Bonds 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*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the registered holders of the Bonds as authorized in this Section 8. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, 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 registered holders of the Bonds.

Any company into which any 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 any Trustee may sell or transfer all or substantially all of its corporate trust business (*provided, however*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution), shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section 8 shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section 8 from entering any defense to an action or proceeding instituted by the Trustee or by the registered holder or registered holders of the Bonds.

SECTION 9. The form of the bond, including provisions with respect to assignment, for the Bonds shall be determined by the Committee on Finance or by an Authorized Officer. 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. In case any Authorized Officer who shall have signed 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 10. In case any bond 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 Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond shall furnish to the Authority 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. The Authority may execute and deliver any such substitute bond or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond, the Authority, at its option, may require the payment of a sum sufficient to reimburse it 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 10 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 this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the

Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

CONSOLIDATED BONDS, ONE HUNDRED SEVENTY-FOURTH SERIES THROUGH CONSOLIDATED BONDS, ONE HUNDRED NINETY-THIRD SERIES – SALE

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

SECTION 1. This resolution shall apply with equal force and effect to each of Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Ninety-third Series, inclusive, on an individual basis (each such series hereinafter called the "Bonds").

SECTION 2. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized in the name of and on behalf of the Authority to sell all or any part of Five Hundred Million Dollars ($500,000,000) in principal amount of the Bonds at a true interest cost to the Authority not in excess of eight percent (8%) with a term to maturity not in excess of thirty-five (35) years, at public or private sale, with or without advertisement, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Bonds; *provided, however*, that to the extent that any of such series are sold solely for purposes of capital expenditures in connection with the redevelopment of the World Trade Center site, such series may be sold without limit as to principal amount and term to maturity, provided that the total aggregate principal amount of all of such series (regardless of the purpose for issuance) shall not be in excess of $10 billion.

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

SECTION 4. The Committee on Finance 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 one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent (or Paying Agents) at which payments shall be made and the office or offices of any such Registrar at which the Authority's Registry Books for the Bonds shall be kept; 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 adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinions and exercises of discretion or judgment, including those pursuant to Section 3 of the Consolidated Bond Resolution, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 5. The Committee on Finance 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 to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Bonds 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, 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 ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Bonds, as to the status of the projects for which the proceeds of the Bonds are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Bonds, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, 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; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

CONSOLIDATED NOTES, SERIES AAA, SERIES BBB, SERIES CCC, SERIES DDD AND SERIES EEE – ESTABLISHMENT AND ISSUANCE

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution"), constituting a contract with the holders of the obligations issued thereunder, providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with the Consolidated Bond Resolution for the purposes therein set forth; and

WHEREAS, the Consolidated Bond Resolution provides that Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of each such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing such series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of short-term bonds (hereinafter called "Consolidated Notes"), from time to time, in conformity with the Consolidated Bond Resolution and has now determined that it is appropriate to establish certain additional series of Consolidated Notes, without prejudice to its right hereafter to establish further series of Consolidated Bonds or Consolidated Notes;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, 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; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

SECTION 2. Each of Consolidated Notes, Series AAA, Consolidated Notes, Series BBB, Consolidated Notes, Series CCC, Consolidated Notes, Series DDD, and Consolidated Notes, Series EEE is established as a separate series of Consolidated Notes and the issuance of up to Three Hundred Million Dollars ($300,000,000) of each such series with a term to maturity not in excess of three (3) years is authorized. Each of such series shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual basis (each of such series hereinafter called the "Notes"). This resolution shall constitute a contract with the registered holders of the Notes and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized to establish, fix and determine the terms of the Notes

and, in connection therewith, to make such changes and adjustments to the provisions set forth in the third paragraph of this Section 3 and in Sections 4, 5, 6, 8 and 9 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Notes, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

The proceeds of the Notes may be used for any purpose for which at the time of issuance of the Notes the Authority is authorized by law to issue its obligations. The Committee on Finance may allocate the proceeds of the Notes, from time to time, to certain of the authorized purposes, including the specific designation of any obligations to be refunded with the proceeds of the Notes.

Both principal of and interest on the Notes shall be payable in lawful money of the United States of America; principal of the Notes shall be payable upon presentation and surrender thereof by the registered holders, at the office or offices, designated by the Authority, of the Paying Agent (or Paying Agents) appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District; and interest on the Notes shall be payable when due to the registered holders thereof by check or draft drawn on the Paying Agent (or Paying Agents) appointed for the purpose by the Authority and mailed to said registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Notes.

SECTION 4. The Notes shall be issued only in registered form, registered as to both principal and interest and not as to either alone, in authorized denominations.

SECTION 5. The Authority will keep or cause to be kept at the offices, designated by the Authority, of a Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient Registry Books for the registration of the Notes. The Notes shall be transferable only upon such Registry Books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution. Upon the written request of the registered holder or registered holders thereof and upon surrender thereof, a note or notes may be exchanged for a note or notes of like tenor, registered as designated in such request, of any other authorized denominations. All requests for registration, transfer, exchange and delivery pertaining to the Notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such requests shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender. The Authority shall bear the cost incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of notes, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

SECTION 6. The Notes shall be redeemable at the option of the Authority, on prior notice, in whole, or, from time to time, in part, at such redemption price and on such date set forth in the applicable notice of intention to redeem the Notes.

If less than all of the Notes then outstanding are to be called for redemption at the option of the Authority, and if the Notes then outstanding include notes of any serial maturities, the notes so to be called shall be in inverse order of maturity, and if notes constituting a particular

maturity are to be called for redemption, but not all notes constituting such maturity are to be called for redemption, the notes so to be called shall be determined by lot by the Registrar.

Notice of intention to redeem any of the Notes shall be given by the Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the notes to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Notes. Notice of the mailing of such notice of intention to redeem notes shall also be published by the Authority in a daily newspaper of general circulation in the Port of New York 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 notes.

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Notes, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the notes which are to be redeemed, at the respective redemption price 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 registered holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of such notes with accrued interest included in such redemption price to be paid to the registered holders 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 notes 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 redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called on and after the date fixed for their redemption, and such notes shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of notes 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 note of the minimum authorized denomination, and the word "note" as used in the foregoing provisions of this Section 6 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 note are to be called for redemption, then upon notice of intention to redeem such unit or units, the registered holder of such note shall forthwith present such note to the Registrar who shall issue a new note or notes of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder thereof. If the registered holder of such note of a denomination greater than the minimum authorized denomination shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as

aforesaid, such note 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 note represented by such unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund except for purposes and upon conditions which are authorized by the Consolidated Bond Resolution.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a

sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The form of the note, including provisions with respect to assignment, for the Notes shall be determined by the Committee on Finance or by an Authorized Officer. The notes shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed manually by an Authorized Officer. In case any Authorized Officer who shall have signed any of the notes shall cease to be an Authorized Officer before such notes shall have been actually issued, such notes may nevertheless be issued as though such Authorized Officer who signed such notes had not ceased to be an Authorized Officer.

SECTION 9. In case any note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note of like tenor in exchange or substitution for and upon cancellation of such mutilated note or in lieu of or in substitution for such destroyed or lost note; or if such note shall have matured, instead of issuing a substitute note the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note, the Authority, at its option, may require the payment of a sum sufficient to reimburse it 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 note so issued in substitution. Any note issued under the provisions of this Section 9 in lieu of any note alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note 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 this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 10. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Notes are issued and sold on a competitive basis.

CONSOLIDATED NOTES, SERIES AAA, SERIES BBB, SERIES CCC, SERIES DDD AND SERIES EEE – SALE

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

SECTION 1. This resolution shall apply with equal force and effect to each of Consolidated Notes, Series AAA, Consolidated Notes, Series BBB, Consolidated Notes, Series CCC, Consolidated Notes, Series DDD and Consolidated Notes, Series EEE on an individual basis (each such series hereinafter called the "Notes").

SECTION 2. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized in the name of and on behalf of the Authority, to sell all or any part of Three Hundred Million Dollars ($300,000,000) in principal amount of the Notes at a true interest cost to the Authority not in excess of eight percent (8%) with a term to maturity not in excess of three (3) years, at public or private sale, with or without advertisement, in one or more installments, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Notes.

SECTION 3. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Notes, to fix the time or times of sale of the Notes, to determine the terms and conditions upon which such sales shall be made and to accept or reject offers in connection with such sales.

SECTION 4. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Notes, to enter into any contracts or agreements pertaining to the Notes; to fix the time or times and determine the terms and conditions of delivery of the Notes; to appoint one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent (or Paying Agents) at which payments shall be made and the office or offices of any such Registrar at which the Authority's Registry Books for the Notes shall be kept; 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 Notes, the Authority adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinions and exercises of discretion or judgment, including those pursuant to Section 3 of the Consolidated Bond Resolution, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 5. The Committee on Finance 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 Notes 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 to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Notes are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Notes on the basis that the Notes are to be in conformity with, and that the interest on the Notes 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 Notes are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Notes, as to the status of the projects for which the proceeds of the Notes are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Notes, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, 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; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

VERSATILE STRUCTURE OBLIGATIONS, VARIABLE RATE MASTER NOTES, EQUIPMENT NOTES AND COMMERCIAL PAPER OBLIGATIONS– CONTINUED ISSUANCE TO EFFECTUATE PLAN OF FINANCING

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that, the following obligations of the Authority may continue to be issued, within the scope of existing authorizations to effectuate the plan of financing in effect on the date of issuance of such obligations: Versatile Structure Obligations under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Versatile Structure Obligations Resolution-Modification*"; Variable Rate Master Notes under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Variable Rate Master Notes Resolution-Modification*"; Equipment Notes under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Equipment Notes Resolution-Modification*"; and Commercial Paper Obligations under the resolution of the Authority adopted June 22, 2010, entitled "*Port Authority Commercial Paper Obligations-Resolution*".

CONSOLIDATED BONDS – AUTHORIZATION OF SALE FOR WORLD TRADE CENTER PURPOSES

It was recommended that the Board authorize an Authorized Officer (as defined in the resolutions of the Port Authority pertaining to the establishment and issuance and sale of Consolidated Bonds, One Hundred Seventy-fourth Series, through Consolidated Bonds, One Hundred Ninety-third Series) to take any and all actions which the Committee on Finance (Committee) has been authorized to take under such resolutions in connection with the issuance and sale of up to an additional $2 billion in total aggregate principal amount of Consolidated Bonds, on a negotiated basis, for purposes of capital expenditures in connection with the redevelopment of the World Trade Center site (WTC Purposes) and refunding prior debt obligations issued for WTC Purposes.

On August 1, 2012, the Board is also to consider separate resolutions concerning the establishment and issuance and sale of Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds One Hundred Ninety-third Series, and the issuance and sale of each series in a total principal amount of up to $500 million at a true interest cost to the Port Authority not in excess of 8 percent for a term not in excess of 35 years. The resolutions also provide that to the extent that any of such Series are issued and sold solely for WTC Purposes, such Series may be issued and sold without limit as to principal amount and term to maturity, provided that the total aggregate principal amount of all such Series (regardless of the purpose for issuance) shall not be in excess of $10 billion, the maximum aggregate principal amount that can be issued under such resolutions.

Capital expenditures in connection with the redevelopment of the World Trade Center from the fourth quarter of 2012 through the third quarter of 2013 are currently projected to be $2 billion. The authorization for the issuance of an additional $2 billion of Consolidated Bonds on a negotiated basis would ensure timely funding for the World Trade Center redevelopment through the second quarter of 2013. The proposed authorization also would allow the agency to take advantage of the current low interest rate environment and refund prior debt obligations issued for WTC Purposes to achieve present-value savings.

Prior to the scheduling by an Authorized Officer of the issuance of these series, such Authorized Officer would review such proposed issuance with the Chairman of the Committee and, to the extent practicable, the other members of the Committee.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioners Rubin, Samson and Steiner recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

> **RESOLVED,** that an Authorized Officer (as defined in the resolutions of the Port Authority pertaining to the establishment and issuance and sale of Consolidated Bonds, One Hundred Seventy-fourth Series, through Consolidated Bonds, One Hundred Ninety-third Series, as amended) is authorized to take any and all action which the Committee on Finance has been authorized, for and on behalf of the Port Authority, to take under such resolutions in connection with the issuance and

sale of up to an additional $2 billion in total aggregate principal amount of Consolidated Bonds, on a negotiated basis, for purposes of capital expenditures in connection with the redevelopment of the World Trade Center site (WTC Purposes) and refunding prior debt obligations issued for WTC Purposes; and it is further

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

Whereupon, the meeting was adjourned.

_____
Secretary