FOI #16444

Olivencia, Mildred

From: [redacted]
Sent: Saturday, October 31, 2015 2:34 PM
To: Olivencia, Mildred
Cc: Torres-Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: william
Last Name: mckeown
Company: 1
Mailing Address 1: [redacted]
Mailing Address 2:
City: [redacted]
State: [redacted]
Zip Code: [redacted]
Email Address: [redacted]
Phone: [redacted]
Required copies of the records: Yes

List of specific record(s):
Requesting all advertising contracts between the PANYNJ and any entity, and the amount of revenue generated by advertisements in the Federal Inspection Stations FIS in terminal s B and C at Newark Liberty Airport between the years 2003 and 2015

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

March 24, 2016

Mr. William Mckeown
[redacted]

Re: Freedom of Information Reference No. 16444

Dear Mr. Mckeown:

This is in response to your October 31, 2015 request, which has been processed under the Port Authority's Freedom of Information Code, copy enclosed, for copies of all advertising contracts between the Port Authority and any entity, and the amount of revenue generated by advertisements in the Federal Inspection Stations FIS in terminals B and C at Newark Liberty International Airport between the years 2003 and 2015.

Material responsive to your request can be found on the Port Authority's website at http://corpinfo.panynj.gov/documents/16444-C/. Paper copies of the available records are available upon request.

We have searched our files and found no documents related to the amount of revenue generated by advertisements in the Federal Inspection Stations FIS in Terminals B and C at Newark Liberty International Airport between the years 2003 and 2015.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Danny Ng
FOI Administrator

Enclosure

4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 3642 F: 212 435 7555

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MEMORANDUM

TO:	Karen Eastman
FROM:	Larry Waxman
DATE:	August 25, 2005
SUBJECT:	**ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS, CONTRACT AWARD NUMBER R000007920**
COPY TO:	See below:

Transmitted herewith is the original contract as described above with JCDecaux Airport, Inc., New York, NY. This is Port Authority revenue generating contract, beginning September 1, 2005 for a 10-year period, plus the option to renew for one 5-year period. This agreement will provide Minimum Annual Guarantee (MAG) revenue of approximately $39.4 Million. Conformed copies of this contract are being distributed as follows:

D. Mancuso
R. Hsu
W. Fung
C. Tse

J. Ceterko
T. Storch (2 copies)
L. Waxman
PSD Files

R. Bickley (4 copies)
S. Bush (4 copies)
K. Bransky
F. Dimola (4 copies)
K. Kirchman
S. Laurenti
S. Napolitano
F. Pita
J. Riopel
H. Somerwitz
J. Wilson

Larry Waxman
Manager, Priority Procurements
Procurement Department

THE PORT AUTHORITY OF NY & NJ

OVERNIGHT DELIVERY AND FAX: 646-834-1206
August 16, 2005

JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY, 10016

Attn: Mr. Bernard Parisot, Co-Chief Executive Officer

RE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS, CONTRACT AWARD, LETTER OF ACCEPTANCE.
CONTRACT AWARD NUMBER: R000007920

Dear Mr. Parisot:

The Port Authority of New York and New Jersey ("the Authority") hereby accepts the proposal of JCDecaux Airport, Inc. (JCDecaux) for Advertising at all Port Authority and PATH Facilities, as more fully described in the Contract document.

As a condition precedent to the establishment of the Contract, the following three (3) conditions must be met to the satisfaction of the Port Authority and become part of the final contract:

a. JCDecaux shall issue, within 7 business days of receipt of this letter, a clean Confirmed, Irrevocable Letter of Credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District in favor of the Port Authority in the amount of Eight Million dollars ($8,000,000.00) which shall be subject to the letter of credit provisions as outlined in the Port Authority's RFP, section 15. Letter of Credit, page 38. Prior to its execution, a draft of said Letter of Credit is to be sent to:

   Mr. Steve Borrelli, Manager
   Credit, Collections and Receivables
   Port Authority of New York and New Jersey
   225 Park Avenue South, 12th Floor
   NY, NY, 10003

One Madison Avenue, 7th fl.
New York, NY 10010
T: 212 435 7000

b. JCDecaux North America shall issue, within 7 business days of receipt of this letter, a parental guarantee as attached, Exhibit One, which agrees to the payment of all lawful claims of JCDecaux Airport, Inc., including the payment of all lawful claims of subcontractors arising out of the performance of this Contract. Said Guarantee is to be sent to:

Mr. Herbert Somerwitz
Chief, Contracts Division
Law Department
Port Authority of New York and New Jersey
225 Park Avenue South, 14th Floor
NY, NY, 10003

c. JCDecaux shall pay within 3 business days after signing this Acceptance Letter a Contract Signing Fee of Twenty Million dollars ($20,000,000.). Said Contract Signing Fee shall be wired in the payee name of The Port Authority of New York and New Jersey, Commerce Bank, ABA number 026013673, Account number 5950011618.

The Contract shall be for a ten (10) year period beginning on September 1, 2005 and ending on August 31, 2015. The Authority shall also have the option to extend this contract for one option period of five (5) years.

The Contract between the parties shall consist of the following Items 1 through ~~8~~; 9 in case of conflict between any of the Items, the earlier listed Item shall take precedence over the later listed item:

1. This Letter of Acceptance.
2. JCDecaux's letter dated August 15, 2005.
3. JCDecaux's Best and Final Offer letter dated July 19, 2005.
4. Proposed Abatement Schedule for Non-Airport Outdoor Advertising (Tunnels, Bridges & Port Facilities) letter dated ~~July 19, 2005~~ July 18, 2005
5. JCDecaux's Best and Final Offer letter, undated, but received by Procurement dated July 11, 2005, summarizing the 10-year Contract Signing Fee, Total Guaranteed Payments, and Projected Payments, including spreadsheet.
6. JCDecaux's response to the Port Authority's Clarifications and Concerns, dated July 6, 2005, Volumes One and Two, titled Questions and Answer Presentation.
7. The Port Authority's Letter dated June 27, 2005, titled Clarifications, Concerns and Presentation.
8. JCDecaux's Proposal submitted on June 13, 2005.
9. The Port Authority's Request for Proposal dated May 26, 2005, including Addenda 1 through 5.

It is understood between the Authority and JCDecaux that the minimum annual guarantee fees are unconditional with the exception of the minimum annual guarantee fees associated with non-airport outdoor advertising as referenced in Contract Item # 4. Note that the annual guarantee fee for airports is modified in accordance with Item #2.

It is also understood that JCDecaux will have the option of requesting that the Authority exercise its right to terminate or revoke its existing advertising agreements with other than JCDecaux, so that JCDecaux can assume responsibility for advertising at those facilities. In the event of such early termination, JCDecaux will be responsible for reimbursing the Authority or the existing contractor for the unamortized investment remaining in advertising displays and for any other cancellation costs payable under those Contracts.

It is further understood between the Authority and JCDecaux that this contract award is non-exclusive as to advertising opportunities at the Port Authority and PATH facilities.

All payments to the Authority shall be remitted to:

The Port Authority of New York and New Jersey
P. O. Box 95000—1517
Philadelphia, PA, 19195-1517

All portions of the payments due from JCDecaux under the Contract that are payable to third parties pursuant to separate agreements with the Authority shall be made directly to those third parties pursuant to instructions from the Authority. The Authority will inform JCDecaux of all such Agreements. Such Agreements are typically between the Authority and tenant airlines.

For the purposes of this contract, Contract Number R000007920 has been assigned to this Agreement. Kindly use this number on all payments and other matters relating to this contract.

Your Contract Administrator for this Agreement is: Mr. Francis DiMola, Director of Real Estate or his Appointee, located at 225 Park Avenue South, 19th Floor, NY, NY, 10003, telephone number 212-435-6658. If you have any other procurement questions pertaining to this contract, contact Mr. T. J. Storch, Contracts Manager, One Madison Avenue, 7th Floor, NY, NY, 10010, telephone number 212-435-3936.

If you are in agreement with the above, please indicate such agreement by signing the two Originals of this letter and returning both signed Originals to the attention of Mr. T. J. Storch, Procurement Department, at the above address. After the Director of Procurement signs both Originals, one fully

THE PORT AUTHORITY OF NY & NJ

executed original will be returned to you. If you have any questions, Mr. Storch can be reached at 212-435-3936.

Sincerely,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

BY: Andrea Laitman

DIRECTOR OF PROCUREMENT

DATE: 8/22/05

AGREED:

JC DECAUX AIRPORT, INC.

BY: B. Paul

TITLE: CO-CEO

DATE: August 19, 2005

Attachment, Exhibit One

Copy to:
OVERNIGHT DELIVERY AND FAX: 212-805-9299
Edward C. Wallace
Greenberg Traurig
MetLife Building
200 Park Avenue
New York, NY 10166

JCDecaux

GUARANTEE AGREEMENT

TITLE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

CONTRACT: NUMBER R000007920

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

In order to induce THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY to accept the proposal submitted by JCDecaux Airport, Inc. on Contract for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS / CONTRACT NUMBER R000007920, JCDecaux North America, Inc., the undersigned, which has a material financial interest in the aforementioned corporation submitting said proposal, warrants, undertakes and guarantees that JCDecaux Airport, Inc. shall well and faithfully do and perform the things agreed by it to be done and performed according to the true terms and true intent and meaning of said Contract, including the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract.

This undertaking is for the benefit of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and all subcontractors, materialmen and workmen having lawful claims arising out of the performance of said Contract, and all such subcontractors, materialmen and workmen (as well as THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY itself) shall have a direct right of action upon this undertaking; but the rights and equities of such subcontractors, materialmen and workmen shall be subject and subordinate to those of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY.

This undertaking and guarantee shall be in no way impaired or affected by any extension of time, modification, amendment, omission, addition or change in or to the said Contract or the services to be performed thereunder, or by any payment thereunder before the time required therein, any waiver of any provision or condition thereof (whether precedent or subsequent) or by any assignment, subletting or other transfer thereof, or of any part thereof, or of any services to be performed, or any moneys due or to become due thereunder; and JCDecaux North America, Inc. does hereby waive notice of any and all of such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontractors and transfers, and does hereby expressly stipulate and agree that any and all things done and omitted to be done by and in relation to assignees, subcontracts and other transferees shall have the same effect as to JCDecaux North America Inc., as though done by or in relation to JCDecaux Airport, Inc.

JCDecaux North America
3 Park Avenue, 33rd Floor · New York, NY 10016 · USA
Telephone: 646 834 1200 · Fax: 646 834 1201 · www.jcdecauxna.com

JCDecaux

All the terms and conditions of the above guarantee are contained in this instrument, and this instrument may be changed only by express provisions of a writing signed by the party to be charged therewith.

IN WITNESS WHEREOF, the aforementioned guaranteeing corporation, JCDecaux North America, Inc. has caused its corporate seal to be affixed hereto and this instrument to be executed by its duly authorized officer this 19th day of August, 2005.

JCDecaux North America, Inc.

BY: _____

Bernard Parisot
President & Co-CEO

BNP PARIBAS

BNP PARIBAS NEW YORK BRANCH
TRADE SERVICES OPERATIONS
919 THIRD AVENUE
NEW YORK, N.Y. 10022

FOR BNP PARIBAS REFERENCE ONLY:
LC NUMBER: 91884566 AMOUNT: 8,000,000.00 (0 PERCENT)
EXPIRY DATE: AUGUST 15, 2006

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE: AUGUST 15, 2005

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
225 PARK AVENUE SOUTH, 12TH FLOOR
NEW YORK, NY 10003

ATTN: CREDIT MANAGER

CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT NO.91884566 AT THE REQUEST OF JCDECAUX AIRPORT INC., 3 PARK AVENUE, 33RD FLOOR, NEW YORK NY 10016 (UNITED STATES OF AMERICA). WE, BNP PARIBAS NEW YORK HEREBY OPEN THIS CLEAN IRREVOCABLE LETTER OF CREDIT NO. 91884566 IN YOUR FAVOUR UP TO AN AGGREGATE OF USD 8,000,000.00 (EIGHT MILLION U.S. DOLLARS), AVAILABLE BY YOUR DRAFT(S) ON US AT SIGHT.

WE WARRANT TO YOU THAT ALL YOUR DRAFTS UNDER THIS CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) DRAWN ON US AND PRESENTED TO US AT 919 THIRD AVENUE, 3RD FLOOR, NEW YORK, NY 10022 ON OR BEFORE THE EXPIRATION DATE SET FORTH BELOW OR FUTURE EXPIRATION DATE AS INDICATED BELOW. OUR OBLIGATION UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF THE BANK, IN NO WAY CONTINGENT UPON REIMBURSEMENT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN OR SECURITY INTEREST.

ALL DRAFTS MUST BE MARKED ''DRAWN UNDER BNP PARIBAS LETTER OF CREDIT NO 91884566 DATED AUGUST 15, 2005''.

PARTIAL DRAWINGS UNDER THIS LETTER OF CREDIT ARE PERMITTED.

THIS CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT EXPIRES AT THE CLOSE OF BUSINESS ON AUGUST 15, 2006.

THIS CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL PERIODS OF ONE (1) YEAR FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS WE HAVE NOTIFIED YOU IN WRITTING NOT LESS THAN SIXTY (60) DAYS BEFORE SUCH DATE THAT WE ELECT NOT TO EXTEND THE LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD, SUCH NOTICE TO BE SENT BY REGISTERED OR CERTIFIED MAIL TO YOU AT THE ADDRESS HEREIN. UPON RECEIPT BY YOU OF SUCH NOTICE YOU MAY DRAW ON US AT SIGHT FOR THE

AUTHORIZED SIGNATURE AUTHORIZED SIGNATURE

(CONTINUED)

BNP PARIBAS

BNP PARIBAS NEW YORK BRANCH
TRADE SERVICES OPERATIONS
919 THIRD AVENUE
NEW YORK, N.Y. 10022

BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN APPLICABLE EXPIRATION DATE, NO STATEMENT REQUIRED.

NO CLAIM MAY BE MADE UNDER THIS LETTER OF CREDIT AFTER FEBRUARY 29, 2016.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO.500.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

BNP PARIBAS COPY

JCDecaux

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark

Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uguay
Yugoslavia

Certificate of Secretary

TITLE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

CONTRACT: NUMBER R000007920

I, Laurence Raoult, Secretary of JCDecaux North America, Inc. a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), do hereby certify as follows:

1. That the following is a fully, true and correct copy of the resolution adopted by unanimous vote of the stockholders representing the holders of all the outstanding shares of such Corporation entitled to vote, present at a special meeting of stockholders duly called and held on the 19th date of August, 2005, in accordance with law and charter and by-laws of the said Corporation; and that the said resolution has not been altered or repealed, and is now in full force and effect:

"RESOLVED, that in order to induce The port Authority of New York and New Jersey to accept the Proposal submitted by JCDecaux Airport, Inc. on Contract NUMBER R000007920, said contract being entitled ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS, this Corporation shall guarantee the obligation of JCDecaux Airport, Inc. under such Contract; and it be further

"RESOLVED, that in the judgment of the stockholders of this Corporation such action will effectuate the purposes and objects of this Corporation, inure to its benefit and promote, enhance and develop its business, interest and assets; and it further

"RESOLVED, that the President or Vice-President of this Corporation be and he/she hereby is authorized and directed to make, execute and deliver on behalf and in the name of this Corporation a contract of guaranty, guaranteeing such obligations; and be it further

"RESOLVED, that the officers of this Corporation and each of them are hereby authorized and directed to take such steps, execute such documents and perform such other acts and things as may be necessary and convenient for the purpose of effecting such contract of guaranty."

JCDecaux North America
3 Park Avenue, 33rd Floor · New York, NY 10016 · USA
Telephone: 646 834 1200 · Fax: 646 834 1201 · www.jcdecauxna.com

JCDecaux

2. That the purpose of this certificate is to induce The Port Authority of New York and New Jersey to accept the aforementioned proposal and with the intent that the Port Authority, its agents and representatives, shall rely on the truth of the matters contained herein.

IN WITNESS WHEREOF, I have signed my name and affixed the corporate seal this 19th day of August, 2005.

Laurence Raoult
Secretary
JCDecaux North America, Inc.

ACKNOWLEDGEMENT

State of New York)
)ss.:
County of New York)

On this 19th day of August, 2005, before me personally came and appeared Laurence Raoult, to me known, who, being by me duly sworn, did depose and say that he/she resides at 200 East 64th Street, N.Y., N.Y 10021 that he/she is the Secretary of JCDecaux North America Inc the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such seal; that it was so affixed by order of the directors of said corporation; and that he/she signed his/her name thereto by like order.

(Seal)

Stacey L. Ferris

STACEY L. FERRIS
Notary Public, State of New York
No. 01FE6111803
Qualified in New York County
Commission Expires June 28, 2008

Greenberg
Traurig

August 18, 2005

The Port Authority of NY and NJ
One Madison Avenue
Purchasing Services Division – 7th Floor
New York, New York 10048

OPINION ON CORPORATE GUARANTEE

RE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS / CONTRACT: NUMBER R000007920 (THE "CONTRACT")

Gentlemen:

In conjunction with your consideration of the proposal submitted on the above Contract by JCDecaux Airport, Inc., our client JCDecaux North America, Inc. ("JCDNA") has requested us to give you our opinion, to be relied upon by you, as to the validity and enforceability of JCDNA's contract of guarantee submitted with said proposal which would support the contractor's obligations under the Contract.

The contract of guarantee is valid and enforceable under the law of the State or States applicable thereto and is in accordance with the charter, by-laws and resolutions of the guaranteeing corporation, and the execution thereof is valid and proper and meets with all the requirements of said law and said corporation's charter, by-laws and resolutions.

Very truly yours,

GREENBERG TRAURIG, LLP

By: _____
Edward C. Wallace, Shareholder

ny-srv01\1112451v02

JCDecaux

Mr. Francis DiMola
Director of Real Estate
The Port Authority of New York and New Jersey
225 Park Avenue South, 19th Floor
New York, NY 10003

August 15, 2005

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Eire
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

Re: Advertising Opportunities for the Port Authority Facilities
Contract # R000007920

Dear Mr. DiMola,

Following our meeting this morning, I am enclosing the formula which we propose to use to determine the applicable MAG for JFK and LGA airports for the period from September 1st through December 31st of this year:

	Full Year	4 months
• Total Airport MAG offered by JCDecaux for Year 1:	$35.0 M	$11.67 M
• Current MAG received by the PANYNJ from Clear Channel Airport for Newark:	$14.0 M	$4.67 M
• Proposed MAG for JFK and LGA until JCDecaux assumes responsibility for EWR (01/01/06)	$21.0 M	$7.0 M

For the period from September 1st through December 31, 2005, JCDecaux will therefore make monthly MAG payments equal to 1/12th of $21 million for JFK and LGA, i.e. $1.75 million, or 70% of Gross Receipts for that month, whichever is greater. During that same period, the PANYNJ will still receive MAG payments from CCA for EWR at a monthly rate of 1/12th of $14 million, i.e. $1.17 million.

Please let me know if you need any further information to finalize this point.

Sincerely,

Bernard Parisot
President & Co-CEO

JCDecaux North America
3 Park Avenue, 33rd Floor New York, NY 10016 USA
Telephone 646 834 1200 Fax: 646 834 1201 www.jcdecauxna.com

JCDecaux

Mr. T.J. Storch
Port Authority of New York and New Jersey
Procurement Department
One Madison Avenue, 7th Floor
New York, NY 10023

July 19, 2005

Out of Home Media

Re: Advertising Opportunities for the Port Authority Facilities Proposal #7920 ("RFP"), Best and Final Offer

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Eire
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macau
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

Dear Mr. Storch,

Thank you for providing us with the opportunity to finalize our proposal for the RFP.

With respect to digital signage at the airports (Prestige Digital Network and Electronic Art System), we understand your concern that the proposed 25% percentage rent might prove too low on a long-term basis despite the high capital investment and capital maintenance required for this evolving technology. Accordingly, we are prepared to double the percentage to 50%.

As for percentage rent for traditional airport signage our 70% proposal truly reflected our best possible offer. This percentage rent will be the highest of any U.S. airport advertising concession. The small reduction from our current contract levels reflects our significant commitment to invest new capital. Because of the resulting increase in revenue, actual dollar amounts received by the Port will be significantly higher than they are now.

We hope that by responding to your concern about the digital signage rent we have satisfied your main concern. We remain at your disposal should you have any further question.

Sincerely,

Bernard Parisot
President & co-CEO

JCDecaux North America
3 Park Avenue, 33rd Floor - New York, NY 10016 - USA
Telephone: 646 834 1200 - Fax: 646 834 1201 - www.jcdecauxna.com

JCDecaux

Sent via email and FAX (212) 435 3585

Mr. Herb Somerwitz
Chief /Contracts
Law Department
225 Park Avenue South, 14th Fl.
New York, NY 10003

July 18, 2005

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Eire
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

Dear Mr. Somerwitz,

This letter responds to your request for the "general principles" which would govern the approval of exterior signage at airport and non-airport locations.

- Airports
  We believe there is no meaningful contingency with respect to airports other than factors in the Port's control. Our proposal to generate new revenues is based on the authorization of the types and general locations of exterior signage we have proposed. The Port Authority will have the right to review the proposed signage in detail and to condition its approval on design or location modifications. In addition, the Port Authority will retain its current approval right over advertising display content.

- Non-airport Outdoor Advertising
  The same "general principles" described above will apply. However, since the Port Authority cannot control third party approvals, if required, we have attached a potential abatement schedule which shows how the MAG would be impacted if a location is denied and no alternative found.

We are honored to have been a long-time airport partner of the Port Authority. Working with the Port we have been able to make JFK and LGA the highest revenue per passenger airports in the U.S. We are confident we can significantly increase revenue with creative new displays.

We remain at your disposal for any further information.

Sincerely,

Bernard Parisot
President & Co-CEO

cc: T.J. Storch

JCDecaux North America
3 Park Avenue, 33rd Floor - New York, NY 10016 - USA
Telephone: 646 834 1200 - Fax: 646 834 1201 - www.jcdecauxna.com

PROPOSED ABATEMENT SCHEDULE

Non-Airport Outdoor Advertising (Tunnels, Bridges and Port Facilities)

Unit Number	Location	Display type	Abatement of Non-Airport Outdoor Advertising MAG
Holland Tunnel			
1	Above tollbooth	Daktronics Pro Star Video Display	8.7%
Lincoln Tunnel			
2	Above tollbooth facing west	Daktronics Pro Star Video Display	8.7%
3	Above tollbooth	Bulletin	2.4%
4	Above tunnel entrance	Stretched Banner	2.4%
5	Above tunnel entrance	Stretched Banner	2.4%
6	Above tunnel entrance	Stretched Banner	2.4%
7	Wall on the right side before tunnel entrance	Stretched Banner	2.4%
Washington Bridge			
8	Above tollbooth facing west	Daktronics Pro Star Video Display	8.7%
9	Above tollbooth facing east	Bulletin	2.4%
10	On PA technical area between lanes	V-Shaped Bulletin Structure (2 faces)	4.8%
11	Above lower level to Plaza	2-sided Bulletin on Pylon	4.8%
Goethals Bridge			
12	Interchange north of tollbooth	V-Shaped Bulletin Structure (2 faces)	4.3%
13	Interchange north of tollbooth	3-sided Bulletin Structure	2.9%
14	Administration Building facing NJ	Wrap	1.4%
15	Administration Building facing NY	Wrap	1.4%
16	Central Island west of train tracks	2-sided bulletin	2.9%
17	North Side of highway, west of toll	V-shaped Bulletin structure (2 faces)	2.9%
18	South side of highway, west of toll	V-shaped Bulletin structure (2 faces)	2.9%
Outerbridge			
19	North side of highway	V-shaped Bulletin structure (2 faces)	1.9%
20	North side of highway	V-shaped Bulletin structure (2 faces)	1.9%
21	Above tollbooth	2-sided Bulletin	1.9%
22	North of highway, between tollbooth and bridge	V-shaped Bulletin structure (2 faces)	1.9%
Bayonne Bridge			
23	North of highway, east of Margareth street abutement	V-shaped Bulletin structure (2 faces)	1.3%
24	Above tollbooth	2-sided Bulletin	1.3%
25	South of highway, east of tollbooth	V-shaped Bulletin structure (2 faces)	1.3%
NJ Marine Terminals			
26-35	Locations to be determined (10 locations of equal value)	2-sided or V-shaped Bulletins	1.9% per location

7.16

JCDecaux

PROCUREMENT
2005 JUL 11 AM 9:56

Mr. T.J. Storch
Port Authority of New York and New Jersey
Procurement Department
One Madison Avenue, 7th Floor
New York, NY 10023

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

Re: Advertising Opportunities for the Port Authority Facilities Proposal #7920 ("RFP"), Best and Final Offer

Dear Mr. Storch,

We are pleased to submit our Best and Final Offer ("BAFO") to the RFP in response to your July 7, 2005 request. This BAFO represents the highest amount ever offered for a comparable opportunity, and includes the highest amount ever offered for airport advertising in the history of American airports. Our 10 and 15-year proposals can be summarized as follows:

	10-year	15-year
Total Guaranteed Payments [1]	**$495 M**	**$830 M [2]**
Contract Signing Fee	**$20 M**	**$30 M [2]**
Projected Payments [1]	**$728 M**	**$1.26 Bn**

This BAFO increases our total guaranteed payments over our initial proposal by 24% over 10 years and 38% over 15 years. Our proposal now includes a Contract Signing Fee rather than an Advance Revenue Payment, thereby guaranteeing significant payments to the Port Authority throughout the early years of the Concession.

(1) Including Contract Signing Fee
(2) JCDecaux will pay $30 million as Contract Signing Fee instead of $20 million if the Port Authority agrees to a straight 15-year contract as opposed to 10 years + one 5-year extension at the PA's option

JCDecaux North America
3 Park Avenue, 33rd Floor - New York, NY 10016 - USA
Telephone: 646 834 1200 - Fax: 646 834 1201 - www.jcdecauxna.com

JCDecaux

Our BAFO delivers more revenue to the Port Authority than our original proposal in every category of facilities and particularly enhances PATH, Bus Terminals and Outdoor Advertising revenues. The increases are summarized as follows:

	Initial 10-year Offer		**10-year BAFO**		
	MAG	% Fee	**MAG**	**% Fee**	**CSF**
Airports	$350 M	70% [3]	**$375 M**	**70%** [3]	**$15.8 M**
PATH	$7.0 M	65%	**$15.6 M**	**65%**	**$0.7 M**
Bus Terminals	$3.0 M	65%	**$7.8 M**	**65%**	**$0.3 M**
Outdoor Advertising	$40 M	50%	**$77 M**	**65%** [4]	**$3.2 M**
Total	$400 M		**$475.4 M**		**$20 M**

	Initial 15-year Offer		**15-year BAFO**		
	MAG	% Fee	**MAG**	**% Fee**	**CSF** [5]
Airports	$525 M	70% [3]	**$625 M**	**70%** [3]	**$23.4 M**
PATH	$11.0 M	65%	**$29.1 M**	**65%**	**$1.1 M**
Bus Terminals	$5.0 M	65%	**$14.3 M**	**65%**	**$0.5 M**
Outdoor Advertising	$60 M	50%	**$132 M**	**65%** [4]	**$5.0 M**
Total	$601 M		**$800.4 M**		**$30 M**

Our proposal is based on the successful implementation of pioneering advertising in world's leading airports including JFK and LGA. We have significantly increased our payment offer while maintaining the full scope of high-quality equipment and maintenance set forth in our original proposal. This includes for example:

- PowerPoles
- Prestige Digital Network
- The Wave
- Airport Amenity Units
- The Electronic Art Tunnel
- Giant Digital Displays
- Jet bridge branding (inside and outside)
- Spectacular outdoor signage such as the Unipole, backlit Wilmotte displays, Foster spectaculars and the VanWyck entrance lawn 3D installation.

(3) 25% on Prestige Digital Network and Electronic Art System
(4) 50% on Giant Digital Displays
(5) Contract Signing Fee assuming a straight 15-year contract

JCDecaux

Additionally, we have increased our Capital Investment plan by including $4 million to be spent in Year 11 of the Concession.

Consistent with your letter dated July 8, 2005 in response to our question, our BAFO assumes that the Port Authority has reviewed our proposal and found it reasonably acceptable and that the Port Authority will act in good faith to approve the proposed signage or, where approval is not feasible (for example due to legal or policy or technical requirements), the Port Authority will approve alternate sites of comparable value, and will provide for appropriate adjustments when site approvals are delayed.

As the recognized world leader in innovative, high-quality out-of-home advertising, JCDecaux is uniquely qualified to be the Port Authority's media partner as you embark on your ambitious, visionary 10-year strategic plan. The unprecedented level of this Best and Final Offer demonstrates our confidence in our ability to consistently deliver record revenues to the Port Authority, while contributing to the enhancement of the travelers' experience. We look forward to the opportunity to continue serving the Port Authority for years to come.

Sincerely,

Bernard Parisot
Co-Chief Executive Officer

Jean-Luc Decaux
Co-Chief Executive Officer

The Port Authority of New York and New Jersey
Request For Proposal #7920 - Advertising Opportunities For Port Authority Facilities
Summary of Minimum Annual Guaranty and Revenue Projections

	JCDecaux			Base Term											Option Period						
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Sub-Total	Year 11	Year 12	Year 13	Year 14	Year 15	Sub-Total	Total
	Contract Terms																				
	10 Years with One 5-Year option period																				
(1)	**Contract Signing Fee (not included as part of the MAG)**			$ 20,000,000										$ 20,000,000							$ 20,000,000
	Advanced Revenue Payment (included as part of the MAG)			$ -																	
	Minimum Annual Guaranty (MAG)																				
	Airports			$ 35,000,000	$ 35,000,000	$ 35,000,000	$ 35,000,000	$ 35,000,000	$ 40,000,000	$ 40,000,000	$ 40,000,000	$ 40,000,000	$ 40,000,000	$ 375,000,000	$ 50,000,000	$ 50,000,000	$ 50,000,000	$ 50,000,000	$ 50,000,000	$ 250,000,000	$ 625,000,000
(2)	PATH (including Journal Square)			-	$ 200,000	$ 1,000,000	$ 1,700,000	$ 1,700,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 15,600,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 13,500,000	$ 29,100,000
(3)	PA Bus Terminal & GW Bridge Bus Station			$ 200,000	$ 400,000	$ 600,000	$ 800,000	$ 800,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 7,800,000	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 6,500,000	$ 14,300,000
(4)	Outdoor Advertising (Includes Tunnels, Bridges and Port Facilities)			$ 4,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 9,000,000	$ 9,000,000	$ 9,000,000	$ 9,000,000	$ 9,000,000	$ 77,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 55,000,000	$ 132,000,000
	Total MAG			**$ 39,200,000**	**$ 42,600,000**	**$ 43,600,000**	**$ 44,500,000**	**$ 44,500,000**	**$ 52,200,000**	**$ 52,200,000**	**$ 52,200,000**	**$ 52,200,000**	**$ 52,200,000**	**$ 475,400,000**	**$ 65,000,000**	**$ 65,000,000**	**$ 65,000,000**	**$ 65,000,000**	**$ 65,000,000**	**$ 325,000,000**	**$ 800,400,000**
	Projected Sales																				
	Airports			$ 55,020,000	$ 65,540,000	$ 73,500,000	$ 77,200,000	$ 81,100,000	$ 85,120,000	$ 89,400,000	$ 93,850,000	$ 98,550,000	$ 103,500,000	$ 822,780,000	$ 108,600,000	$ 114,100,000	$ 119,750,000	$ 125,760,000	$ 132,050,000	$ 600,260,000	$ 1,423,040,000
	PATH (including Journal Square)			$ -	$ 700,000	$ 2,700,000	$ 3,200,000	$ 3,500,000	$ 3,675,000	$ 3,860,000	$ 4,050,000	$ 4,250,000	$ 4,470,000	$ 30,405,000	$ 4,700,000	$ 4,950,000	$ 5,200,000	$ 5,460,000	$ 5,750,000	$ 26,060,000	$ 56,465,000
	PA Bus Terminal & GW Bridge Bus Station			$ 500,000	$ 1,100,000	$ 1,300,000	$ 1,500,000	$ 1,700,000	$ 1,785,000	$ 1,875,000	$ 1,970,000	$ 2,070,000	$ 2,170,000	$ 15,970,000	$ 2,280,000	$ 2,400,000	$ 2,500,000	2,650,000	$ 2,770,000	$ 12,600,000	$ 28,570,000
	Outdoor Advertising (Includes Tunnels, Bridges and Port Facilities)			$ 15,100,000	$ 15,900,000	$ 16,700,000	$ 17,500,000	$ 18,400,000	$ 19,300,000	$ 20,300,000	$ 21,300,000	$ 22,400,000	$ 23,500,000	$ 190,400,000	$ 24,700,000	$ 25,900,000	$ 27,200,000	$ 28,600,000	$ 30,000,000	$ 136,400,000	$ 326,800,000
	Total Sales			**$ 70,620,000**	**$ 83,240,000**	**$ 94,200,000**	**$ 99,400,000**	**$ 104,700,000**	**$ 109,880,000**	**$ 115,435,000**	**$ 121,170,000**	**$ 127,270,000**	**$ 133,640,000**	**$ 1,059,555,000**	**$ 140,280,000**	**$ 147,350,000**	**$ 154,650,000**	**$ 162,470,000**	**$ 170,570,000**	**$ 775,320,000**	**$ 1,834,875,000**
	Projected Port Authority Revenue		**% of Net Revenues**																		
	Airports	Static signage	70%																		
		Digital signage	25%	$ 38,010,000	$ 44,870,000	$ 50,000,000	$ 52,500,000	$ 55,125,000	$ 57,881,250	$ 60,775,313	$ 63,814,078	$ 67,004,782	$ 70,355,021	$ 580,335,444	$ 73,872,772	$ 77,566,411	$ 81,444,731	$ 85,516,968	$ 89,792,816	$ 408,193,699	$ 968,529,142
	PATH (including Journal Square)	All signage	65%	$ -	$ 455,000	$ 1,755,000	$ 2,080,000	$ 2,275,000	$ 2,388,750	$ 2,509,000	$ 2,632,500	$ 2,762,500	$ 2,905,500	$ 19,763,250	$ 3,055,000	$ 3,217,500	$ 3,380,000	$ 3,549,000	$ 3,737,500	$ 16,939,000	$ 36,702,250
	PA Bus Terminal & GW Bridge Bus Station	All signage	65%	$ 325,000	$ 715,000	$ 845,000	$ 975,000	$ 1,105,000	$ 1,160,250	$ 1,218,750	$ 1,280,500	$ 1,345,500	$ 1,410,500	$ 10,380,500	$ 1,482,000	$ 1,560,000	$ 1,625,000	$ 1,722,500	$ 1,800,500	$ 8,190,000	$ 18,570,500
	Outdoor Advertising (Includes Tunnels, Bridges and Port Facilities)	Static signage	65%																		
		Digital signage	50%	$ 9,368,288	$ 9,836,702	$ 10,328,537	$ 10,844,964	$ 11,387,212	$ 11,956,573	$ 12,554,401	$ 13,182,121	$ 13,841,227	$ 14,533,289	$ 117,833,313	$ 15,259,953	$ 16,022,951	$ 16,824,098	$ 17,665,303	$ 18,548,568	$ 84,320,874	$ 202,154,188
	Total Projected Port Authority Revenue			**$ 47,703,288**	**$ 55,876,702**	**$ 62,928,537**	**$ 66,399,964**	**$ 69,892,212**	**$ 73,386,823**	**$ 77,057,464**	**$ 80,909,199**	**$ 84,954,009**	**$ 89,204,310**	**$ 708,312,507**	**$ 93,669,725**	**$ 98,366,862**	**$ 103,273,830**	**$ 108,453,771**	**$ 113,879,385**	**$ 517,643,573**	**$ 1,225,956,080**
	Capital Investment / Re-Investment																				
	Airports			$ 10,700,000	$ 900,000		$ 400,000	$ 800,000	$ 1,200,000					$ 14,000,000	$ 2,400,000					$ 2,400,000	$ 16,400,000
	PATH (including Journal Square)			$ -	$ 700,000									$ 700,000	$ 450,000					$ 450,000	$ 1,150,000
	PA Bus Terminal & GW Bridge Bus Station			$ 300,000										$ 300,000	$ 150,000					$ 150,000	$ 450,000
	Outdoor Advertising (Includes Tunnels, Bridges and Port Facilities)			$ 5,000,000										$ 5,000,000	$ 1,000,000					$ 1,000,000	$ 6,000,000
	Total Capital Investment			**$ 16,000,000**	**$ 1,600,000**	**$ -**	**$ 400,000**	**$ 800,000**	**$ 1,200,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,000,000**	**$ 4,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,000,000**	**$ 24,000,000**

Notes:

(1) The Contract Signing Fee will be $30,000,000 if the Port Authority agrees to a straight 15 year term, instead of 10 years plus a 5 year extension at the Port Authority's option.
(2) Assuming the assets will become available on September 1, 2007
(3) Assuming the assets will become available on July 1, 2006
(4) Assuming the assets will become available on January 1, 2006

JCDecaux

Submitted to:
The Port Authority of NY & NJ
Purchasing Services Division
Attn: T.J. Storch
One Madison Avenue, 7th Floor
New York, NY 10010

Submitted by:
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

Contact Name:
Bernard Parisot, co-CEO
Jean-Luc Decaux, co-CEO
Tel. (646) 834-1300
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Bernard.Parisot@jcdecauxna.com
Jean-Luc.Decaux@jcdecauxna.com

July 6, 2005

Advertising Opportunities For Port Authority of NY & NJ and Path Facilities, Including Outdoor and Out-Of-Home Locations (RFP #0000007920)

Volume I

Question and Answer Presentation

THE PORT AUTHORITY OF NY & NJ

JCDecaux

Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, Including Outdoor and Out-of-Home Locations

Question & Answer Presentation

July 6, 2005

Question 1

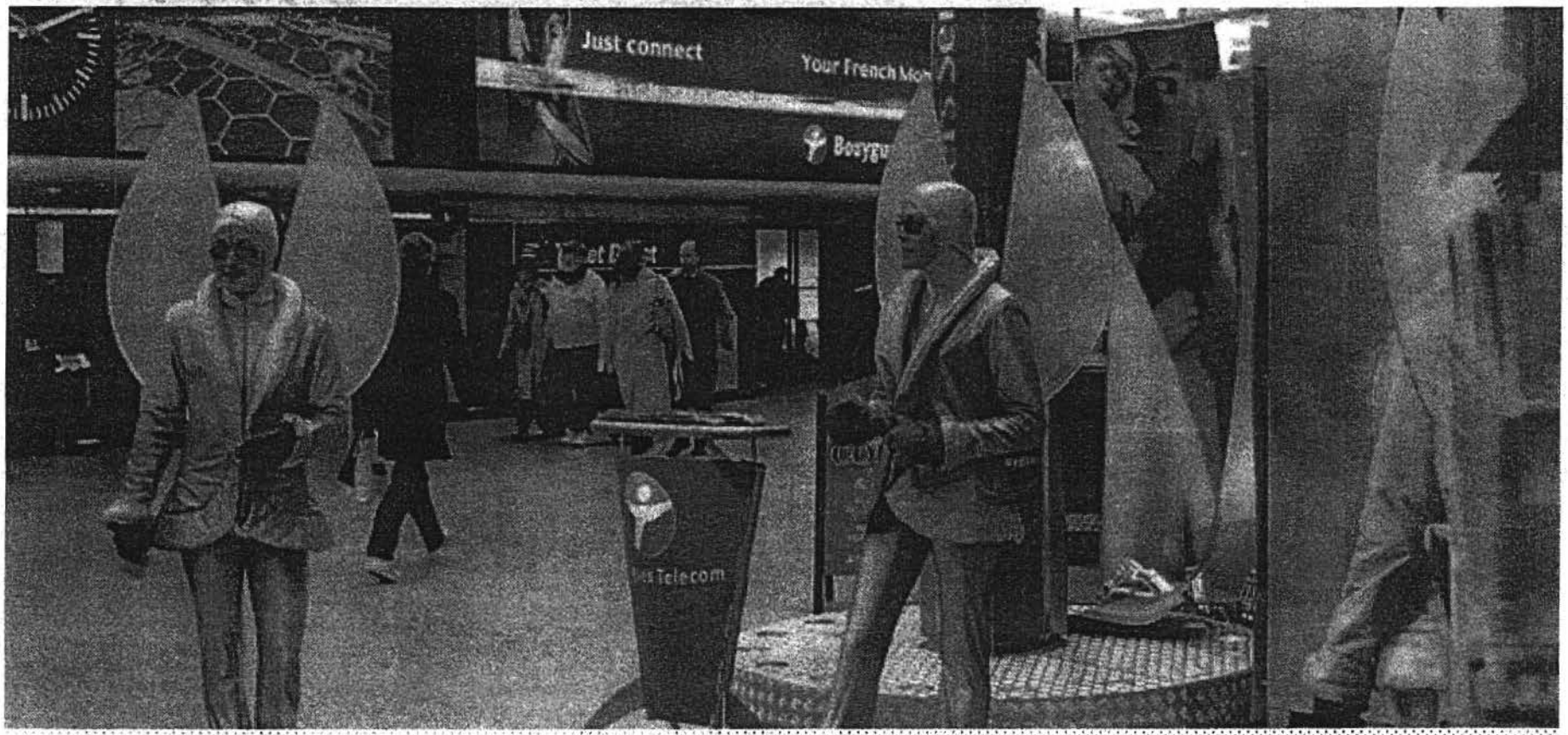
You understand that the Port Authority intends to award separate Agreements for Sponsorship and Advertising. How and where do you see Sponsorship co-existing with JCDecaux's advertising contract?

Answer 1

JCDecaux will work with any organization or company that has the potential to generate revenue for The Port. If approached by the sponsorship concessionaire, we would propose working in the same manner as with an Advertising Agency. A fair market rate would be agreed upon for the signage opportunity in question.

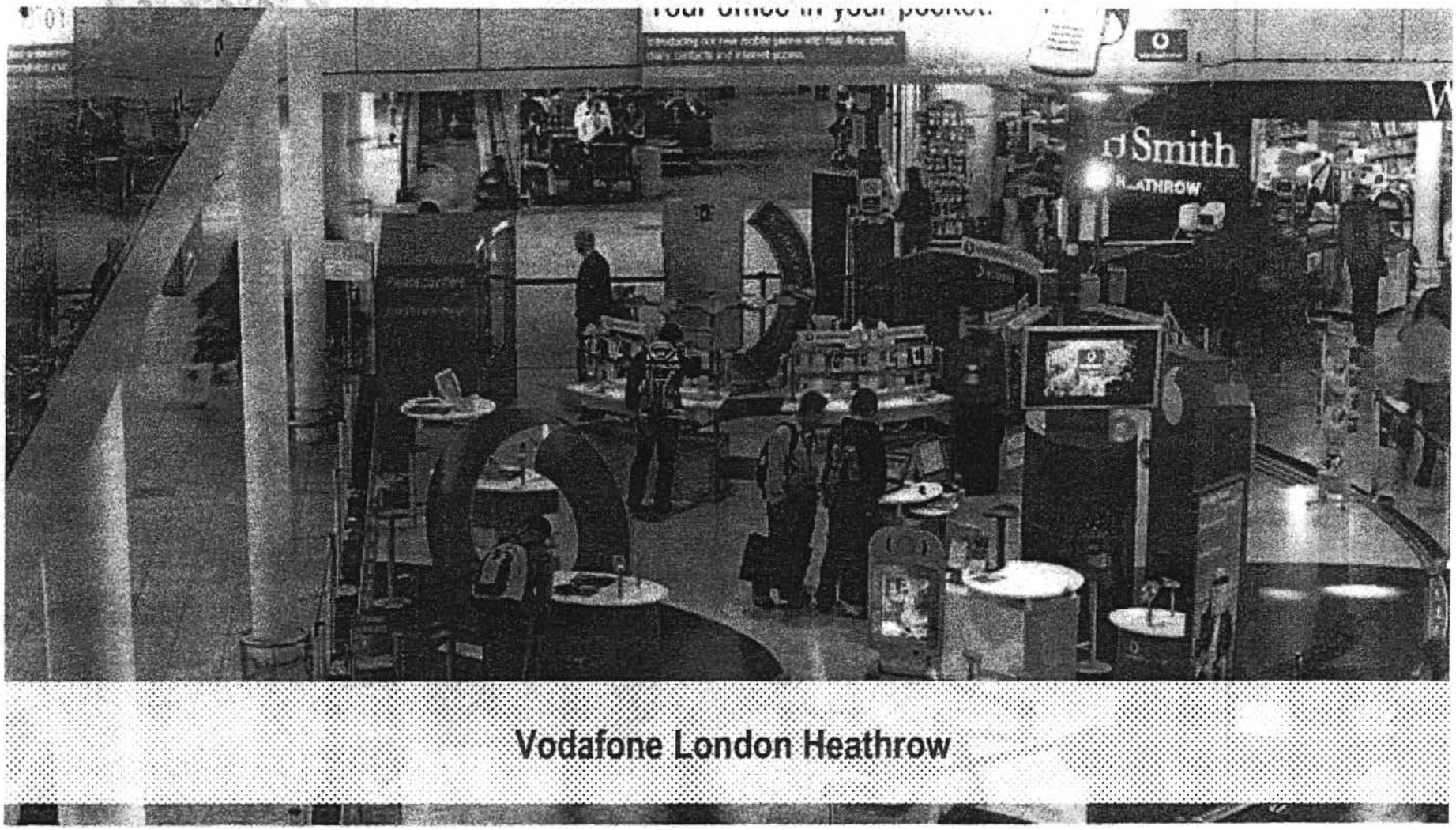
We however humbly believe that advertising and sponsorship are different sides of the same coin and that the best way to leverage all the Ports assets to maximize revenue is to have JCDecaux manage both these components of the advertising business.

What is Sponsorship?



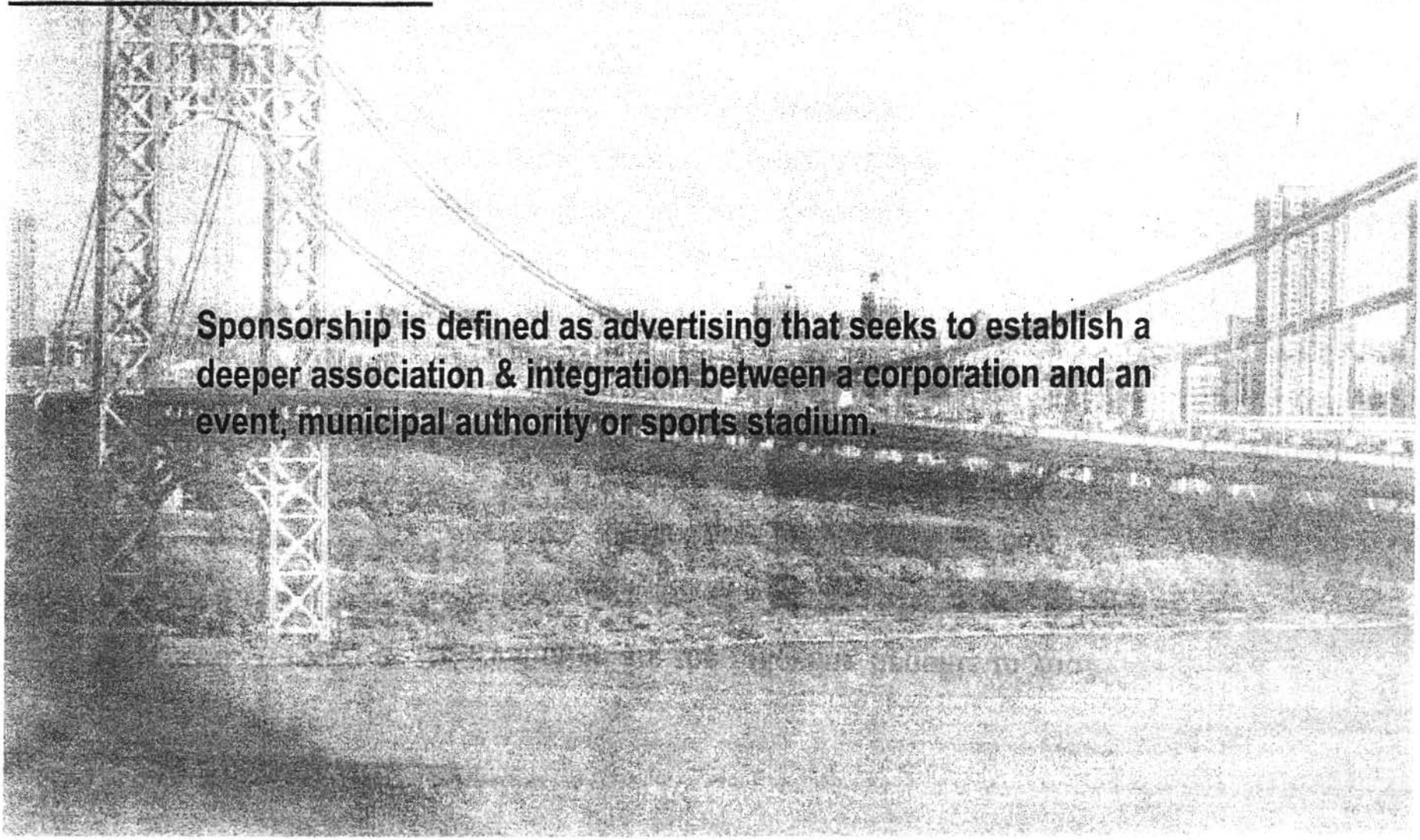
Waterloo Station London

What is Sponsorship?



Vodafone London Heathrow

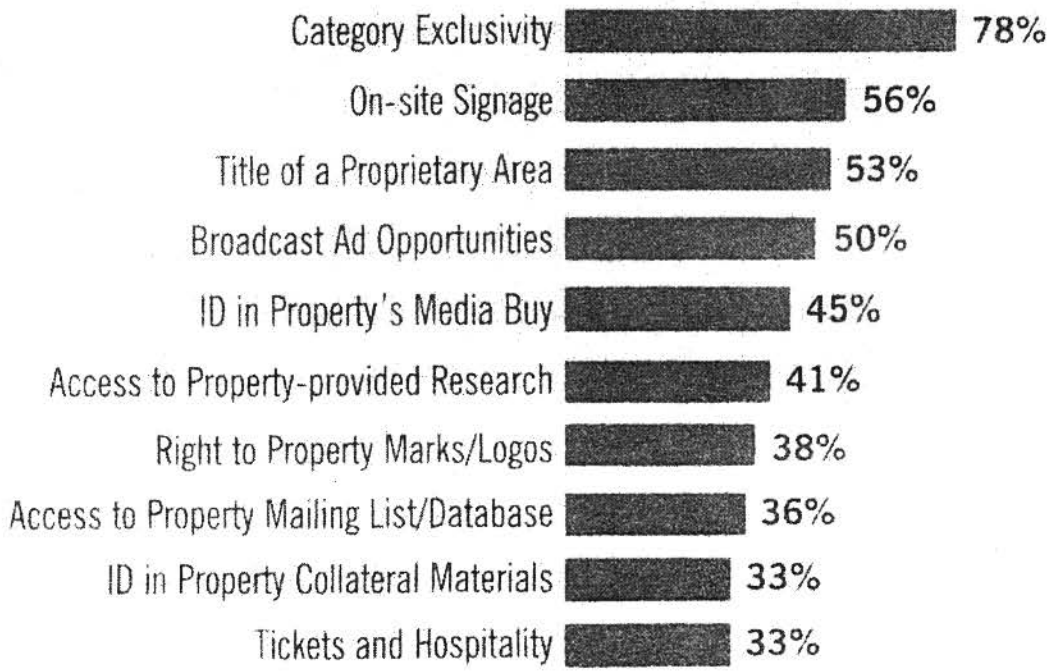
Sponsorship Definition



Sponsorship is defined as advertising that seeks to establish a deeper association & integration between a corporation and an event, municipal authority or sports stadium.

IEG 2004 Sponsor Survey

Chart 8: How valuable are the following benefits to you?



Percent of respondents who ranked the factor a 9 or a 10 on a 10-point scale, where 10 is extremely valuable

What the Sponsors are Saying

In other words...

We will pay more for the program if exclusivity and onsite signage can be offered.

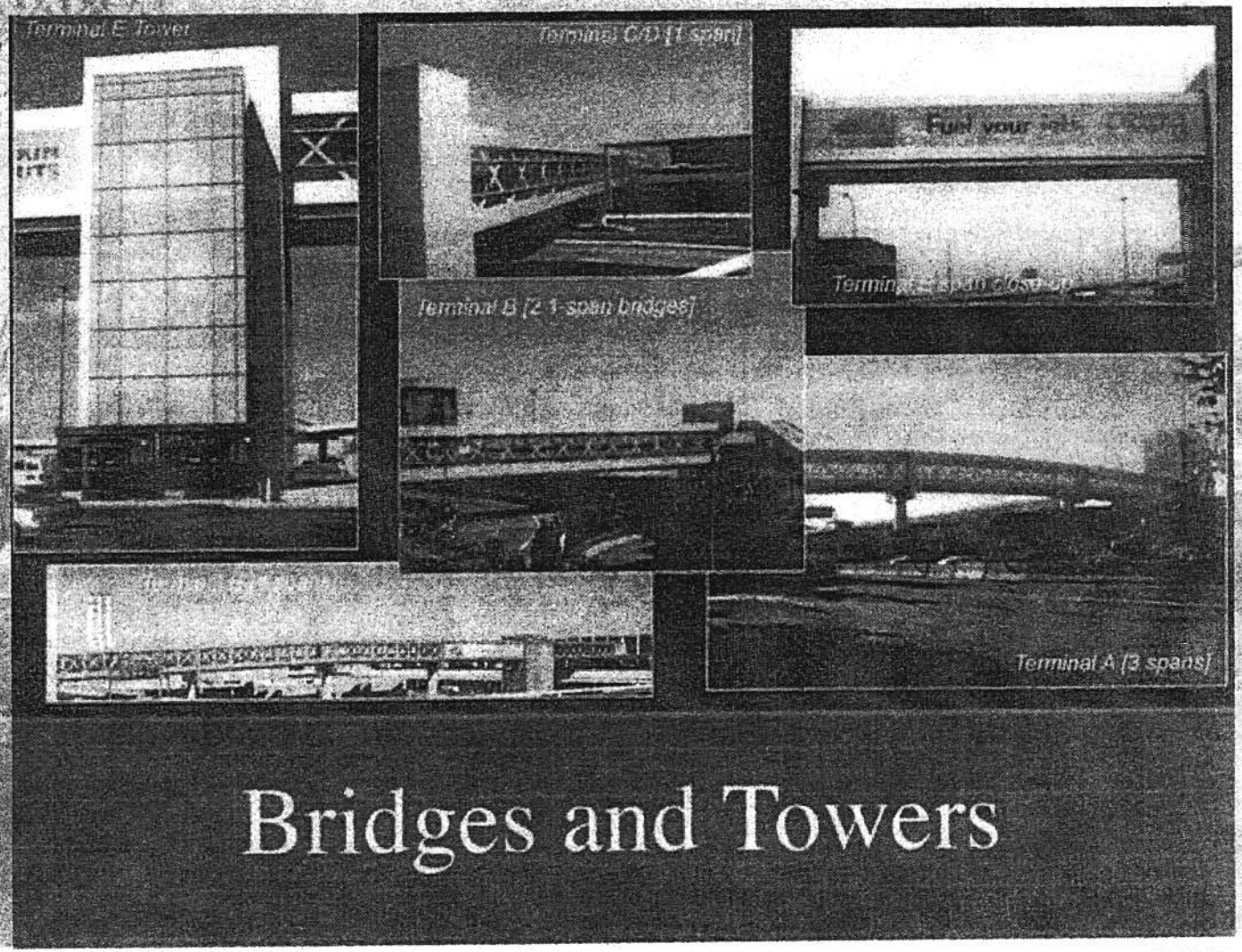
The Boston Logan Experience

- RFP issued spring 2003 for commercial advertising program
- Split into several options; fixed display signage, exteriors, sponsorship/naming rights
- Multiple contracts awarded to different companies

The Result

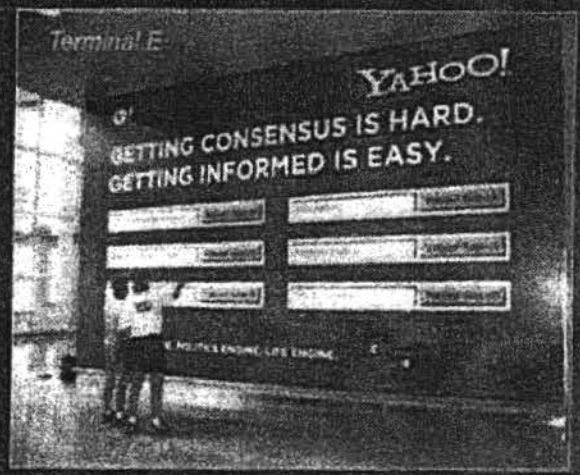
- Massport's assets have not been leveraged to generate any substantial sponsorship revenue
- Sponsorship concessionaire could not offer what the sponsor wanted – exclusivity and signage

Massport's "Sponsorship" Concessionaire



Bridges and Towers

Massport's "Sponsorship" Concessionaire



Interior: Walls

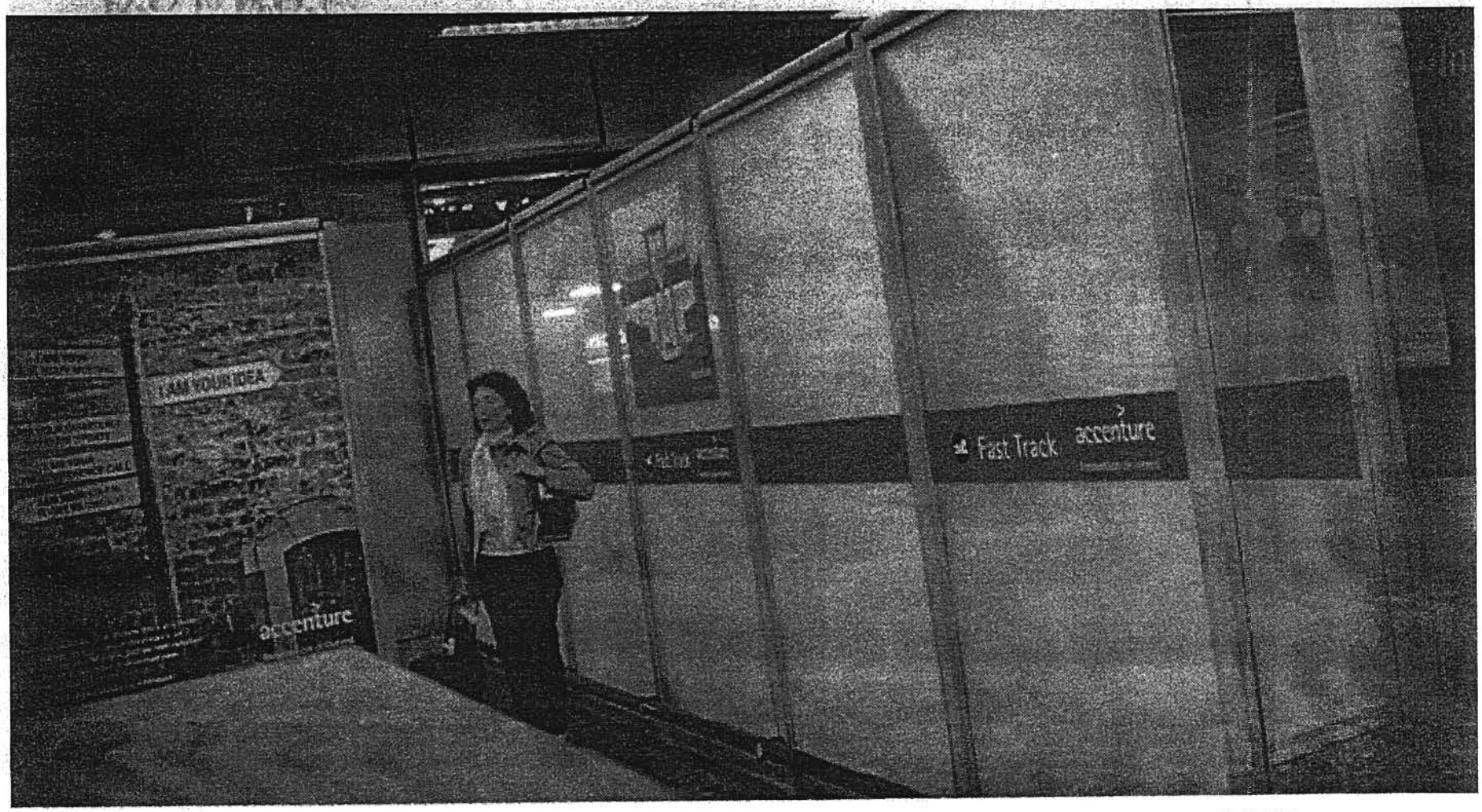
JCDecaux Sponsorship

When two concessionaires compete for the same media dollar, rates will go down as media buyers leverage this "in house" competition to their advantage

JCDecaux is the only company that has successfully executed sponsorship deals

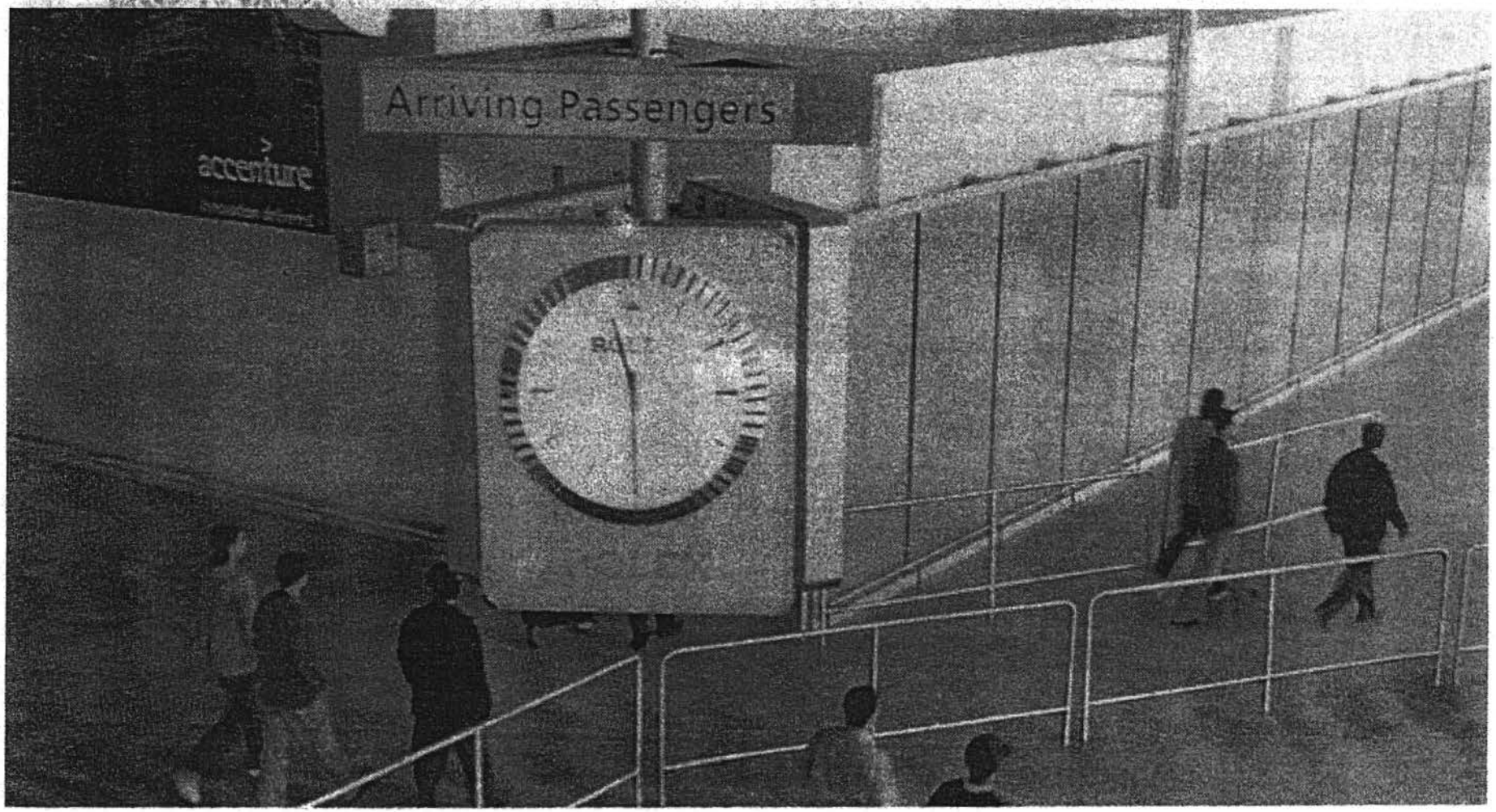
JCDecaux Sponsorship – HSBC Hong Kong

JCDecaux Sponsorship – Accenture Fast Track London Heathrow

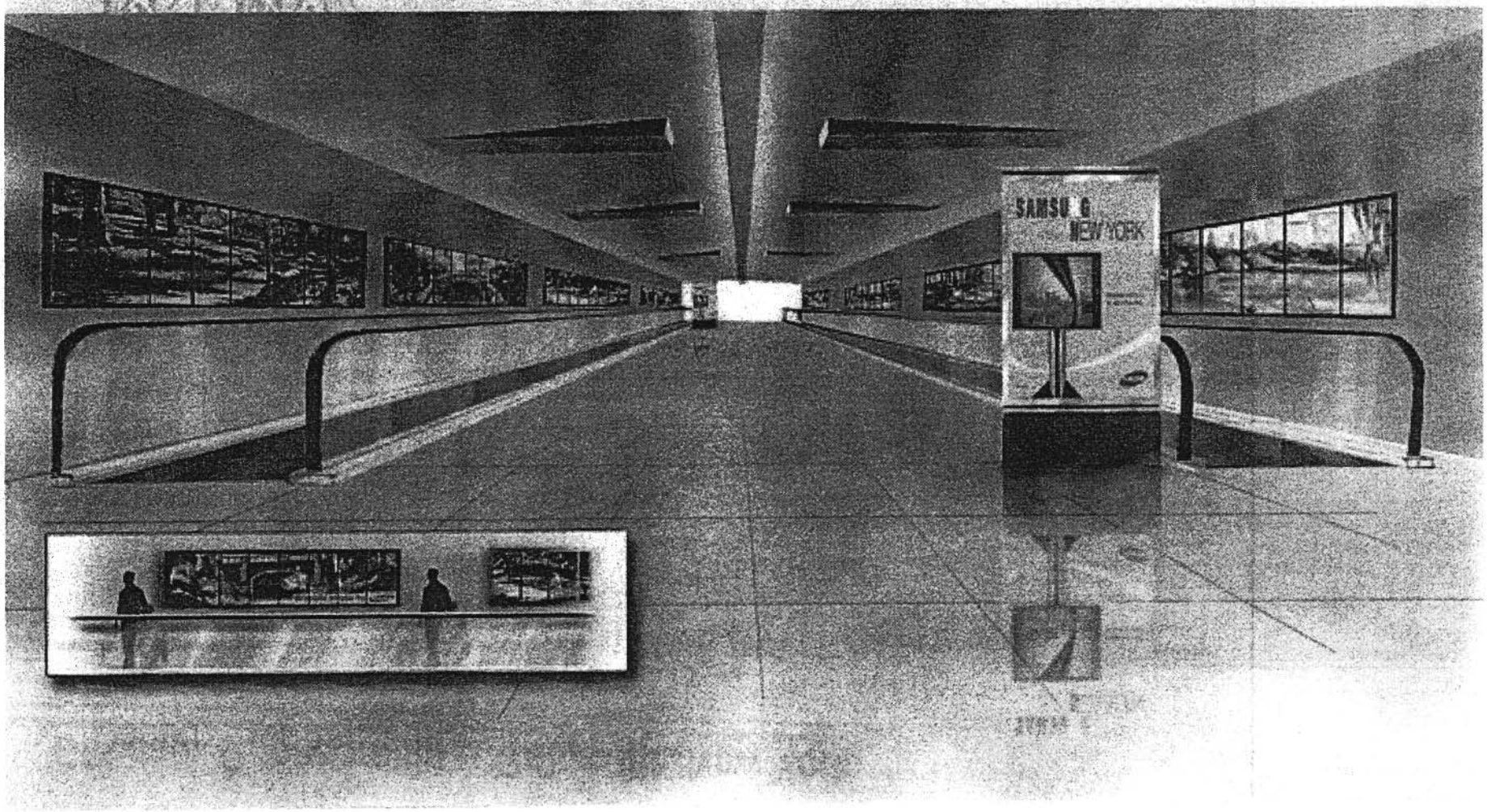


JCDecaux

JCDecaux Sponsorship – Rolex JFK New York



JCDecaux Sponsorship – Electronic Art System JFK Terminal 8



JCDecaux

In Conclusion

JCDecaux is the only company that has the right combination of advertising signage experience, a good working knowledge of your key assets, advertiser/sponsor relationships and the necessary resources to deliver innovative sponsorship packages for you.

Question 2

The RFP was clear that this agreement will be non-exclusive, yet your proposal provided financial terms (i.e. MAG and % rent) that were conditioned on certain advertising assets being made available exclusively to JCDecaux. How do you address this conflict and what is your financial proposal based on the non-exclusivity of this agreement?

Answer 2

JCDecaux has had non-exclusive concessions at JFK and LGA for 15 and 9 years.

During that time, the Port Authority has given us a de-facto right of first refusal on new opportunities.

On very rare occasions the opportunities brought to us didn't seem viable and we declined developing them, leaving the PA with the option of letting someone else do it.

Example: Carousel (advertising on baggage claim carousel belts)

- Carousel tried to market their product themselves and went bankrupt after 9 months
- During that period, JCDecaux' sales in the same bag claim areas went down

Answer 2

Overall, the Port Authority's approach has allowed JCDecaux to maximize revenues by not creating unnecessary competition that would only benefit advertisers.

JCDecaux recognizes that the Concession offered here will be non-exclusive as well.

We expect the Port Authority to continue exercising the same sensible approach in the future that has allowed JCDecaux to make JFK and LGA the most successful airport advertising programs in the United States.

Answer 2

The unprecedented level of MAG offered in our proposal is directly related to the assumption that we will be granted the right to implement the program described in our response to the RFP. Our request is that the right to develop those opportunities be not granted to others as well. We believe that this does not contradict the non-exclusivity concept.

This is true for example for the exterior signage we have proposed at the airports, including exterior branding on the jet bridges and the 3D installation on the Van Wyck entry lawn at JFK, for which JCDecaux already holds multi-year, multi-million dollar letters of intent.

Within this context of non-exclusivity, we would also expect that the Port Authority would not grant the right to others to install billboards at a tunnel or a bridge where we are proposing to install similar signs ourselves.

Answer 2

Overall, we believe that the Port Authority will be best served by selecting a media partner for all or parts of its assets that will be fully in charge of maximizing their media potential.

Allowing multiple concessionaires to develop competing products will only create clutter, confusion and lower revenues.

Answer 3

Fee % payment calculated on billed amounts in line with current contract

Question 3

Are your percentage fees payable to the Port Authority on a "pay or payable" basis?
If no, how are you proposing payment?

Answer 4

Definition of Gross receipts:

- Net of agency commissions
- Net of recharges to clients of costs incurred on their behalf

Question 4

The financial proposal to the Port Authority is based on a MAG or a Gross Receipts Percentage (pgs. 81-82). Define the components of Gross Receipts and any deductions that would reduce these Gross receipts.

Question 5

Please explain more clearly JCDecaux's approach to the Bus Terminal, PATH, and George Washington Bridge Bus Station. We noticed that they have been lumped together and not treated as separate entities, and that your MAG and projected revenues are very conservative. We need clarification and an idea of the specific new programs you are proposing for each of these facilities.

Answer 5

The PATH and Bus Terminals concessions are currently held by the same concessionaire, Viacom. They have been grouped together in our presentation in an attempt to keep it simple.

We have, however, proposed separate strategies for the development of these various assets.

PATH

The PATH is currently sold by Viacom as a package with the LIRR and MetroNorth. Once separated, we expect sales to drop from the current products.

We will compensate that loss of revenue by installing new products similar to our offering in the airports:
- Vertical Scrollers
- Strategically located wall wraps
- Ambient media

The similar demographics to airports will create synergies.

We will also work together with the PA to develop other opportunities, including at the new WTC transportation hub as it gets developed.

The Port Authority of NY & NJ

PATH Scroller

JCDecaux

The Port Authority of NY & NJ

PATH Wrap

JCDecaux

Hong Kong HSBC Campaign

Bus Terminals

The existing programs at the bus terminals will be continued, with an emphasis on special events and packaging with our regional mall advertising programs

Revenue Projections

For both the PATH and the Bus terminals, the lack of time and information has not allowed for a more thorough evaluation of the possibilities. We have, however, based our proposal on a 13% revenue increase over 2004 for 2008, the first full year of availability of these assets

We anticipate that our actual performance will exceed these projections.

	2008	2009	2010	2011	2012	2013	2014	2015
PATH	2.3	2.9	3.2	3.5	3.7	3.9	4.1	4.3
Bus Terminals	1.3	1.6	1.8	1.9	2.0	2.1	2.2	2.3
Total Revenue	**3.6**	**4.5**	**5.0**	**5.4**	**5.7**	**6.0**	**6.3**	**6.6**
MAG	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2
% Fee	**2.3**	**2.9**	**3.3**	**3.5**	**3.7**	**3.9**	**4.1**	**4.3**

(all figures in $ million)

Answer 6

Assuming that all assets would be made available on January 1, 2006, our MAG and Revenue Projections will be modified as follows for the PATH and Bus Terminals:

PATH & Bus Terminals	2006	2007	2008
Revenue	3.6	4.5	5.0
MAG	1.2	1.2	1.2
% Fee	2.40	2.90	3.30

Question 6

The termination dates of the existing agreements for specific Port Authority facilities are noted on page 76, Attachment D. If the Port Authority Bus Terminal and PATH were made available sooner than 2006 (interior), 2016 (exterior), and 2007 (PATH), what would your new MAG and projected revenue proposal be for those facilities?

Question 7

We also noted that in your proposal it takes approximately 3 years to reach the current levels of revenues that PATH and PABT are achieving now, both on a MAG and percentage of sales. What are your assumptions? Why does it take so long to achieve the current revenue stream on these two facilities?

Answer 7

Based on the information provided to us in Addendum 4, the revenue from PATH and PABT in 2004 was:

PABT	$1,095,316
PATH	$2,054,518
Total	$3,149,834

The RFP indicates that the PATH agreement runs until August, 2007, and the PABT agreements run until June 2006 (interior) and June 2016 (exterior).

Our projected revenue for 2008 (first full year of concession except PABT exterior) is $3.6 million, i.e. 13% more than 2004 revenues.

Answer 7

Percentage Rent

At 65% – 5% more than the current percentage fee – our proposal will generate $2.4 million for the PA in 2008. This is to be compared to the $1.9 million received by the PA in 2004 for those same assets

MAG

We have offered $0.8 million in 2008, going up to $1.2 million in 2009.
This is to be compared to the current $0.7 million MAG paid by Viacom for the PATH.
When reviewing the Viacom contract for the PABT, we have not found any MAG for this facility

Question 8

You noted that JCDecaux would work with the Port Authority and interested content providers to deploy a digital screen network in the new PATH rail cars. Please describe what your plans are for this, and any relevant applications in which your company has had the lead role. Also, did you include this application in your revenue assumptions for PATH?

JCDecaux Digital Experience

	Airport	Metro	Inside Vehicle	Roadside	In-store
Austria		Austria	Austria	Austria	
Chile		Chile			
Czech Rep.		Czech Rep.			
Finland				Finland	
France	France				
Germany	Germany			Germany	
Hong Kong		Hong Kong	Hong Kong	Hong Kong	
Hungary		Hungary			
Norway			Norway		
UK	UK			UK	UK
USA	USA				

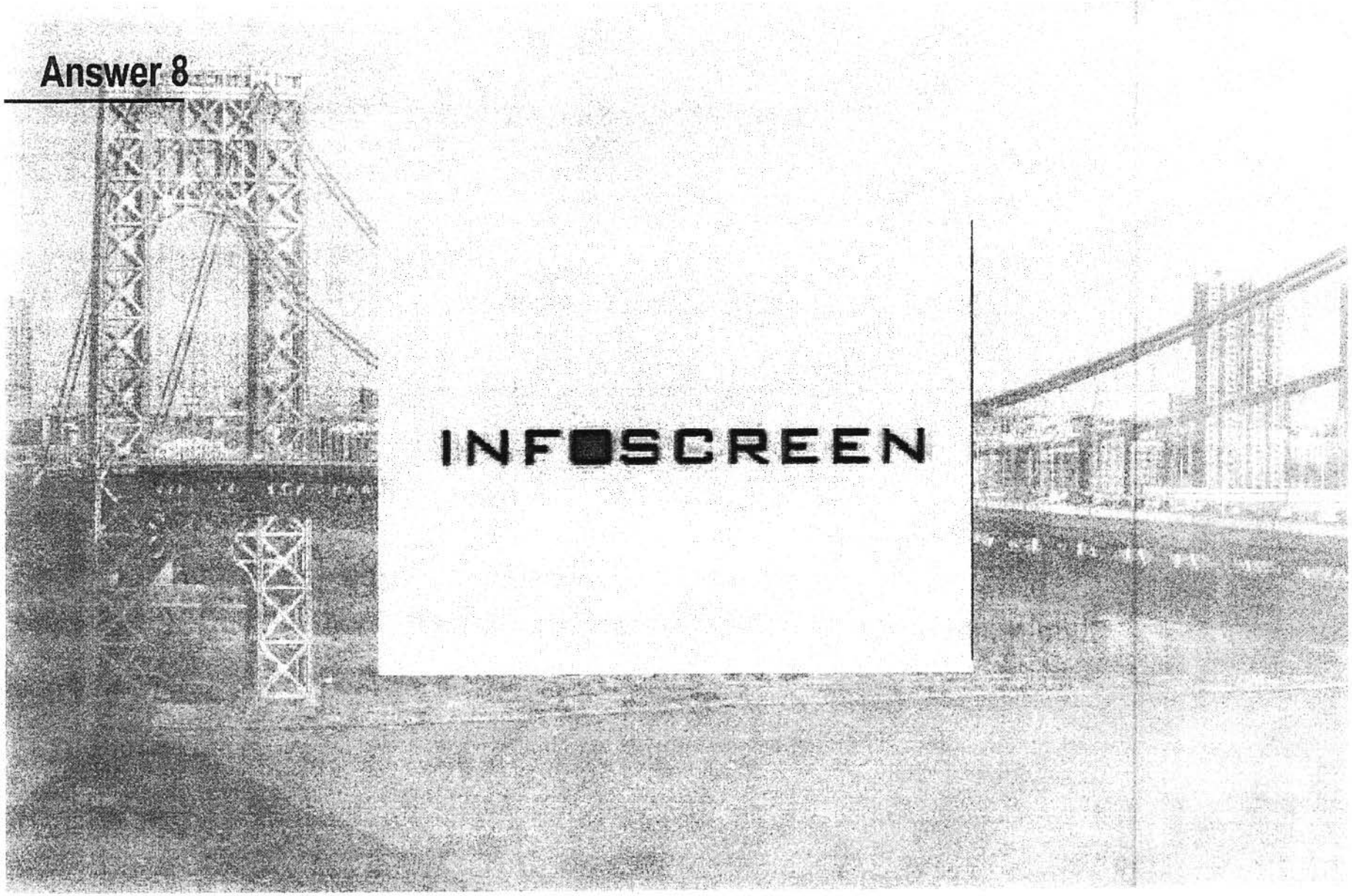
Answer 8

Digital Experience

JCDecaux has experience with the operation of digital advertising programs in subway systems:

- Vienna (Austria)
  Infoscreen is a dedicated metro/city center broadcast program produced and edited by JCDecaux with screens both on platforms and on board train cars

Answer 8



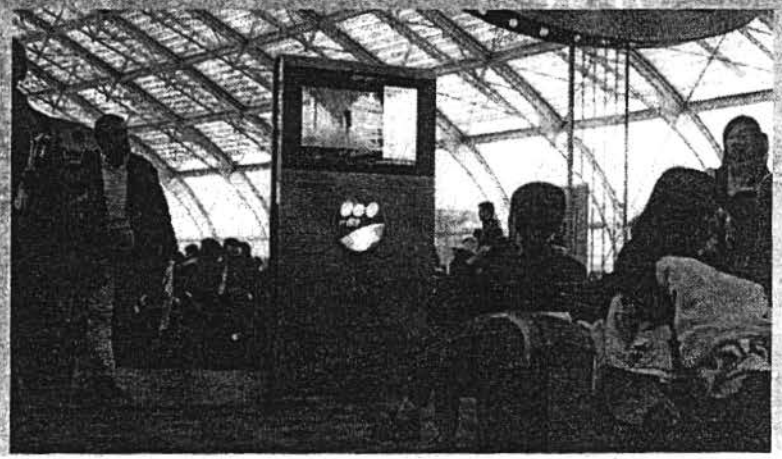
JCDecaux

Answer 8

Digital Experience

Hong Kong Metro (MTR)
Advertising based channel on 92% of the Metro Station and 3,500 train cars

AEO
Dedicated airport channel, content and infrastructure managed and edited by JCDecaux. Currently deployed in 100 locations in Charles de Gaulle Airport Paris, Rolling out to a future 200 locations across 10 terminals



Answer 8

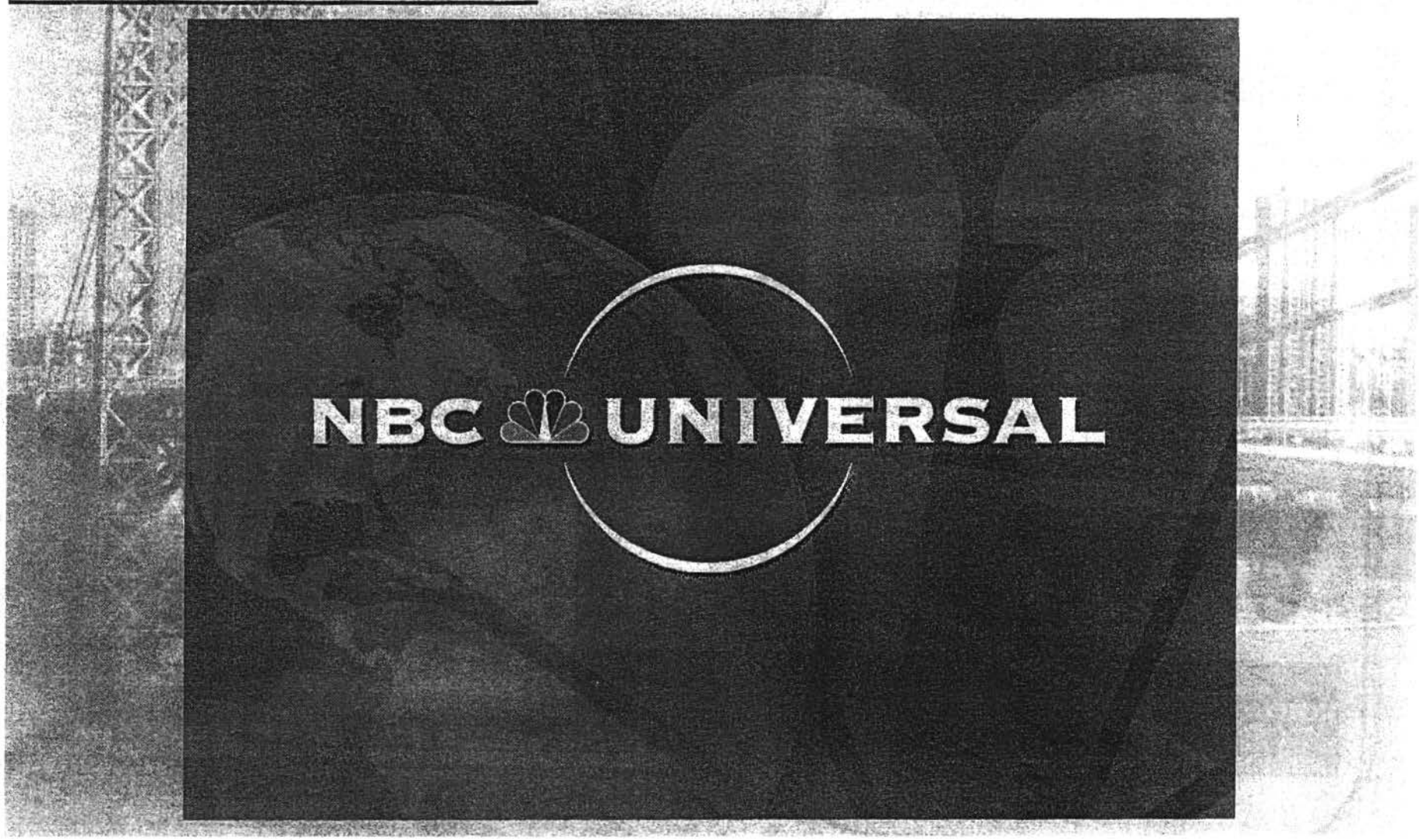
The renewal of all the PATH cars over the next few years offers a unique opportunity to implement a state-of-the-art in-train TV network. The new cars could be equipped with screens and transmittal equipment right from the start. This should allow for seamless integration, higher reliability, and significant cost savings.

JCDecaux will work with NBC Universal and the Port Authority to develop a feasibility study for this program.

NBC Universal has already started researching this area of business, and developed a programming concept that is sure to please commuters. We are now looking together for the right technology partner.

The key to success will be to find the right economic formula. This will probably require a different revenue-sharing plan than for the rest of the PATH advertising concession.

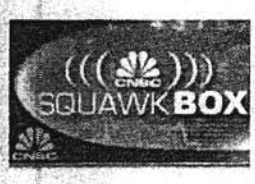
NJ PATH In-Train TV Network



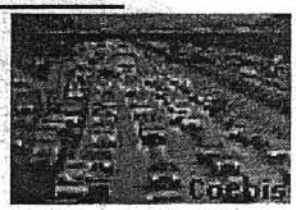
Custom TV Network for the NJ PATH

- Programmed in short segments for local commuters
- Live programming from all NBC networks, including Telemundo
- Managed by NBC Universal's broadcast operations in Englewood Cliffs, NJ

News



Information



Entertainment

torino 2006

A Network that Meets Commuter & PATH Needs

For Commuters ...

- Easy viewing: 4-6 LCD screens per car
- Live, relevant programs based on time of day with 24/7 breaking news
- Emphasis on local news & weather by WNBC & Telemundo's WNJU
- Non-intrusive, closed captioned (no audio except with headset)
- ADA compliant

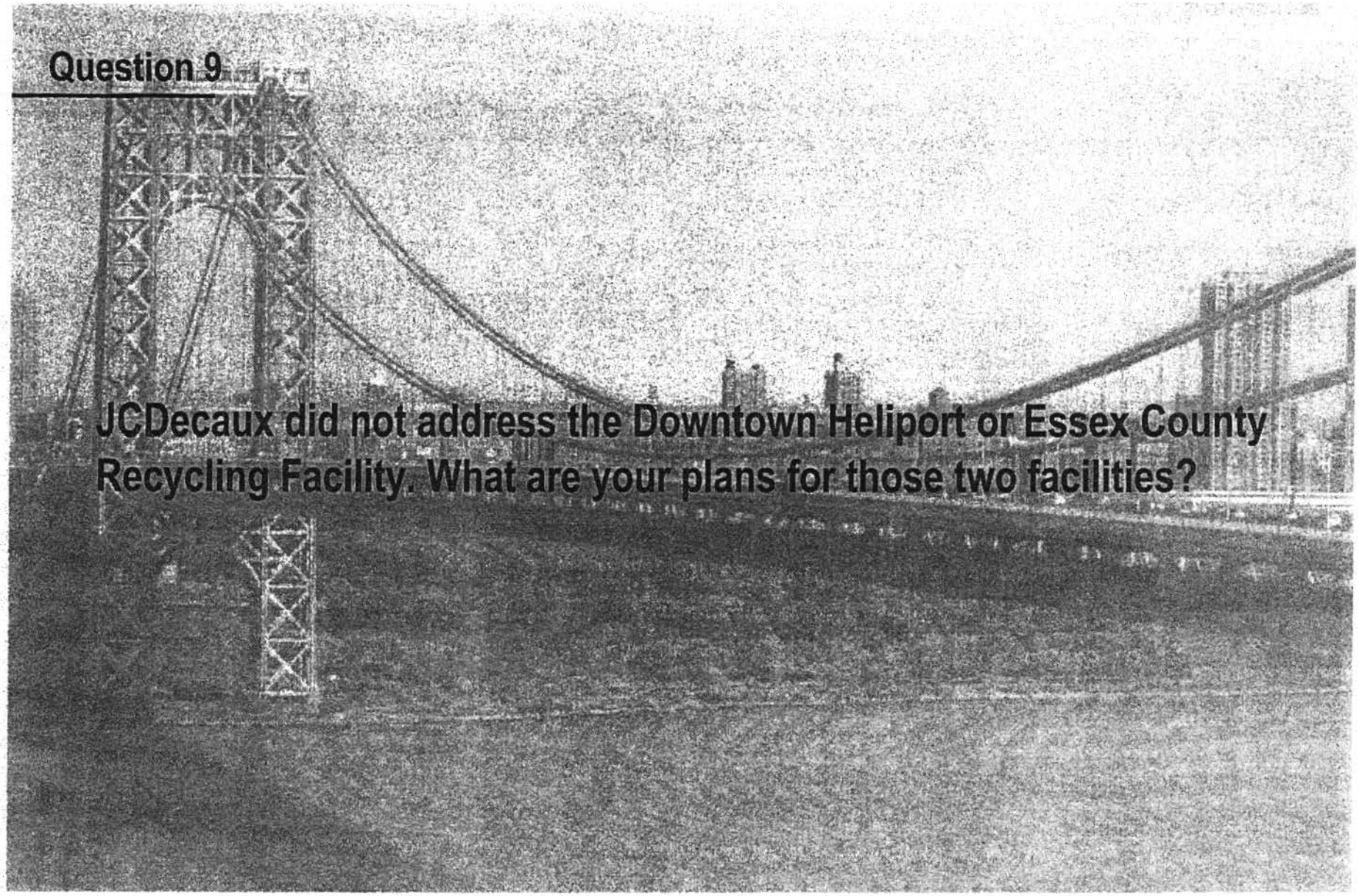
For NJ PATH Authorities ...

- Emergency program interruption capability with PATH authority control
- Transit updates & safety/security info
- Public service & community announcements

Answer 8

Revenue Assumptions

We did not include revenue from the digital screens network in the new PATH Rail Cars in our revenue assumptions



Question 9

JCDecaux did not address the Downtown Heliport or Essex County Recycling Facility. What are your plans for those two facilities?

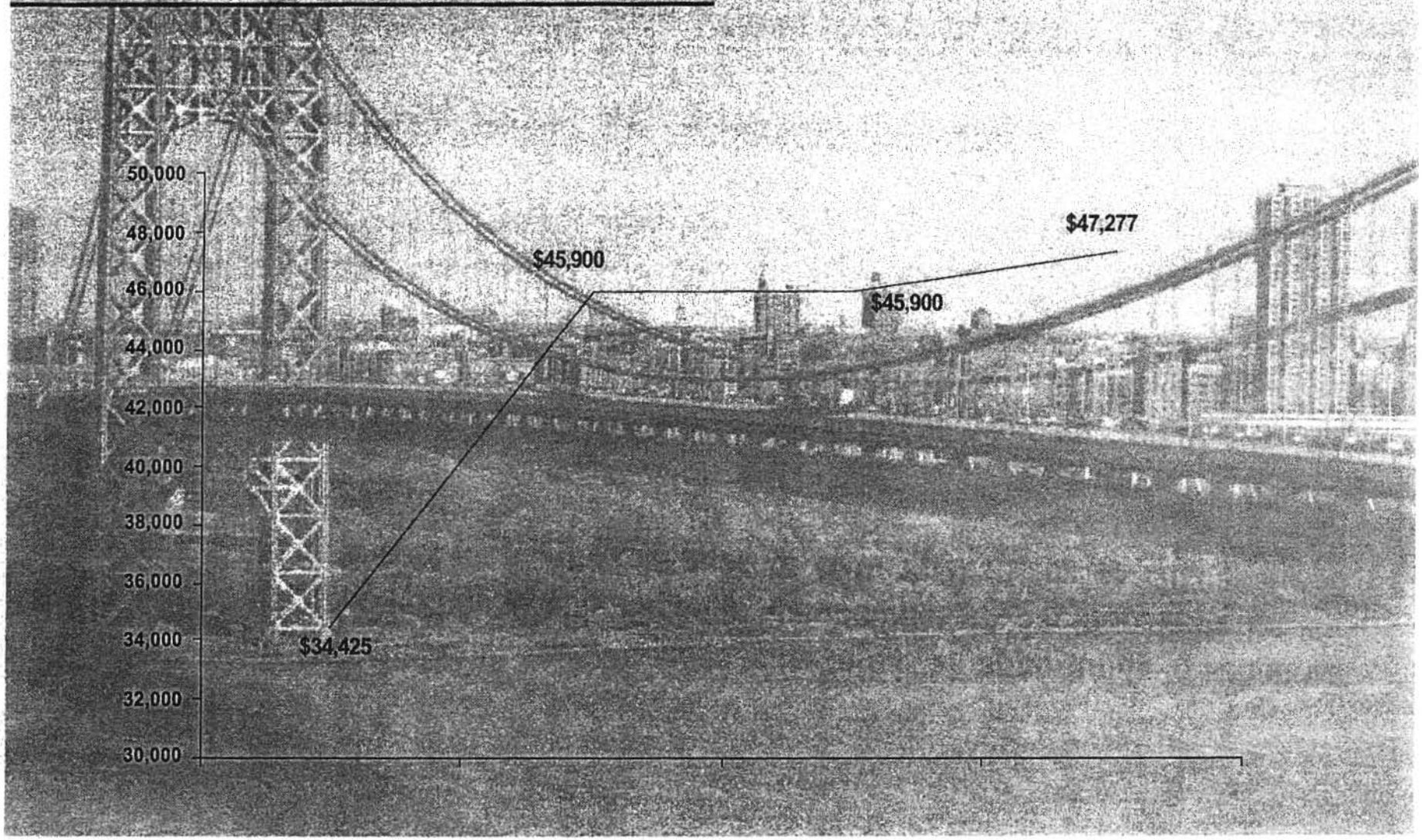
Answer 9

Our plan for the downtown Heliport is to further capitalize on the success in selling this facility as part of our current airport advertising portfolio.

Located at the foot of Wall Street on the East River, the Heliport offers a convenient transportation option for busy executives and sightseers.

In the last several years, this facility has been 100% sold out by Verizon Wireless and Rolex. Verizon Wireless advertises in the diorama advertising unit and Rolex installed a clock display as part of the long-term clock sponsorship, which JCDecaux sold and managed.

Downtown Heliport Revenues 2002-2005



Answer 9

While the Heliport is "sold-out", we do believe that there is an opportunity to sell more. We recently developed a Sponsorship Package that includes six additional interior and exterior wall wraps. We are marketing this package to one advertiser for $20,000 gross per month. It includes:

- Four Soffit Wraps - Reaching 100% arriving & departing passengers
  Located above entrance & exit doors

- One VIP Glass Wrap – Reaching 100% Arriving passengers
  Located head on coming off of the Heliport

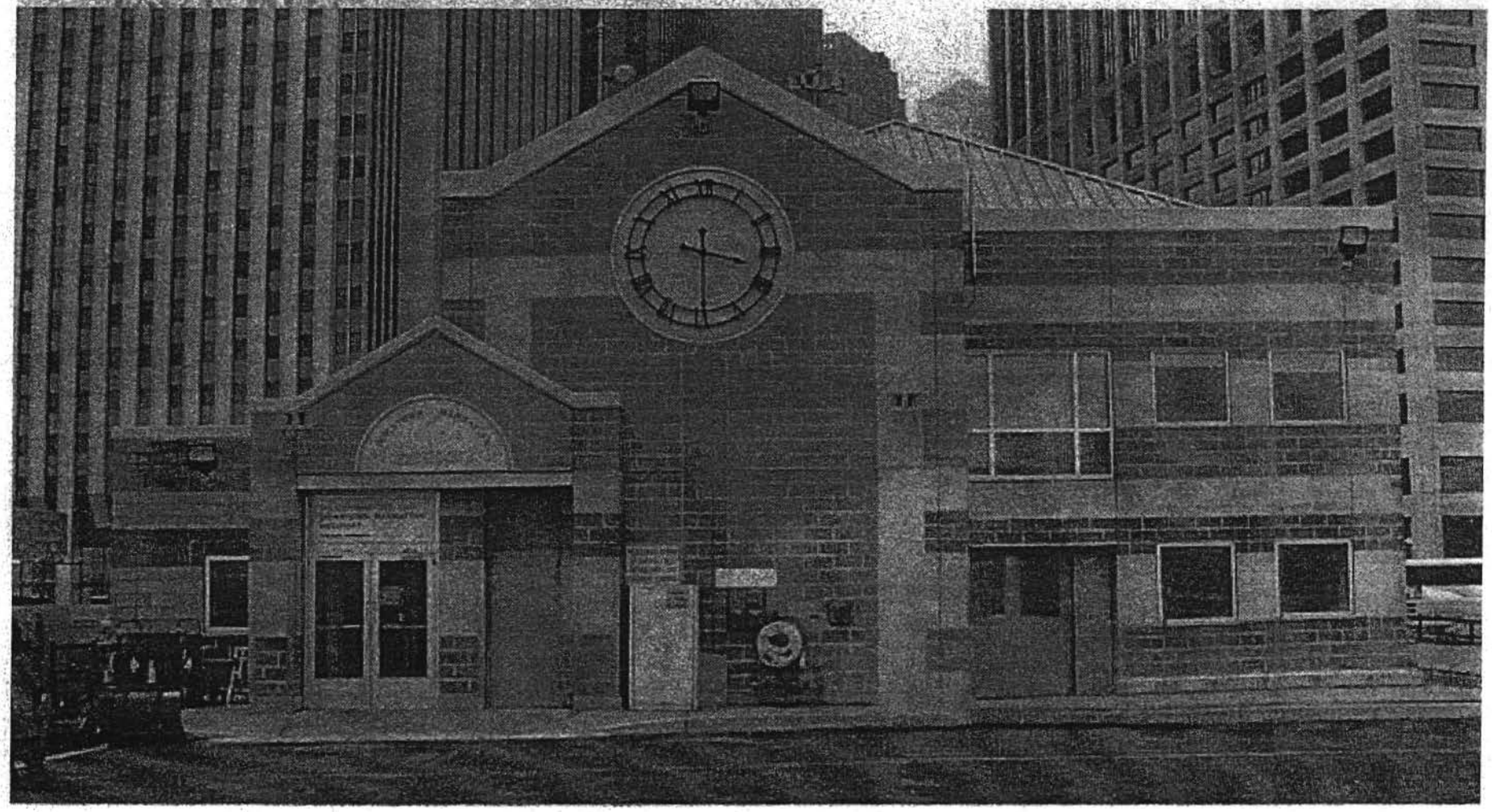
One Premium Wall Wrap Position - Located overhead in terminal

We also propose to develop a full "beautification" concept sponsored by an advertiser similar to what JCDecaux routinely does on buildings in Europe

The Port Authority of NY & NJ

Answer 9

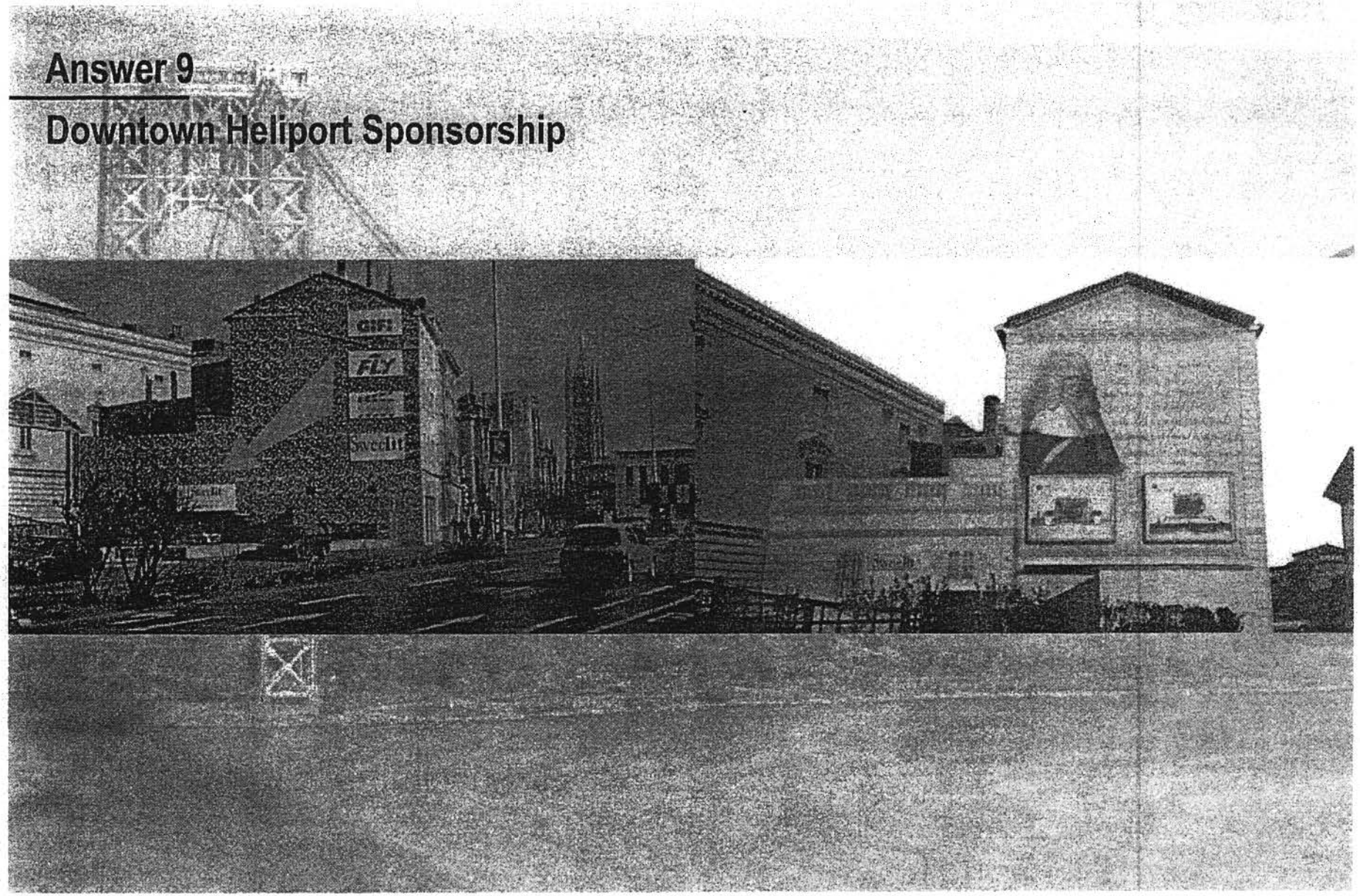
Downtown Heliport Sponsorship



JCDecaux

Answer 9

Downtown Heliport Sponsorship



Answer 9

We were not able to survey the Essex County Recycling Facility due to time constraints; however, we will include it for consideration as an exterior billboard location in our Port Authority exterior plan.

Question 10

Your proposal shows higher income at the airports, but a smaller percentage paid to the Port Authority under your current contract with us. Please explain why.

Answer 10

JCDecaux' proposal guarantees more revenue to the Port Authority for the airports than it will receive in 2005 from the total of MAG and Percentage Fees. The Port is fully protected on the downside

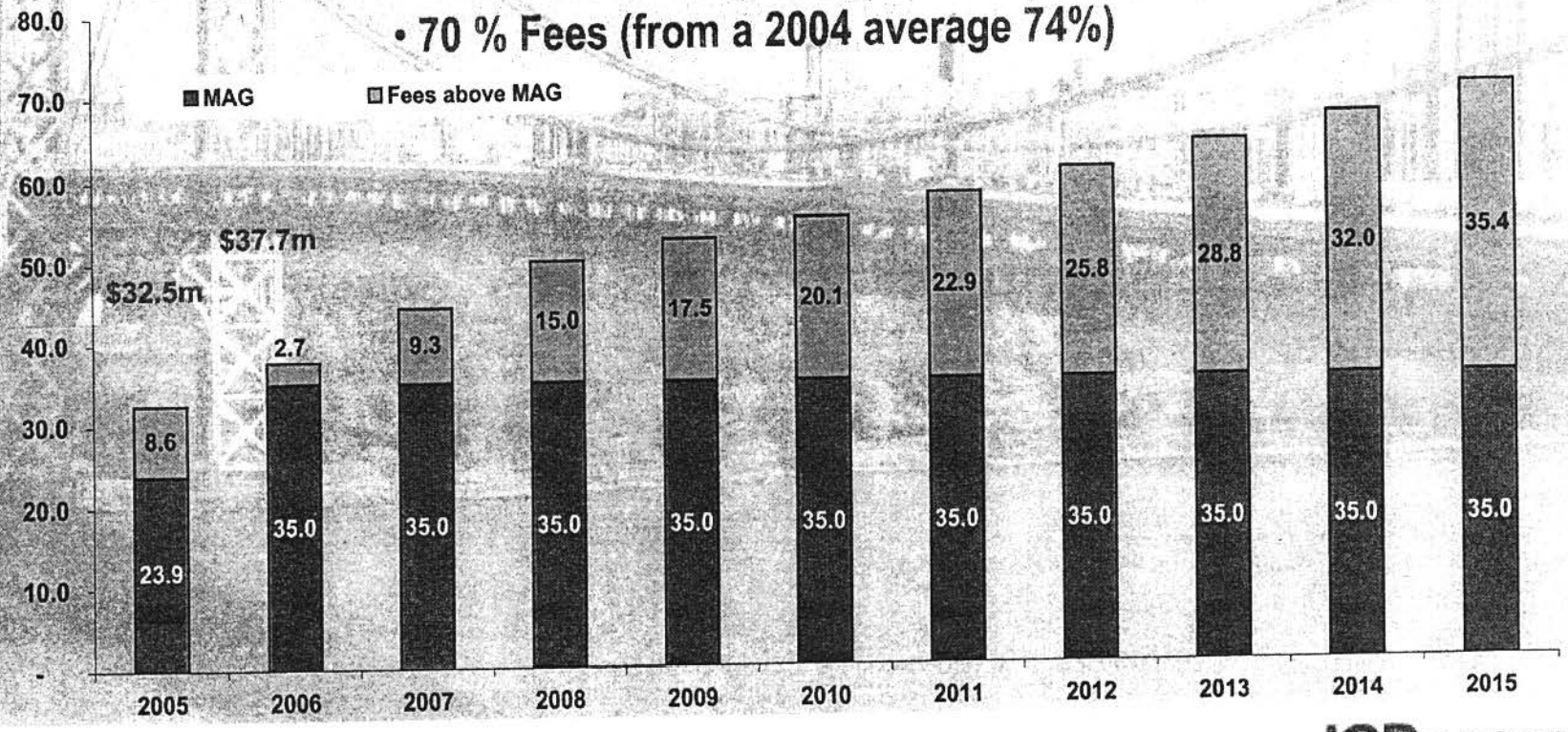
JCDecaux will invest $14 million in new advertising fixtures at the 3 airports. JCDecaux expects a reasonable return on that investment.

That investment will translate into much higher advertising revenues, yielding higher percentage fees to the Port Authority in absolute dollars than the current programs, even with the lower rates. We believe it is fair that JCDecaux be rewarded for taking the risk of the downside plus making the capital investment by receiving a slightly larger share of the upside than under the current contracts.

Answer 10

All figures expressed in millions of nominal dollars assuming a 3% annual inflation

- Capital Investment of $14.0m
- MAG = $35 million per year
- 70 % Fees (from a 2004 average 74%)



JCDecaux

Question 11

Explain your staffing plan and how you would manage the broad range of facilities covered under this contract, including airport, transit, terminal and new out-of-home installations at the Port Authority's facilities.

Answer 11

US Sales & Marketing Organization

Jean-Luc Decaux
CO-CEO

Gayle Zimmerman
VP, Street Furniture & Malls

Bob Cilia
EVP, Sales & Marketing

Renaud Couillens
Marketing Director

17 Sales Professionals

New York
Chicago
Los Angeles
San Francisco
Miami
Boston
Washington, D.C.
Austin

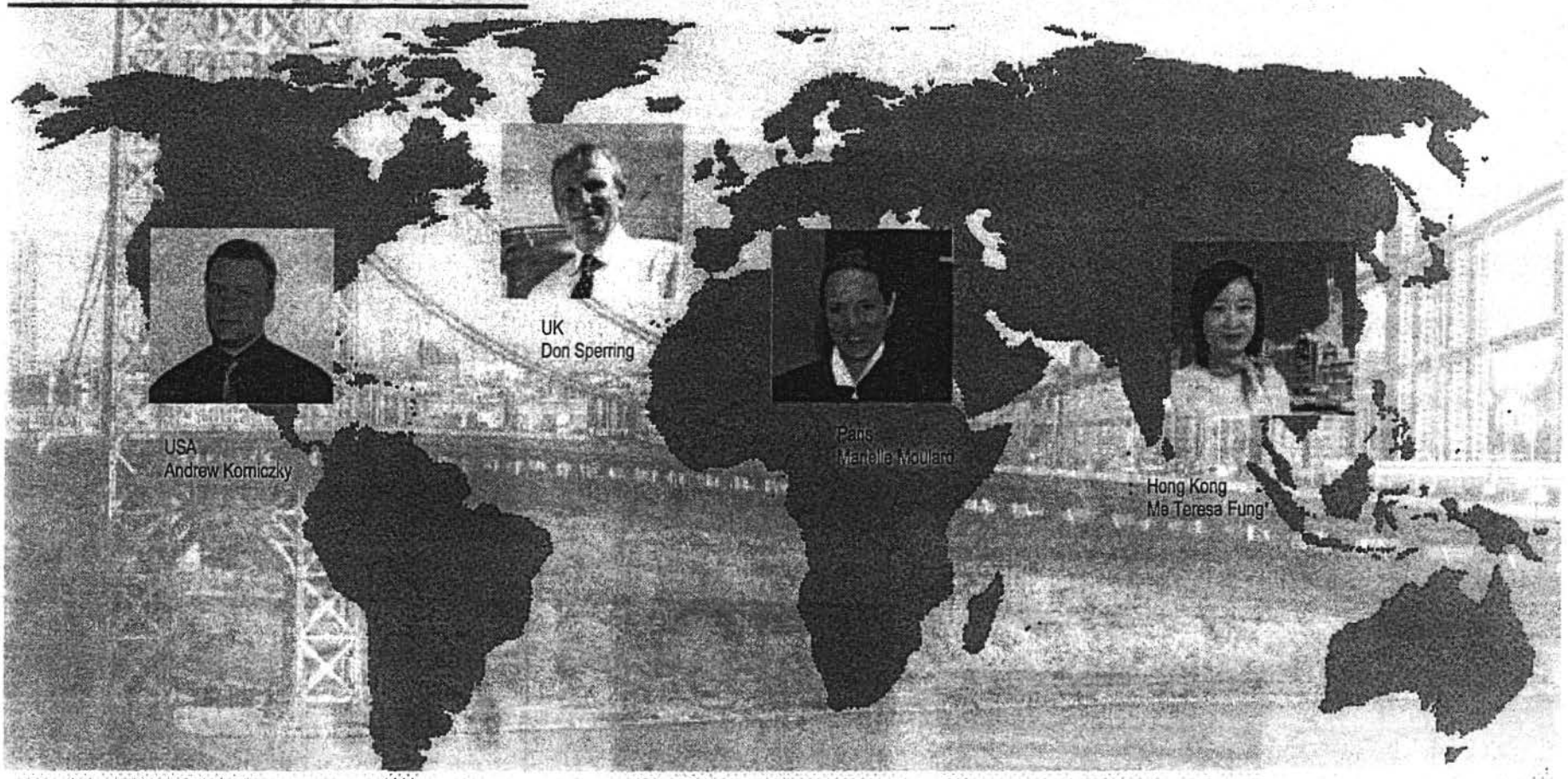
33 Sales Professionals

New York
Chicago
Los Angeles
Dallas
Boston
San Francisco
Seattle
Miami
Washington, D.C.

5 Marketing Professionals

New York

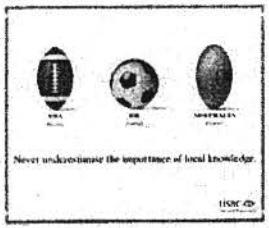
Worldwide Sales Network



Airport Global Sales Powerhouse

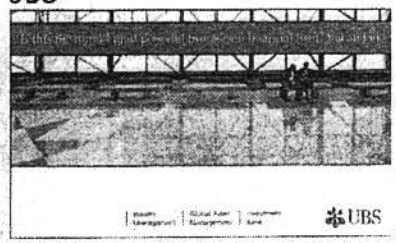
International Advertisers

HSBC



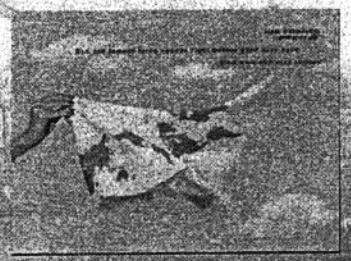
RBS

UBS



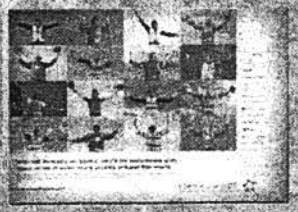
Lufthansa

Air France Alliance



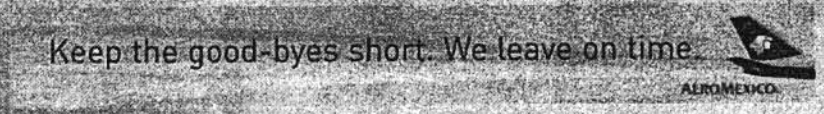
Samsung

Star Alliance

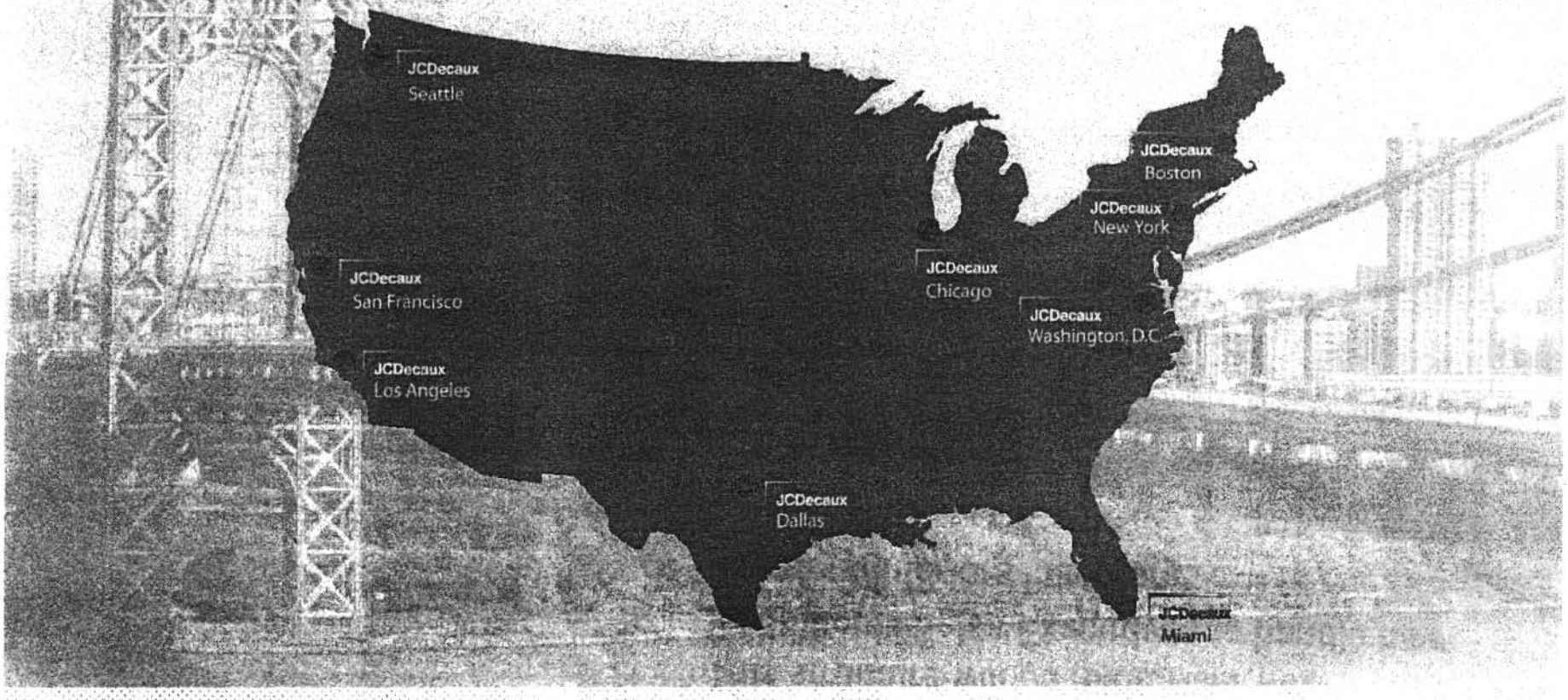


ABB

Aero Mexico



National & Regional Sales Network



Rated #1 in the Industry!

National & Regional Airports Sales

Bob Cilia
EVP, Sales & Marketing

New York

Craig Ferber
Senior Account Exec.
Brett Morgan
National Account Exec.
Bryan Hackmyer
National Account Exec.
Melanie Lauridsen
National Account Exec.
Meghan Murnane
Sales Coordinator
Lauren McCarthy
Sales Coordinator
Jason Nodelman
Sales Coordinator

Chicago

Victoria Wenz
National Account Exec.
Roberto Siller
Sales Coordinator

Los Angeles

Ron Grove
Regional Sales Mgr.
Neil Fleischer
National Account Exec.
Todd Staples
Account Exec.
Michael Wexler
Account Exec.
Alison LeBoeuf
Account Exec.
Kristy Sandeen
Sales Coordinator

Dallas

Kimberly Mosely
Account Exec.
Aimee Muir
Sales Coordinator

Boston

Denise McNamara
National Account Mgr.

San Francisco

Kim Chochon
National Account Exec.

Seattle

Shirine Park
Account Exec.

Miami

Jason Mizrachi
Dir. of Sales, E. Region
Glorimar Figueroa
National Account Exec.
Ana Casasanta
Account Exec.
Alexandra Sarmiento
Account Exec.
Jon Cicciarelli
Account Exec.
Ulises Cicciarelli
Account Exec.
Leyza Castellon
Sales Coordinator

Washington DC

Jeff Goldman
Regional Sales Mgr.
Tony Downs
Account Exec.
Paul Heroman
Account Exec.
Regina Rizzo
Account Exec.
Arnold Perras
Account Exec.
Sarah Thuman
Sales Coordinator

This structure will be reinforced with 5 additional Sales Executives to handle new Exteriors/Interiors Inventory

Malls & Street Furniture

99 Shopping Malls

San Francisco

Chicago

Los Angeles

Boston

Vancouver

Malls & Street Furniture

Gayle Zimmerman
VP, Street Furniture & Malls

New York

Faith Garbolino
Regional Account Mgr.
Alyson Hocart
National Account Exec.
Maureen Lundberg
National Account Exec.
Sarah Barbiarz
Sales Coordinator
Lauren McCarthy
Sales Coordinator

Chicago

Dan Helmin
National Account Exec.
Alison Wuest
Regional Account Mgr.
Laurie Hartnett
Regional Account Mgr.
Elizabeth Frechette
Account Executive
Roberto Siller
Sales Coordinator

Los Angeles

Melinda Ponzio
National Account Exec.
Natalie Kuchar
Regional Account Mgr.

San Francisco

Sunne Sounders
National Account Exec.

Miami

Sonia Veliz
Regional Account Mgr.

Boston

Jennifer Arena
Regional Account Mgr.

Washington DC

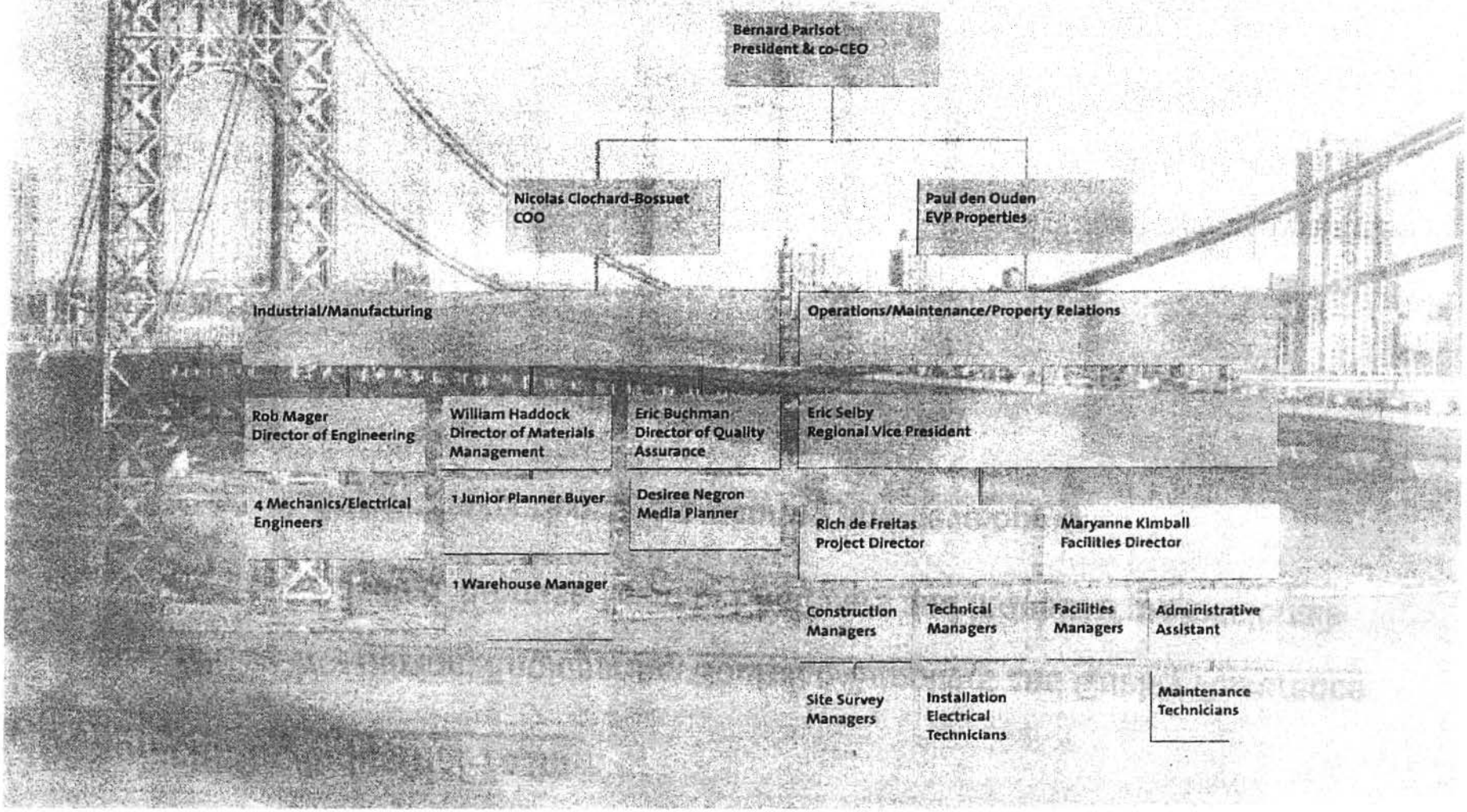
Mary Beth Fitzgerald
Regional Account Mgr.

Austin

Carrie Munnerlyn
Regional Account Mgr.

This structure will be reinforced with 5 additional Sales Executives based in New York to focus on sales of the new PATH, Bus Terminals and Bridges and Tunnels

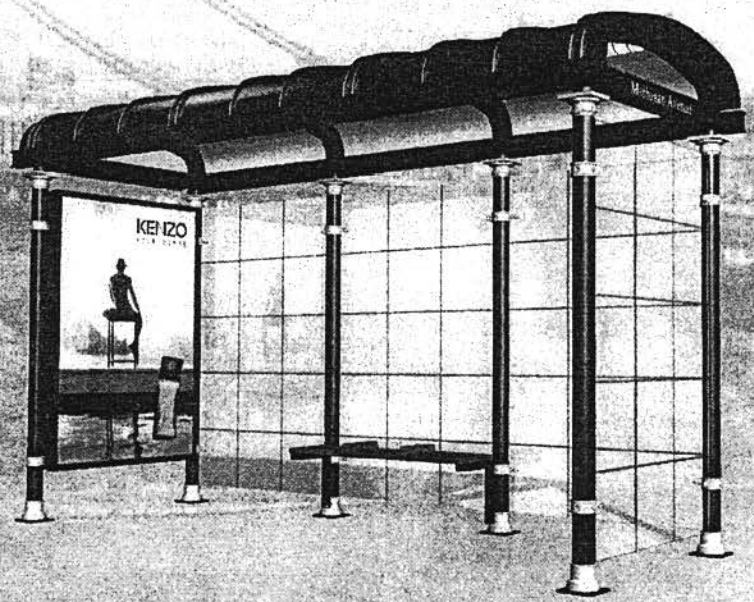
JCDecaux Technical and Field Organization

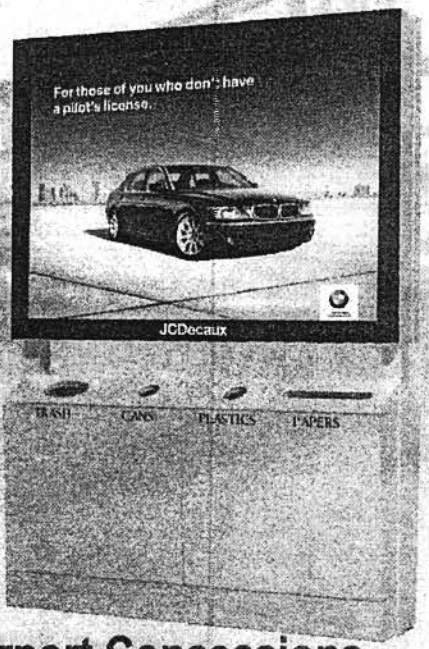


Manufacturing/Industrial Team

MISSION = Design, Engineering, Sourcing Suppliers and Quality Assurance

- Dedicated in-house Team of Engineers and Industrial professionals
- Long term experience in procuring and developing





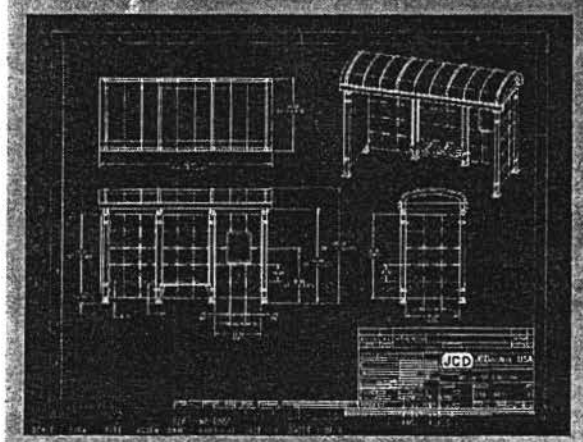
Shopping Malls
5,000 Signs

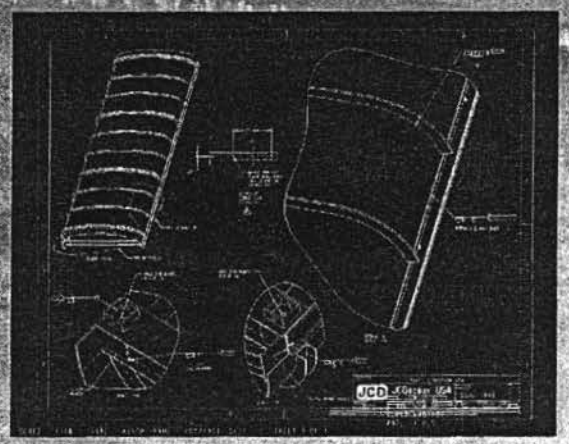
City Contracts
3,000 Units

Airport Concessions
Advertising Fixtures

Manufacturing/Industrial Team

- 15 years of experience in utilizing NYC metro based suppliers
- Based in NJ, current staff will be doubled
- Development of all fabrication drawings
- Coordination of all structural, foundations, and electrical certifications

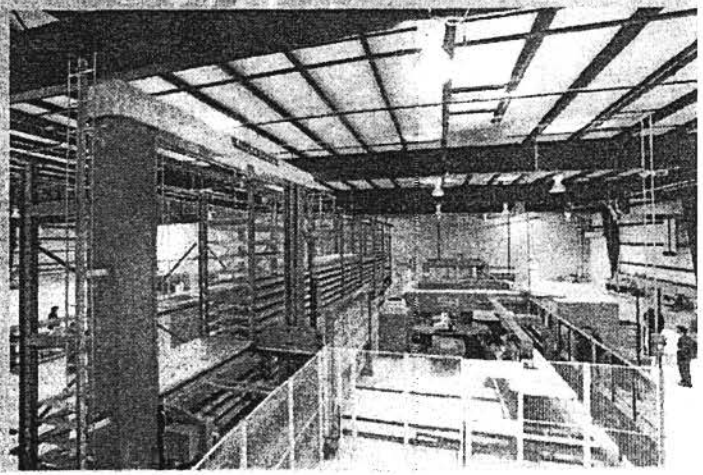




Manufacturing/Industrial Team

Sourcing of all vendors

- Equipment / tooling
- Staff structure / experience
- Financial viability
- MRP and design software
- Safety training and Quality programs
- Trade licenses, Union affiliations and M/WBE certification
- Local manufacturing



Manufacturing/Industrial Team

- Ongoing coordination between the manufacturing schedule and installation schedule approved by the PANYNJ
- Stringent Quality Program of inspections and approvals based upon ISO 9001:2000 standards

BVQi

Certification

JCDecaux S.A.

Saint-Aquilin, 78370 PLAISIR
71-73 rue Claude Bernard, 78310 MAUREPAS
La Clé Saint-Pierre, Route de Chevreuse, 78370 PLAISIR
FRANCE

STANDARD

NF EN ISO 9001 : 2000

DOMAINE D'ACTIVITÉ

CONCEPTION, FABRICATION ET CESSION INTERNE DE MOBILIER URBAIN ET DES PIECES DE MAINTENANCE ASSOCIEES.

DESIGN, MANUFACTURING AND SUPPLY OF STREET FURNITURE AND ASSOCIATED MAINTENANCE PARTS.

CONCEPCIÓN, FABRICACION Y CESION INTERNA DE MOBILIARIO URBANO Y SUS REPUESTOS ASOCIADOS.

CONCEPÇÃO, FABRICAÇÃO E ENTREGA INTERNA DE MOBILIARIO URBANO E DAS PEÇAS DE MANUTENÇÃO ASSOCIADAS.

7 février 2000

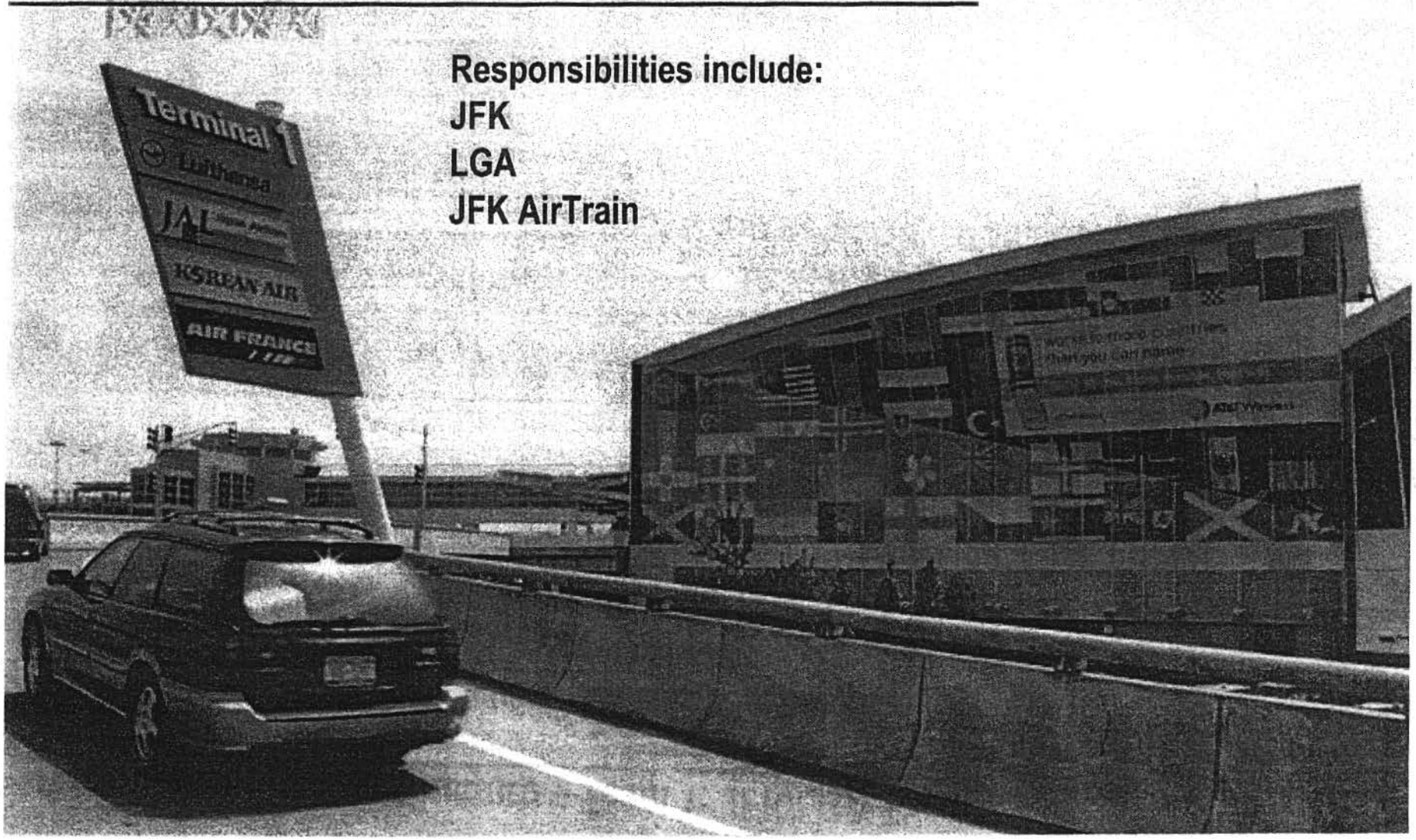
7 février 2006

JCDecaux ISO 9000 certification

Operations/Installation Team

- Coordination and Installation Overview
  - One Project Manager for each property, reporting to the Project Director
  - The PM's and PD will coordinate with the Port Authority all site surveys, site approvals, and permit / TAA submittals
  - Licensed, union contractors (including M/WBE certified) will be used to complete all site preparation, electrical and installation work
  - We intent to exceed the M/WBE participation goals
  - Construction management and scheduling is done by JCDecaux in coordination with the Port Authority and appropriate agencies
  - Final site inspection and acceptance is completed by JCDecaux and Port Authority inspectors for all units upon installation

Operational Staffing Structure – Team 1: JFK/LGA Team



Responsibilities include:

JFK

LGA

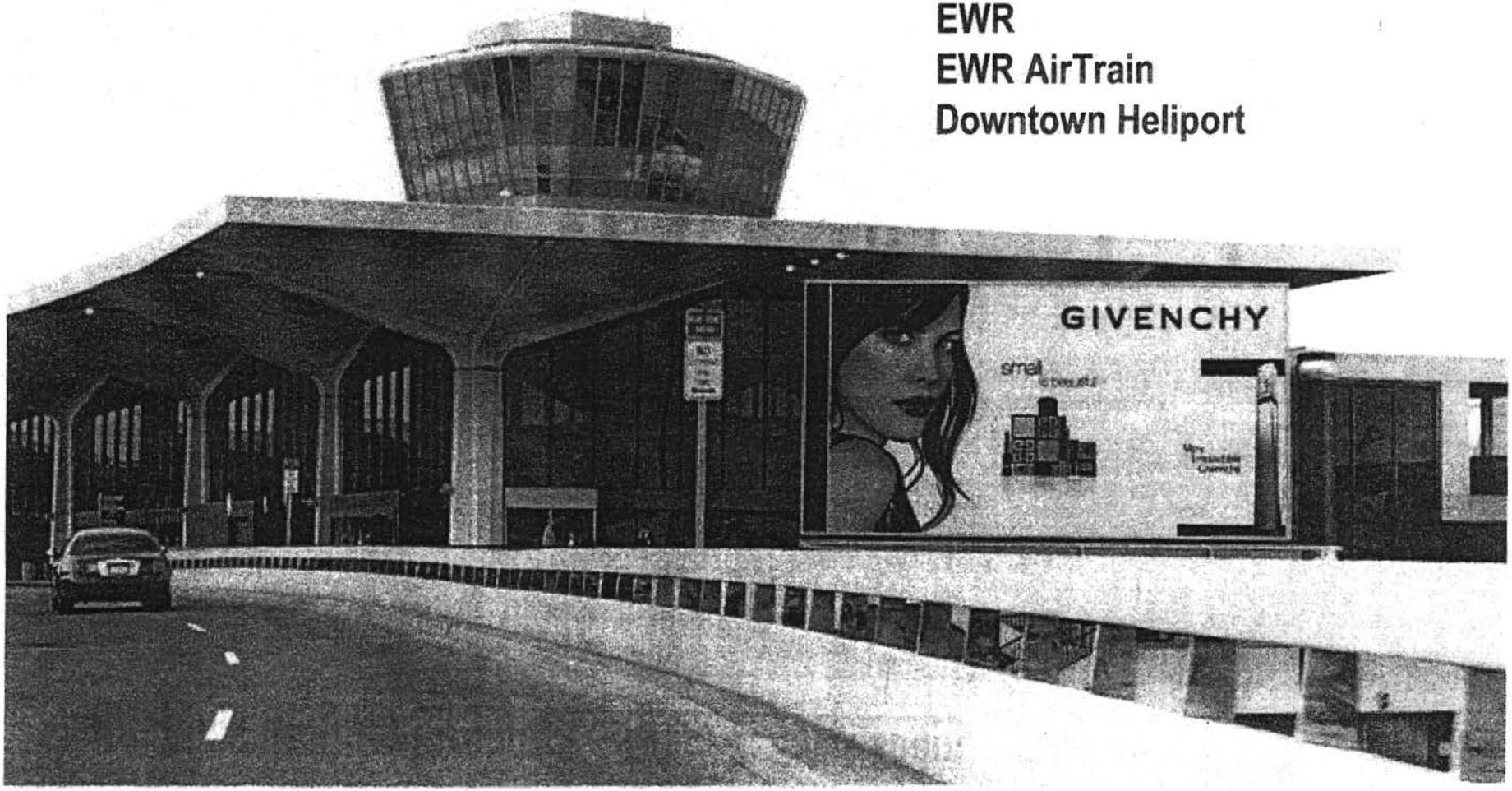
JFK AirTrain

Operational Staffing Structure – Team 1: JFK/LGA Team

Specific Supervisor, Technicians, vehicles & warehouse
Maintenance Technicians belong to local 137
Experienced and knowledgeable staff

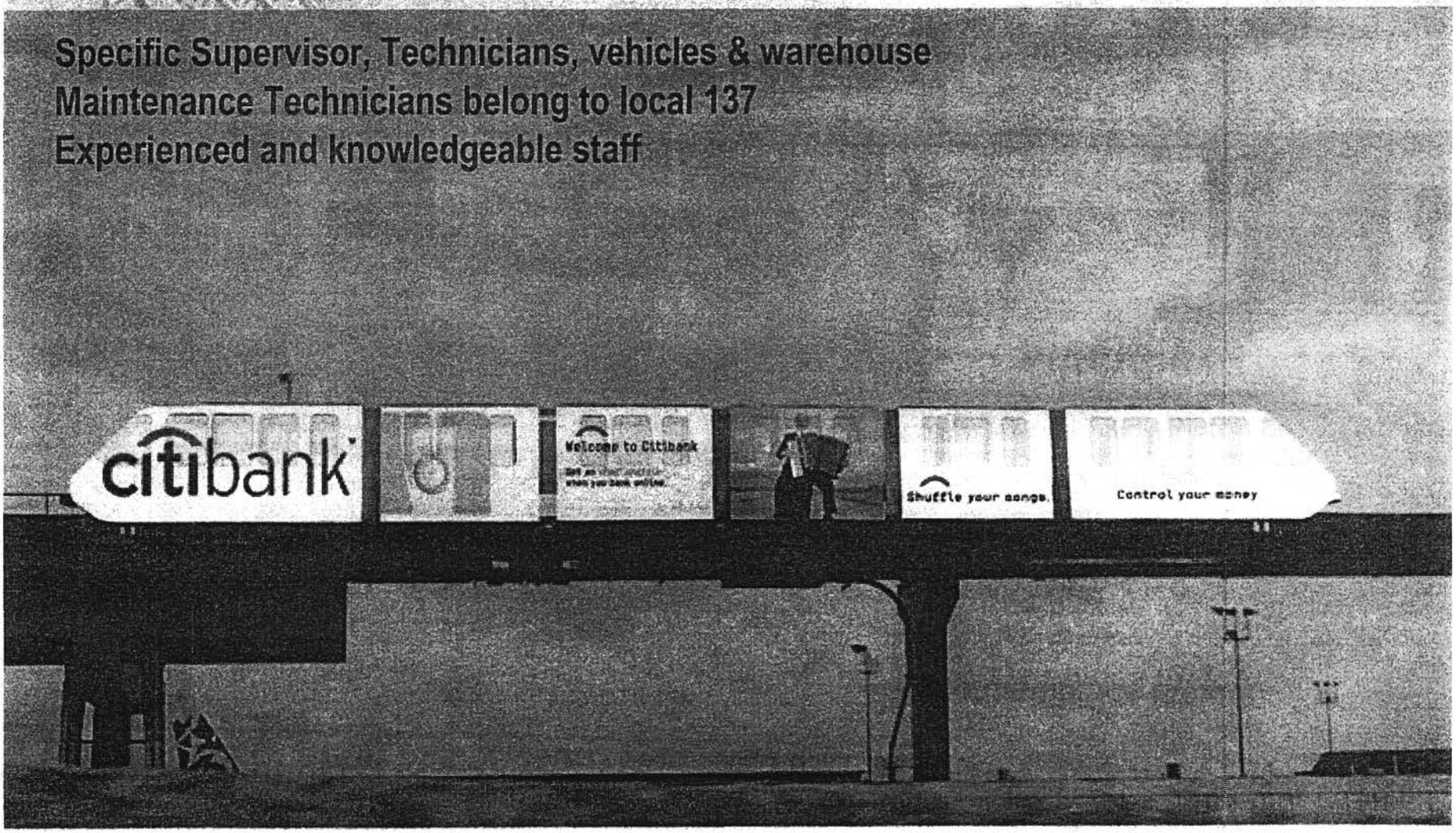
Operational Staffing Structure – Team 2: EWR Team

Responsibilities include:
EWR
EWR AirTrain
Downtown Heliport



Operational Staffing Structure – Team 2: EWR Team

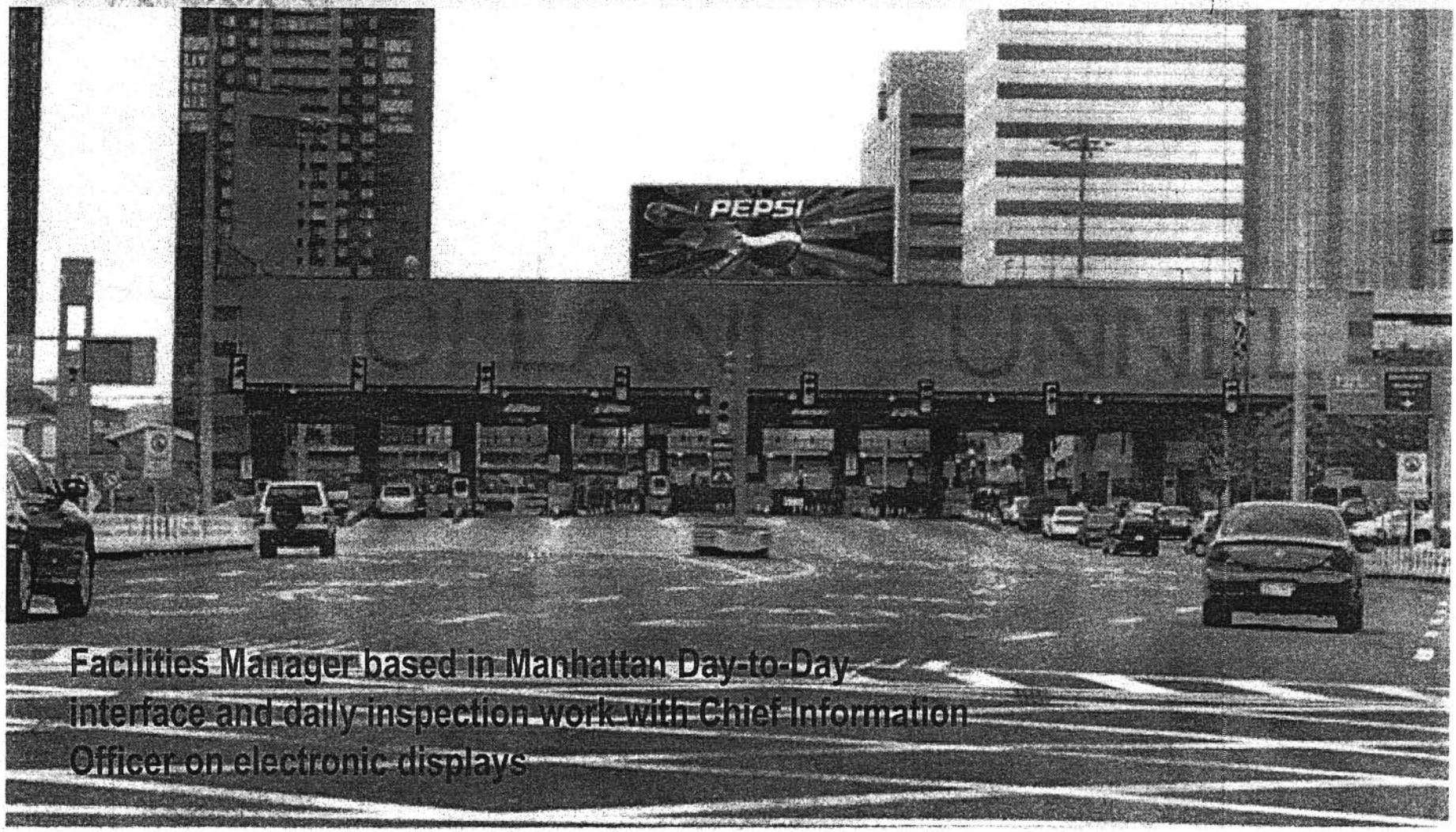
Specific Supervisor, Technicians, vehicles & warehouse
Maintenance Technicians belong to local 137
Experienced and knowledgeable staff



Operational Staffing Structure – PATH and Bus Terminal

Facilities Manager based in Manhattan
Close proximity and easy access to facilities
Support from NJ Operations Team

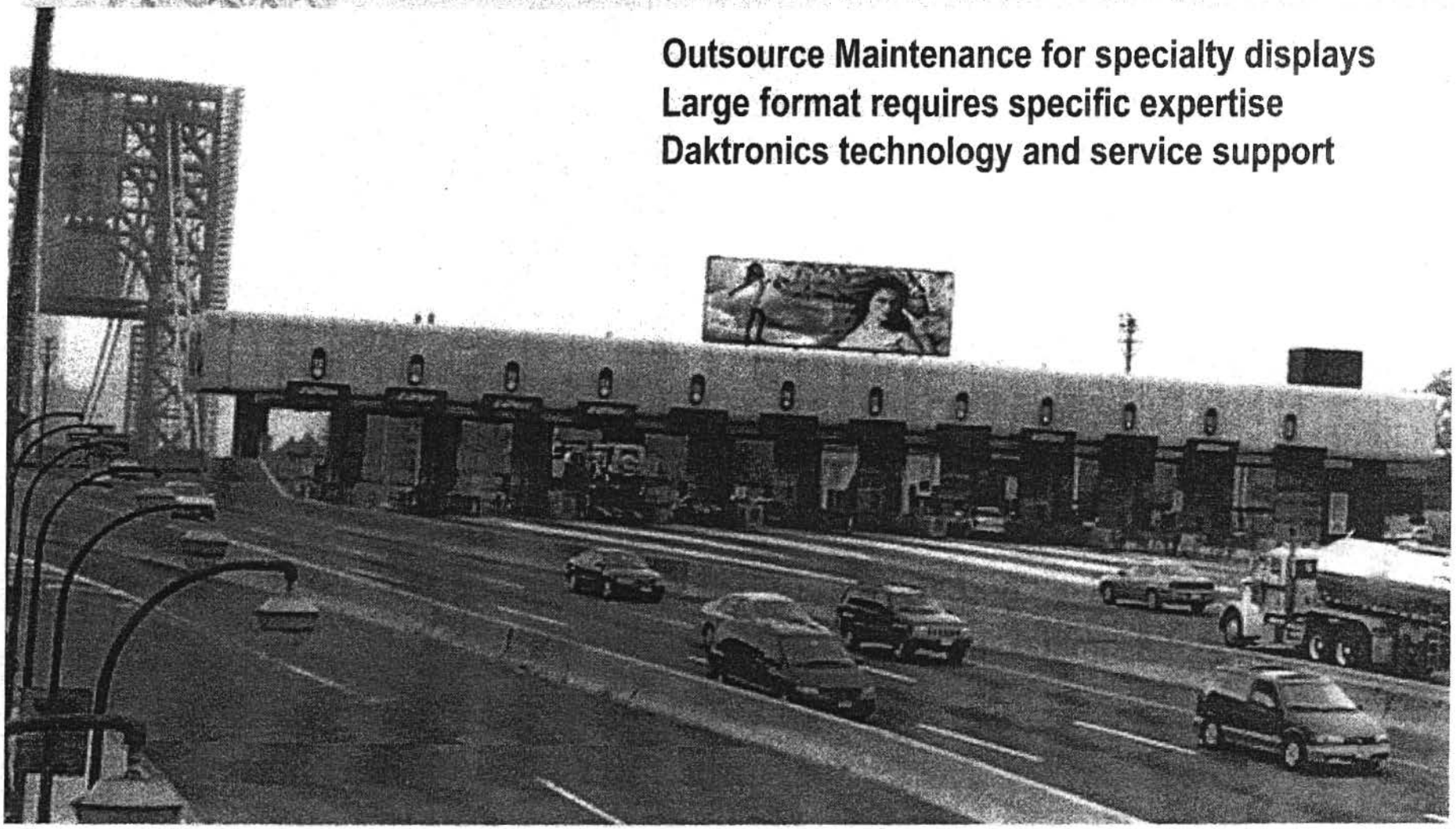
Operational Staffing Structure – Bridges and Tunnels



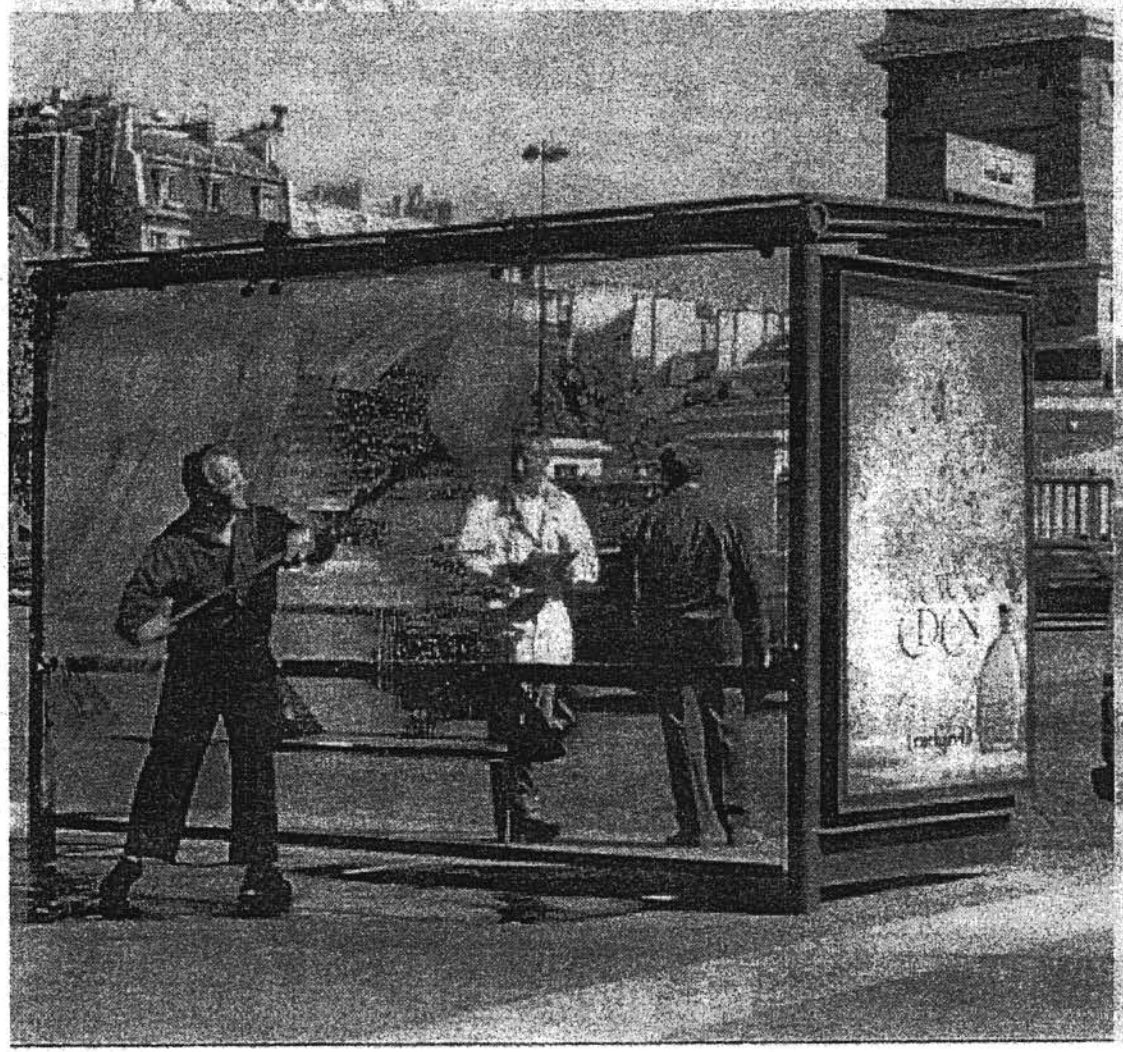
Facilities Manager based in Manhattan Day-to-Day interface and daily inspection work with Chief Information Officer on electronic displays

Operational Staffing Structure – Bridges and Tunnels

Outsource Maintenance for specialty displays
Large format requires specific expertise
Daktronics technology and service support



Operations/Maintenance Team



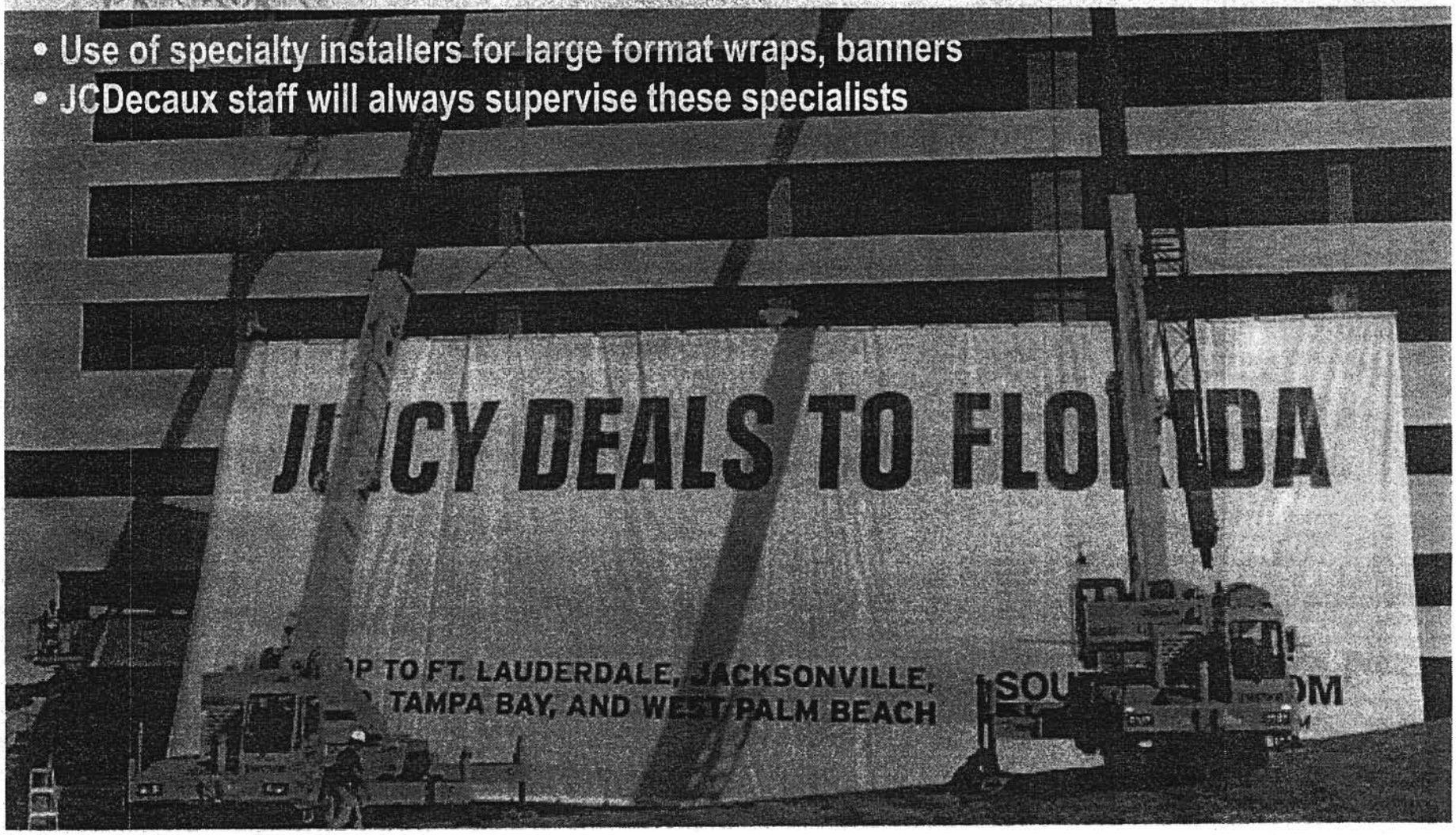
- Fully dedicated New York-based operations team
- Staff in place now with experience and dedication to our existing New York/ New Jersey Operations
- Employees provided with 24-hour communications to the appropriate supervisors and managers

Operations/Maintenance Team

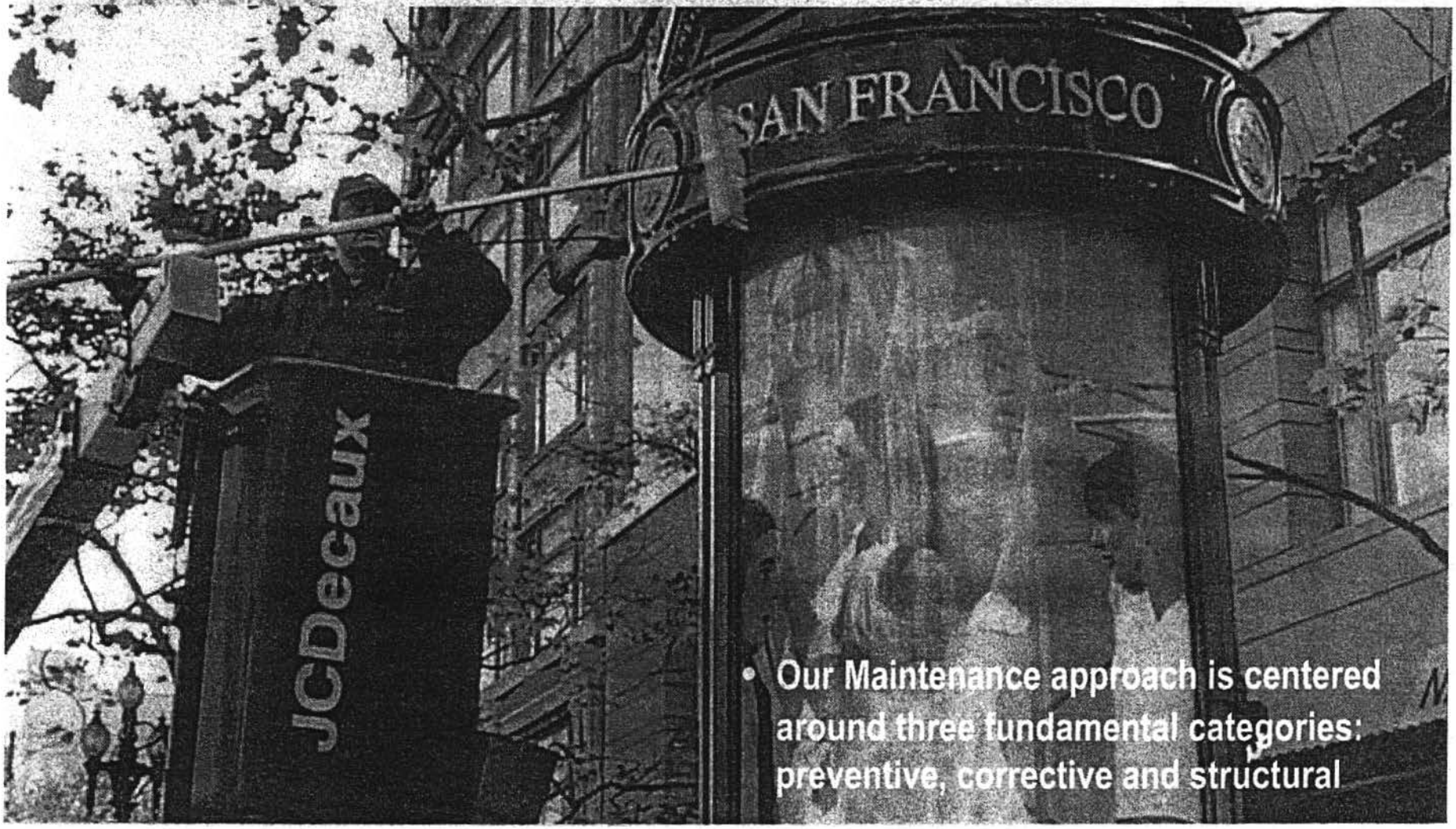
- Maintenance Technicians provided with attractive uniforms, quality tools and safety equipment, well-maintained vehicles
- Fully trained in repairs, maintenance and ad panel posting

Operations/Maintenance Team

- Use of specialty installers for large format wraps, banners
- JCDecaux staff will always supervise these specialists



Operations/Maintenance Team



- Our Maintenance approach is centered around three fundamental categories: preventive, corrective and structural

Operations/Maintenance Team

The Fundamental 3-Step Approach

- Preventive: pro-activeness ensuring displays are serviced before problems occur
- Corrective: quick-time response to normal maintenance needs
- Structural: systematic inspections for highest quality presentation

Operations/Maintenance Team

The Fundamental 3-Step Approach:
Preventive, Corrective & Structural

Our comprehensive maintenance program enables JCDecaux to consistently deliver a world-class product delivering value to our advertising clients and increased revenue to the Port Authority

Question 12

The new technologies you point to in your proposal sound interesting. Please provide more detail on their current use, experience and development plans for all Port Authority Facilities.

Prestige Digital Network

Description:

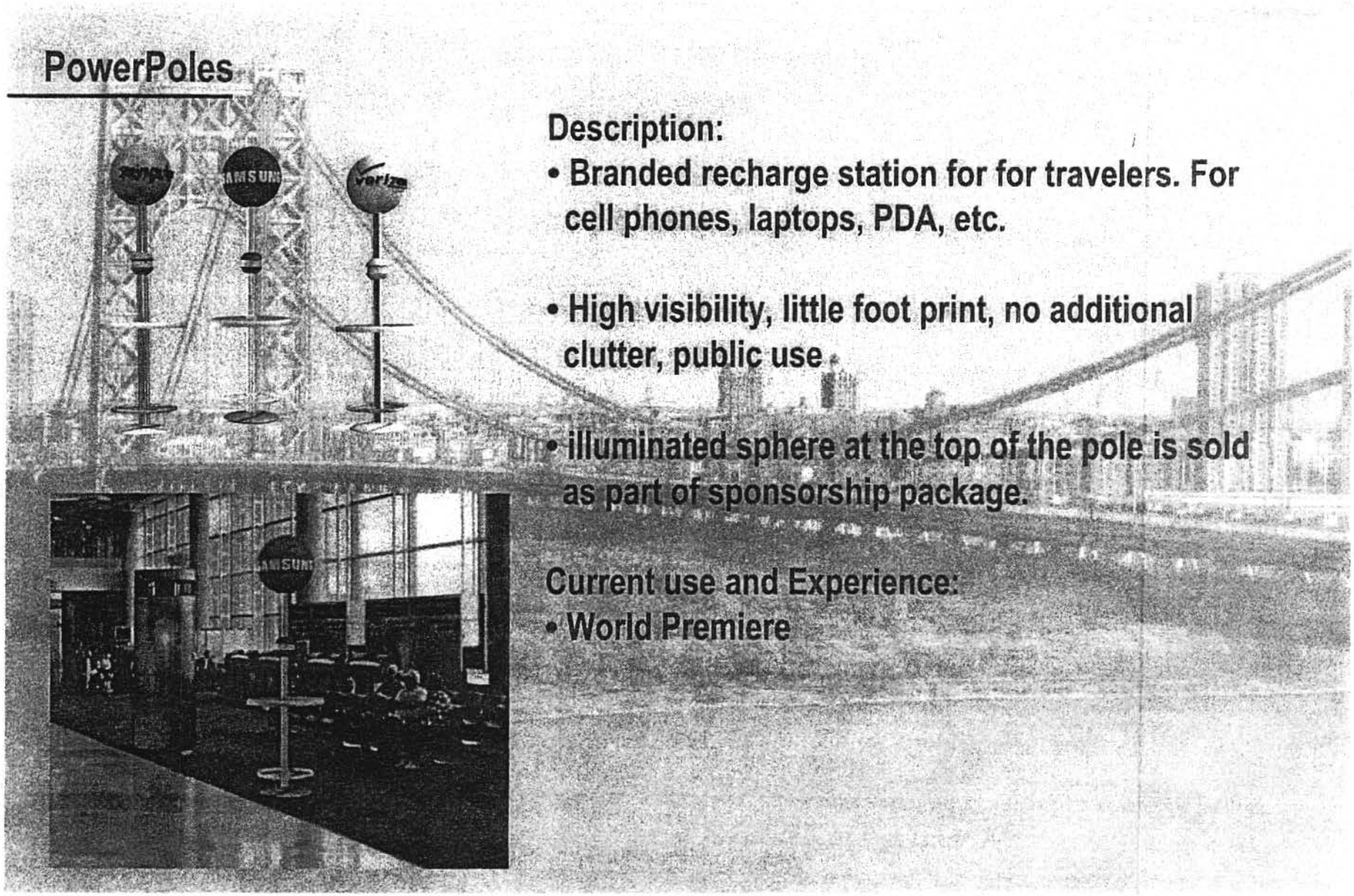
- 2 back-to-back state-of-the-art 57" LCD flat screens on an Airport Amenity Unit silver-metallic base
- Samsung (LTA570H1) coming out in production in September 2005
- Content is played using a proprietary narrowcasting system called SAMS running on a PC housed in the base. Units are networked together and connected to our data center. SAMS includes scheduling, distribution, playback and monitoring functions
- Content will be played in full HD (1920x1080)
- 65 Units (130 screens) across all 3 airports

Prestige Digital Network

Current use and Experience:

- New products
- SAMS is used for AEO, 150 screens in Paris Airports
- JCDecaux developed a different product for John Wayne Airport in Orange County using the same electronics.
- 10 screens in JFK T1 arrival linked to FIDS system

PowerPoles



Description:

- Branded recharge station for for travelers. For cell phones, laptops, PDA, etc.
- High visibility, little foot print, no additional clutter, public use
- illuminated sphere at the top of the pole is sold as part of sponsorship package.

Current use and Experience:

- World Premiere

AAU – iPod Station

Description:

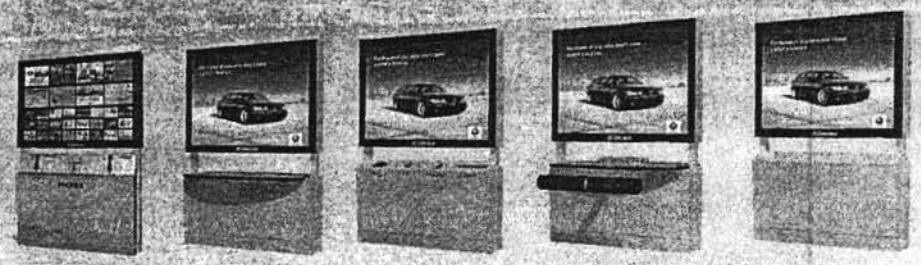
- Airport Amenity Units have many functional base alternatives with double sided backlit dioramas at the top, one side scrolling and one side static
- Versatile base: electric plug-ins for laptops, newspaper dispenser, recycling containers, coffee table with litter bins or the iPod Station
- iPod Station is developed in coordination with Apple computer who provides the software and music store

AAU – iPod Station

- The unit hosts a computer connected to the internet, touch screen and iPod docking stations
- JCDecaux will inspect the system daily

Current use and Experience:

- World Premiere



LightBags

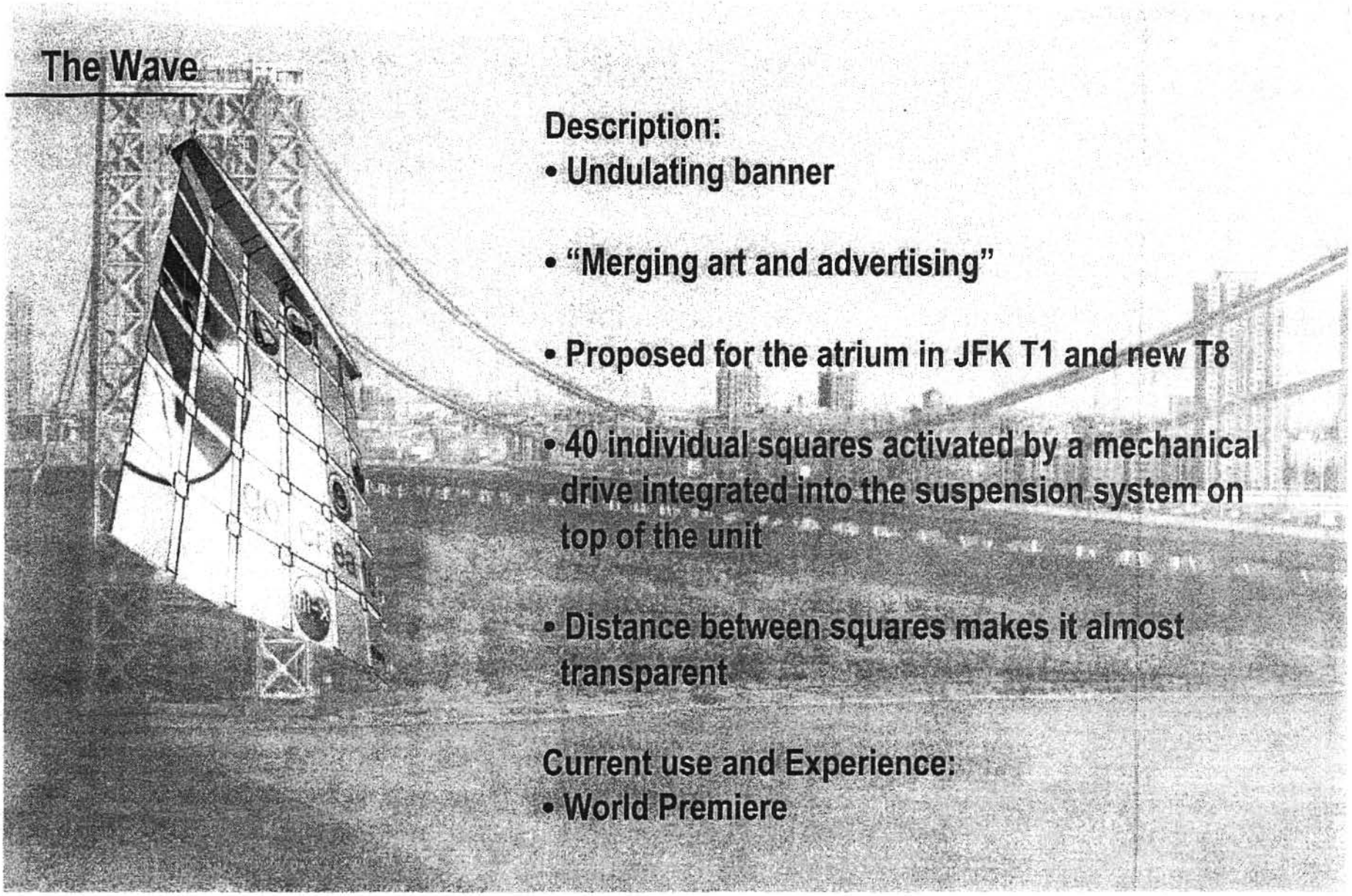
Description:

- Internally lit translucent suitcase
- Advertising copy is printed on 3M vinyl mounted on both sides and the shell can be painted with matching color
- Placed on baggage carousels

Current use and Experience:

- Frankfurt, Germany
- Seattle-Tacoma International Airport

The Wave



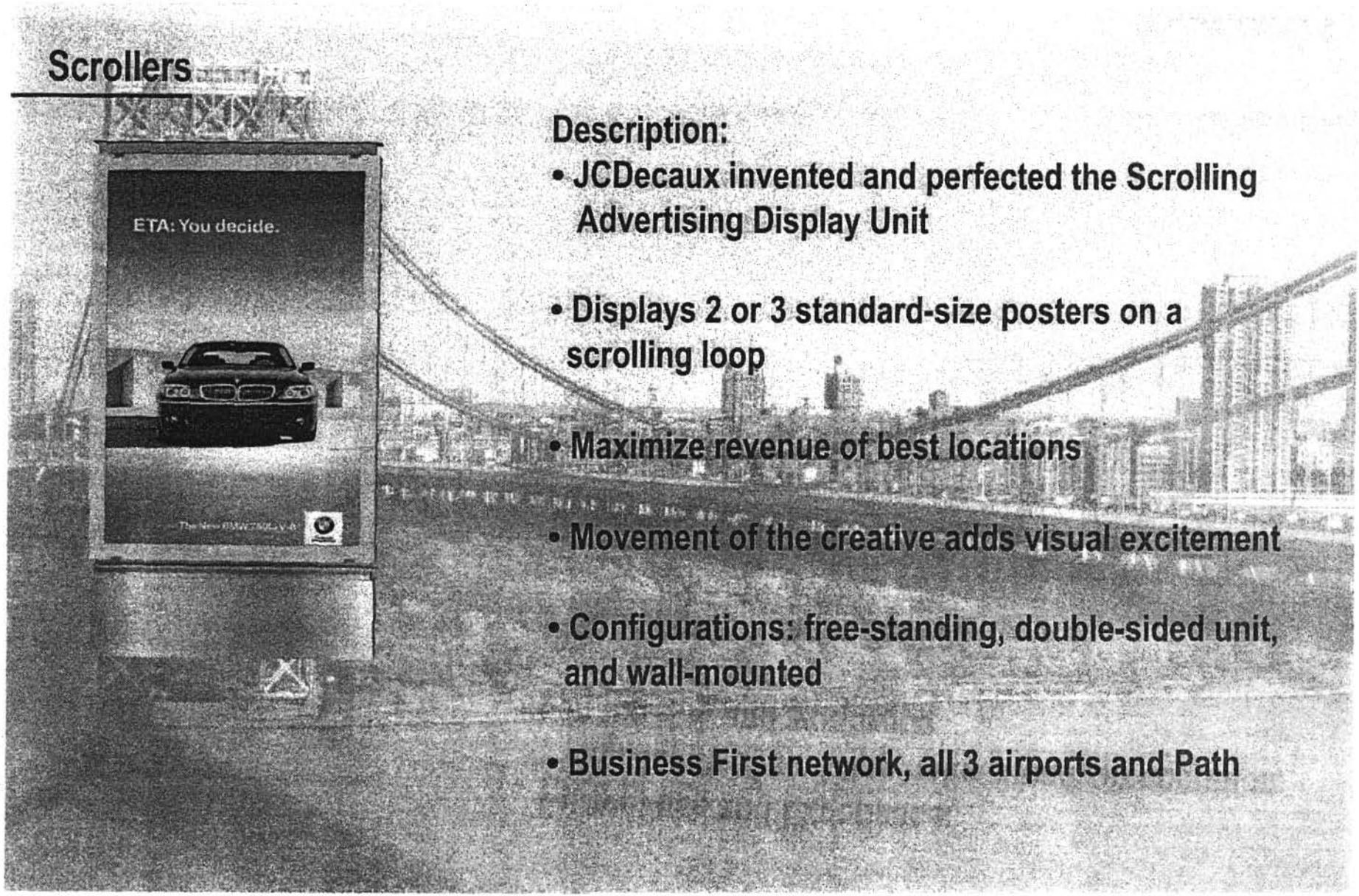
Description:

- Undulating banner
- "Merging art and advertising"
- Proposed for the atrium in JFK T1 and new T8
- 40 individual squares activated by a mechanical drive integrated into the suspension system on top of the unit
- Distance between squares makes it almost transparent

Current use and Experience:

- World Premiere

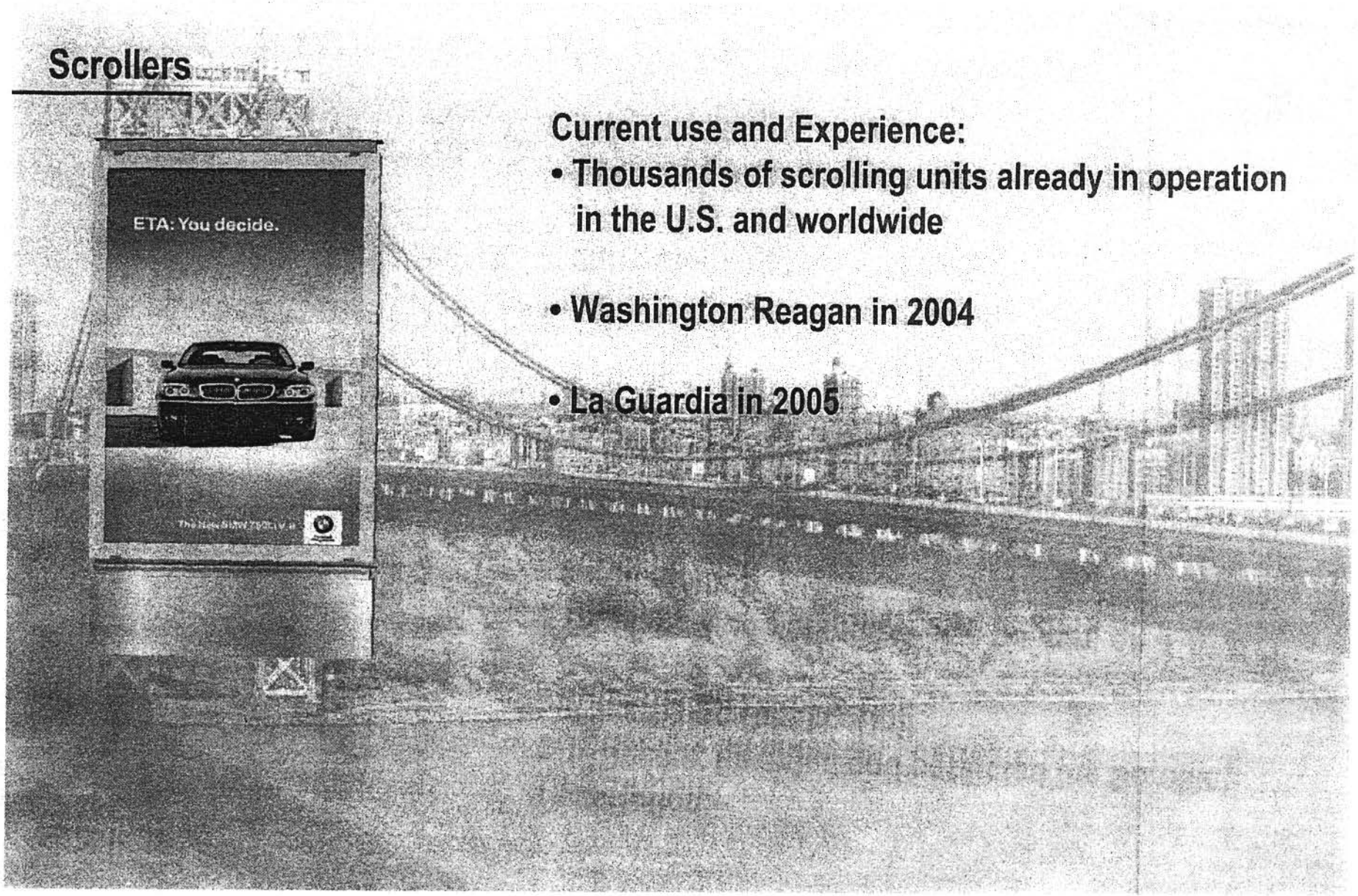
Scrollers



Description:

- JCDecaux invented and perfected the Scrolling Advertising Display Unit
- Displays 2 or 3 standard-size posters on a scrolling loop
- Maximize revenue of best locations
- Movement of the creative adds visual excitement
- Configurations: free-standing, double-sided unit, and wall-mounted
- Business First network, all 3 airports and Path

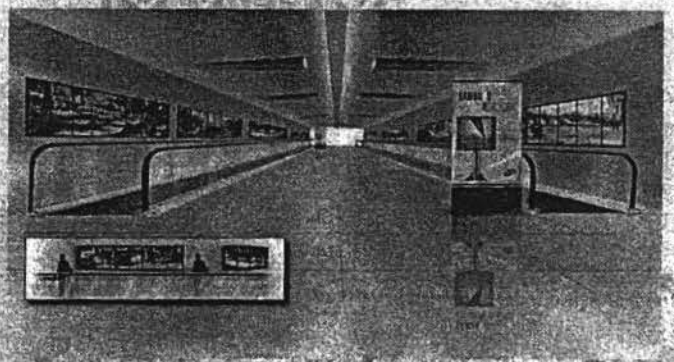
Scrollers



Current use and Experience:

- Thousands of scrolling units already in operation in the U.S. and worldwide
- Washington Reagan in 2004
- La Guardia in 2005

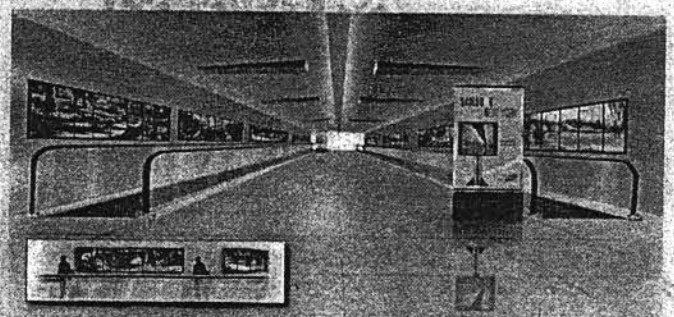
Electronic Art Tunnel



Description:

- Dynamic and entertaining experience for the passengers of JFK T8 AA connecting to concourse CC
- Eight banners of each eight 40" LCD displays tiled together in portrait mode creating a 3'X16' video wall with an extremely high resolution of 8 million pixels
- Clarity Bobcat LCD 1366x768 (16x9)
- Potential playback system: C-nario Messenger
- Unique sound source synchronized with video content and connected to PA systems

Electronic Art Tunnel



- Content will be designed by a world-renowned artist commissioned by the New York Public Art Foundation and then produced by a local graphic agency

- JCDecaux will operate and maintain the system

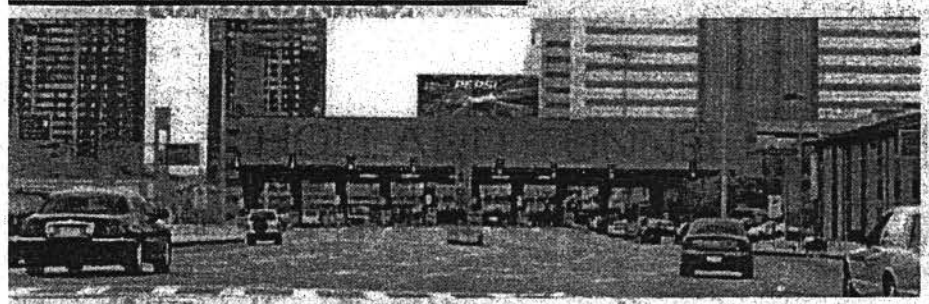
Current use and Experience:

- Unique concept & setup!

Giant Digital Displays

- Tollbooths at NJ entrances to the Washington Bridge, Lincoln Tunnel and Holland Tunnel
- Bulleting Size LED panel (13'x40')
- Loop of up to 6 spots of 10s. Plus 10% for the port and emergency response messaging
- Daktronics Pro Star Video Plus (PS-23m 60x512)
- Content is played using a proprietary narrowcasting system called SAMS. The screen is networked to our data center
  SAMS includes scheduling, distribution, playback and monitoring functions
- Daktronics Platinum Plus service will provide a 4-hour response time. JCDecaux staff will do daily visual inspection and the system will be monitored 24/7

Giant Digital Displays



Current use and Experience:

- JCDecaux operates LED screens in Europe and Asia
- SAMS is used in John Wayne Airport in Orange County and for AEO: 150 screens in Paris Airports
- Daktronics is a worldwide industry leader with installations in 70 countries

Question 13

Your company is offering a lower percentage on the new technology: the "Electronic Art System" and "Prestige Digital Network" Please explain why this is proposed at 25%? Where is this new technology presently in use, in locations relevant to the RFP? What are the projected gross receipts from these items?

Answer 13

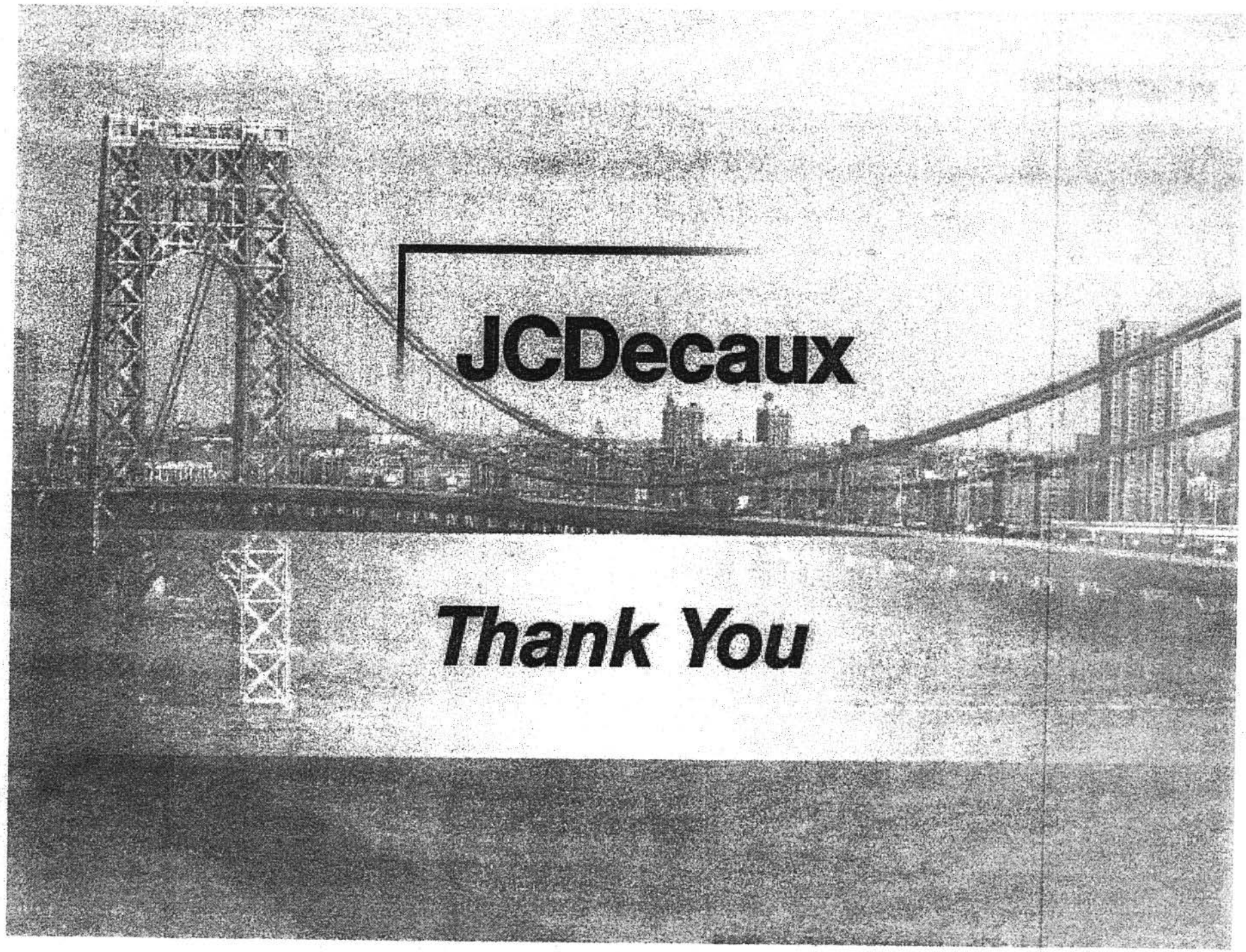
	% Fee Payable to the Port
Existing Digital program at JFK T1	15%
The Delta Digital program at JFK T2 & T3, LaGuardia & Newark	15%
Electronic Art System	25%
Prestige Digital Network	25%

Answer 13

Why a lower % Fee on New Technologies

	Capital Investment	Revenue Expectations
Electronic Art System:	$1.5 Million (excluding artist fees)	$500,000
Prestige Digital Network:	$3.25 Million	$1.74 Million

Question 8 details where this new technology is presently in use


JCDecaux
Thank You

JCDecaux

Submitted to:
The Port Authority of NY & NJ
Purchasing Services Division
Attn: T.J. Storch
One Madison Avenue, 7th Floor
New York, NY 10010

Submitted by:
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

Contact Name:
Bernard Parisot, co-CEO
Jean-Luc Decaux, co-CEO
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Bernard.Parisot@jcdecauxna.com
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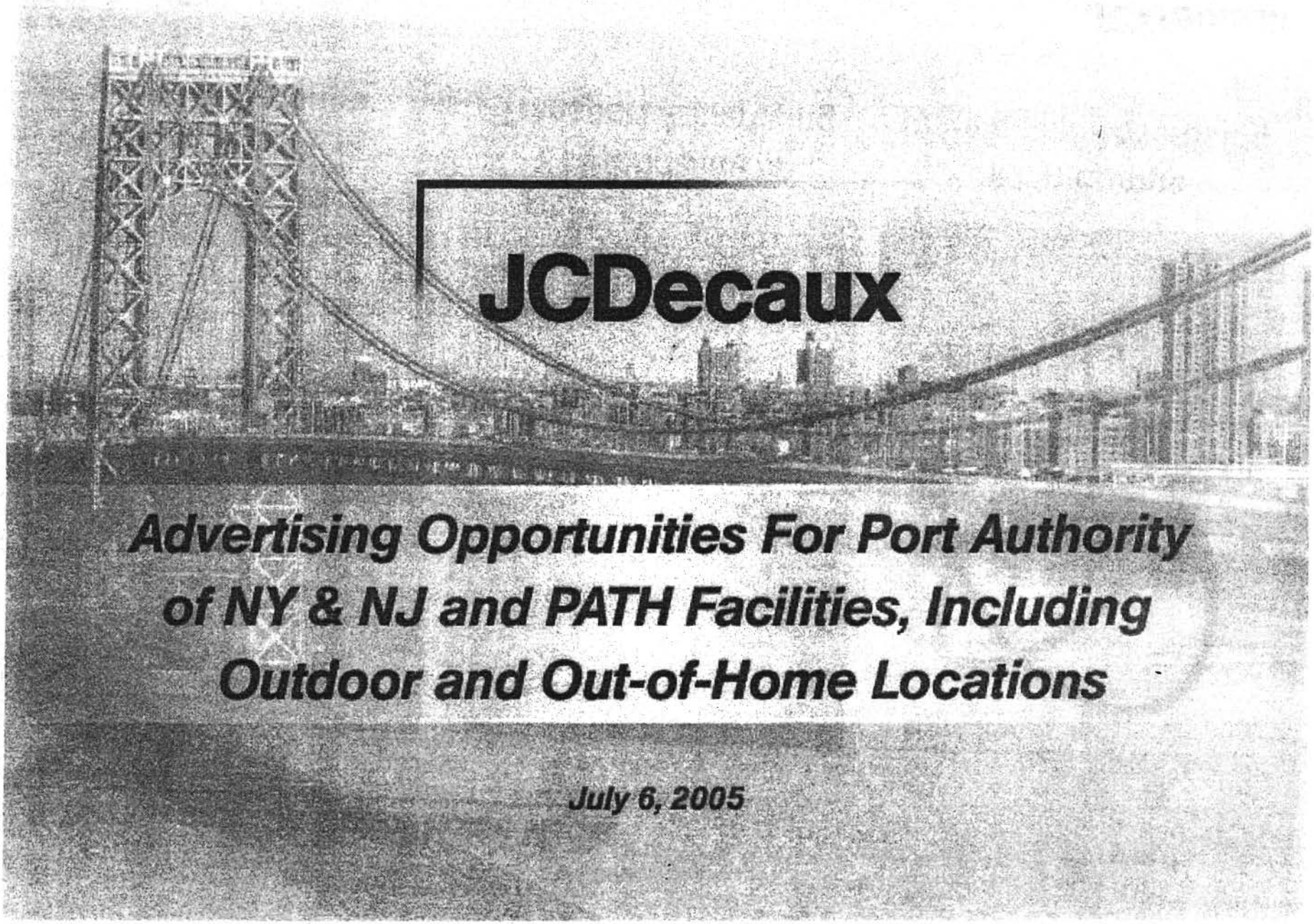
July 6, 2005

Advertising Opportunities For Port Authority of NY & NJ and Path Facilities, Including Outdoor and Out-Of-Home Locations (RFP #0000007920)

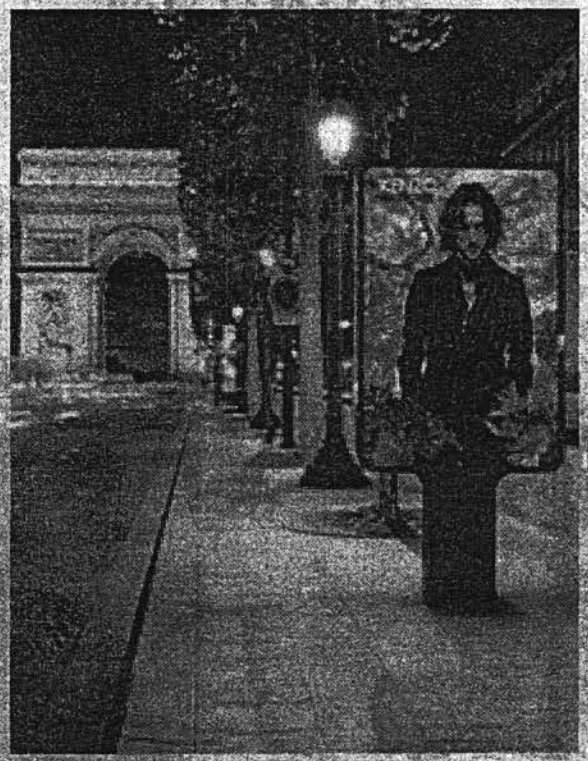
Volume II

Question and Answer Presentation

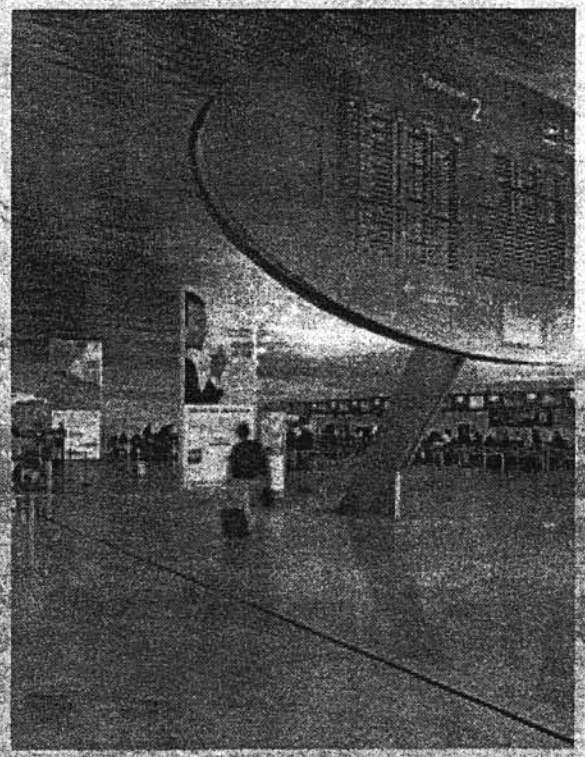
THE PORT AUTHORITY OF NY & NJ


JCDecaux
Advertising Opportunities For Port Authority of NY & NJ and PATH Facilities, Including Outdoor and Out-of-Home Locations
July 6, 2005

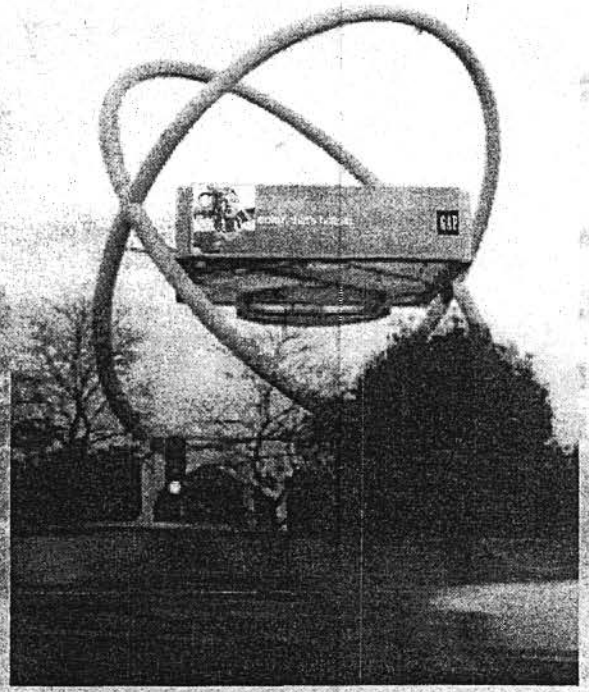
A World Leader in Out-of-Home Media



#1 Worldwide in Street Furniture Advertising

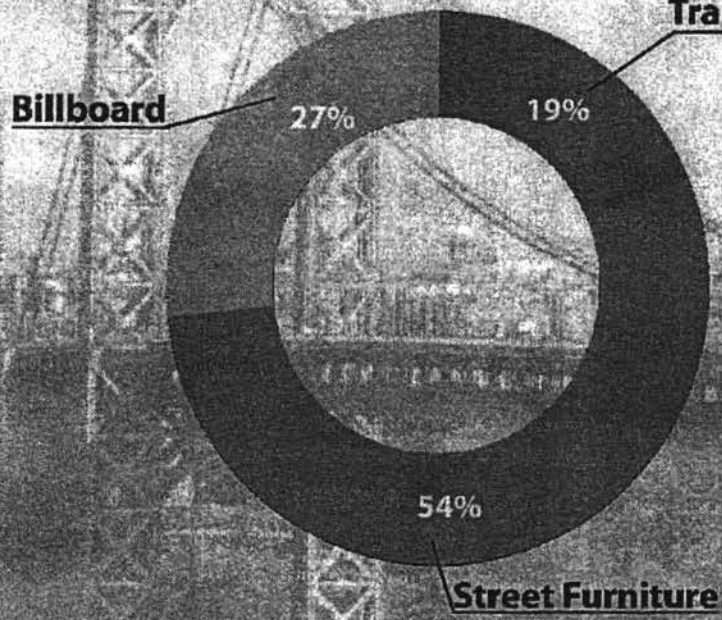


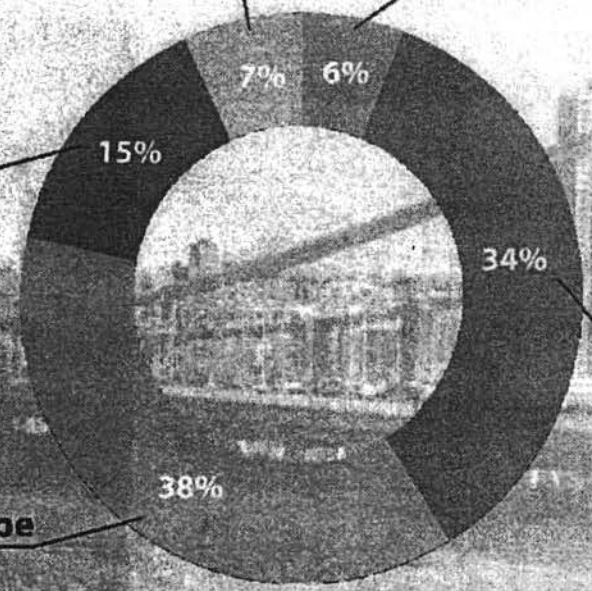
#1 Worldwide in Transport Advertising



#1 in Europe in Billboard Advertising

A World Leader in Out-of-Home Media

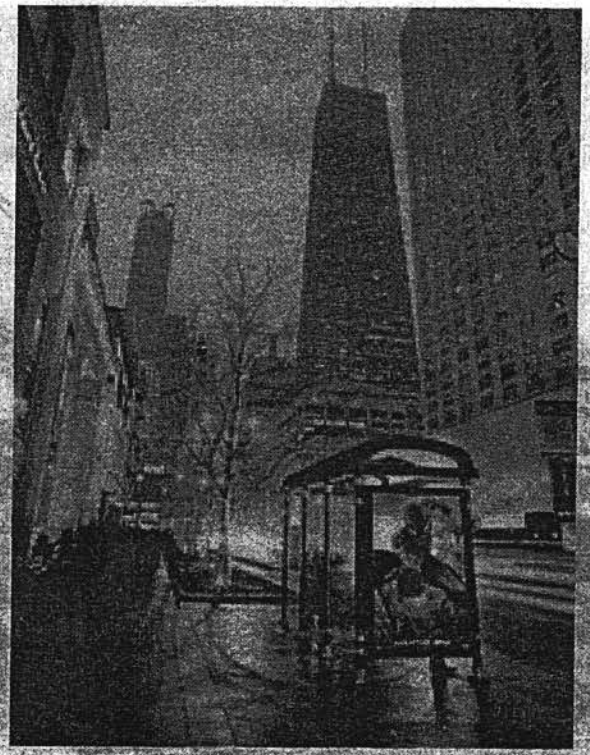




2004 Revenue $2.1 Billion

Leader in Airport, Malls & Street Furniture in America

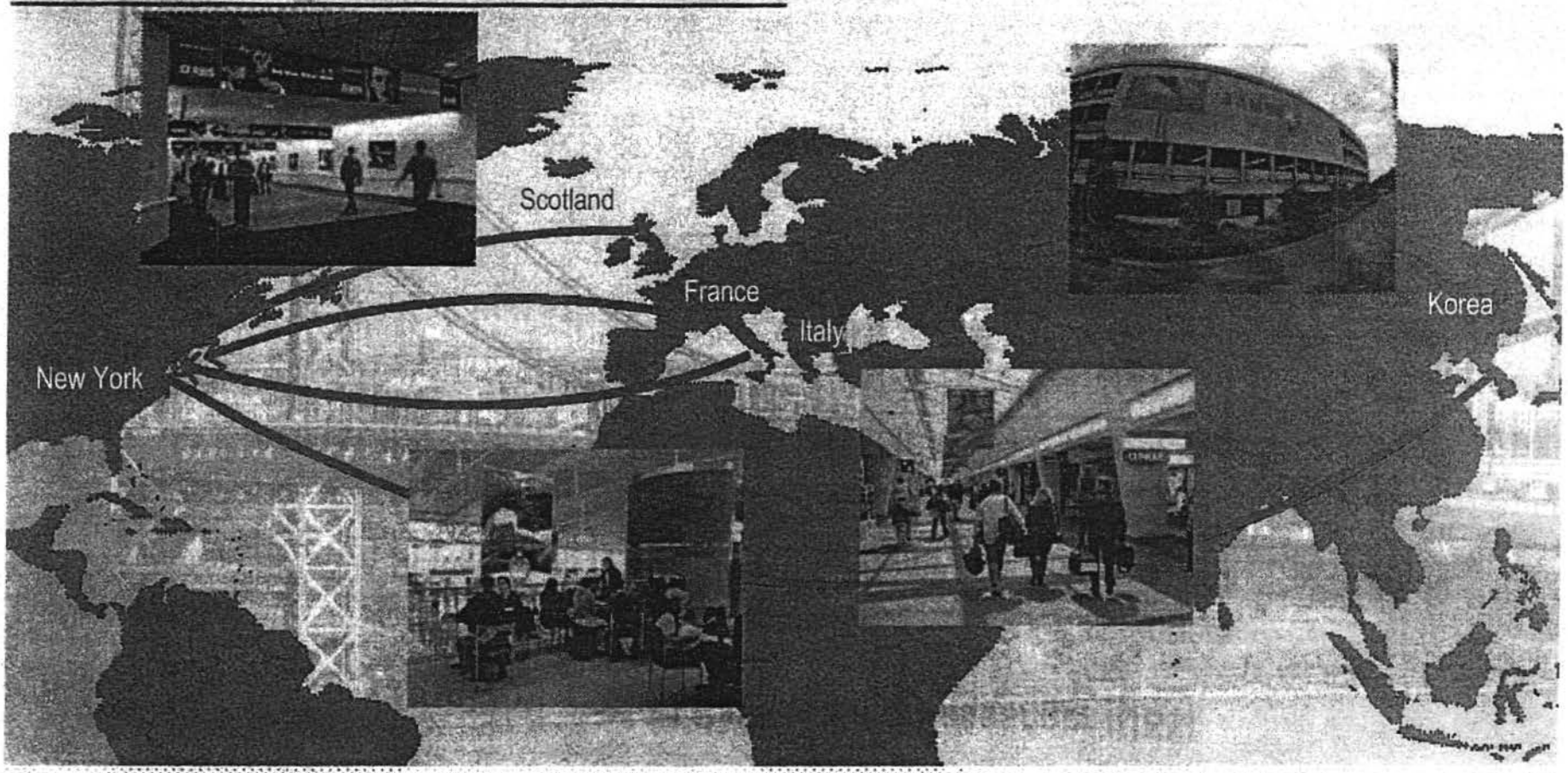
99 Shopping Malls



4 out of 6 top U.S. Cities

37 Airports

Commitment to Excellence & Innovation



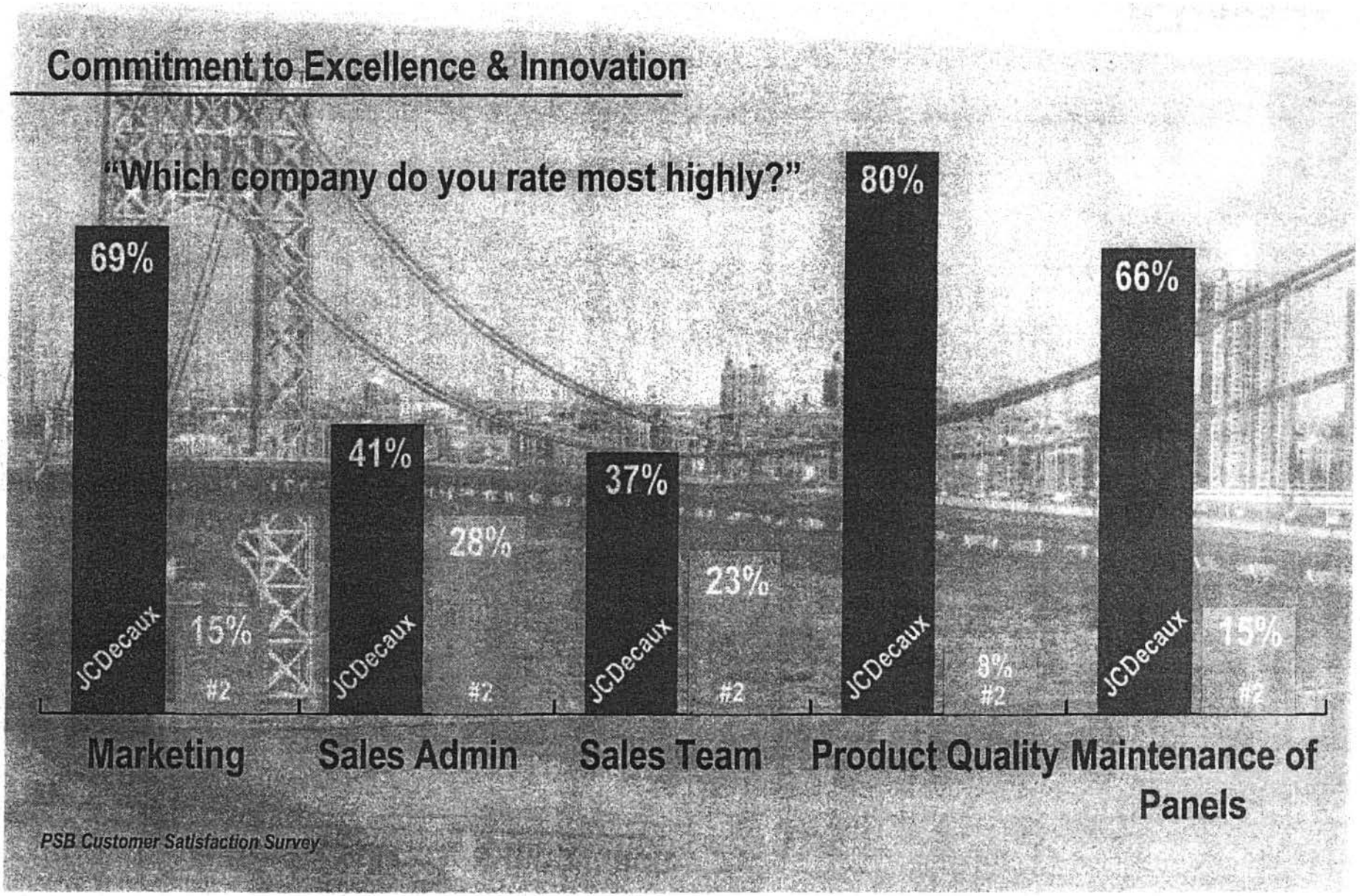
Cross Fertilization of Ideas & Use of Worldwide Sales Network

Commitment to Excellence & Innovation

2004 Top U.S. Airport Revenue Per Passenger (US$)

Airport	Revenue	Passengers	R.P.P.
New York John F. Kennedy (JCD)	$16,000,000	37,362,000	$0.42
New York LaGuardia (JCD)	$7,000,000	24,359,000	$0.29
San Jose International (JCD)	$3,000,000	10,700,000	$0.28
Newark Liberty (CC)	$8,600,000	31,847,000	$0.27
Washington National (JCD)	$3,000,000	16,043,000	$0.19

Commitment to Excellence & Innovation



PSB Customer Satisfaction Survey

Commitment to Excellence & Innovation

The Port Authority of NY & NJ

Commitment to Excellence & Innovation

2004 First Airport Advertising Upfront at JFK Terminal 4

JCDecaux

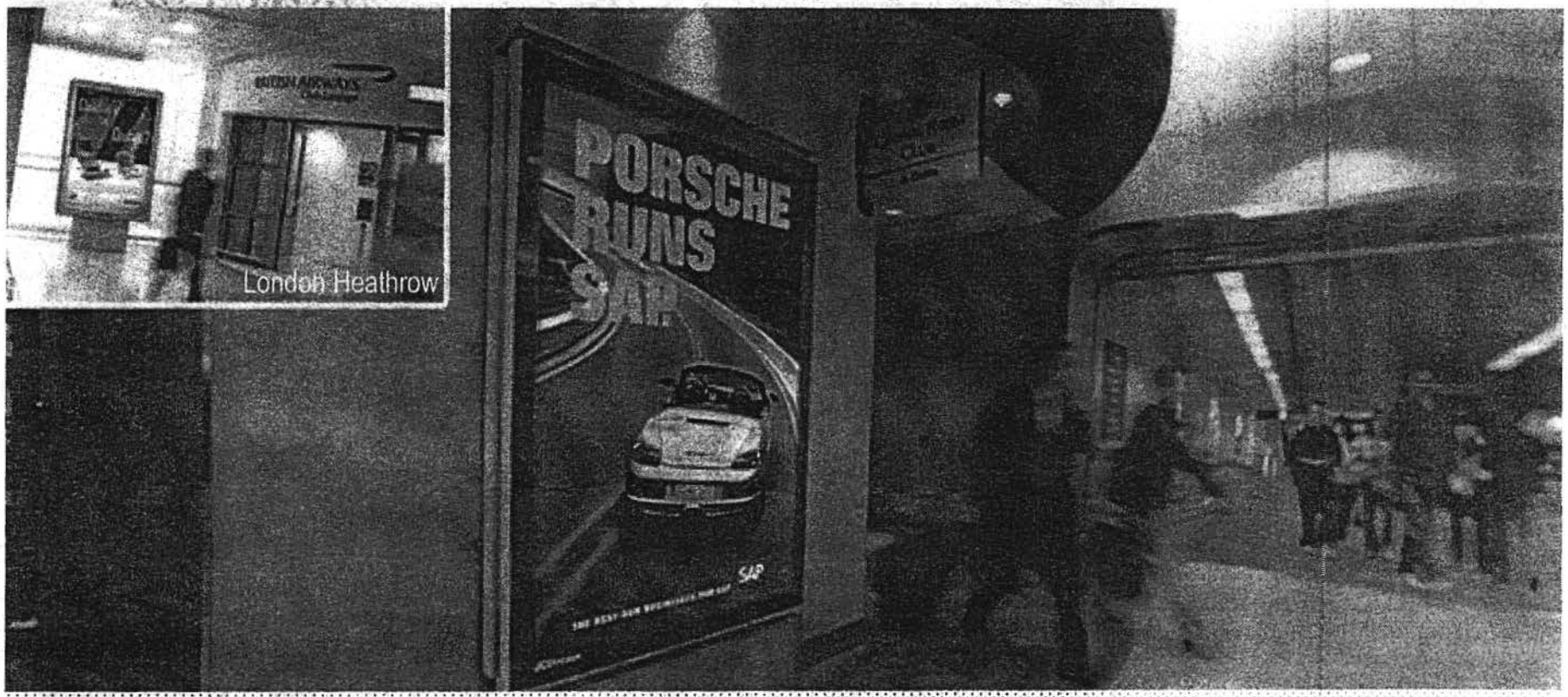
Commitment to Excellence & Innovation

Integrated Communication – Brand Experience

Commitment to Excellence & Innovation

Integrated Communication – Brand Experience

Commitment to Excellence & Innovation



Business First Network – Washington D.C. Airports Revenue Increased By 37% in 2004

Commitment to Excellence & Innovation

Frankfurt

JFK Terminal 7

JetBridges Sponsorship

Commitment to Excellence & Innovation

Paris Charles de Gaule Airport

Lisbon Airport

John F. Kennedy Airport

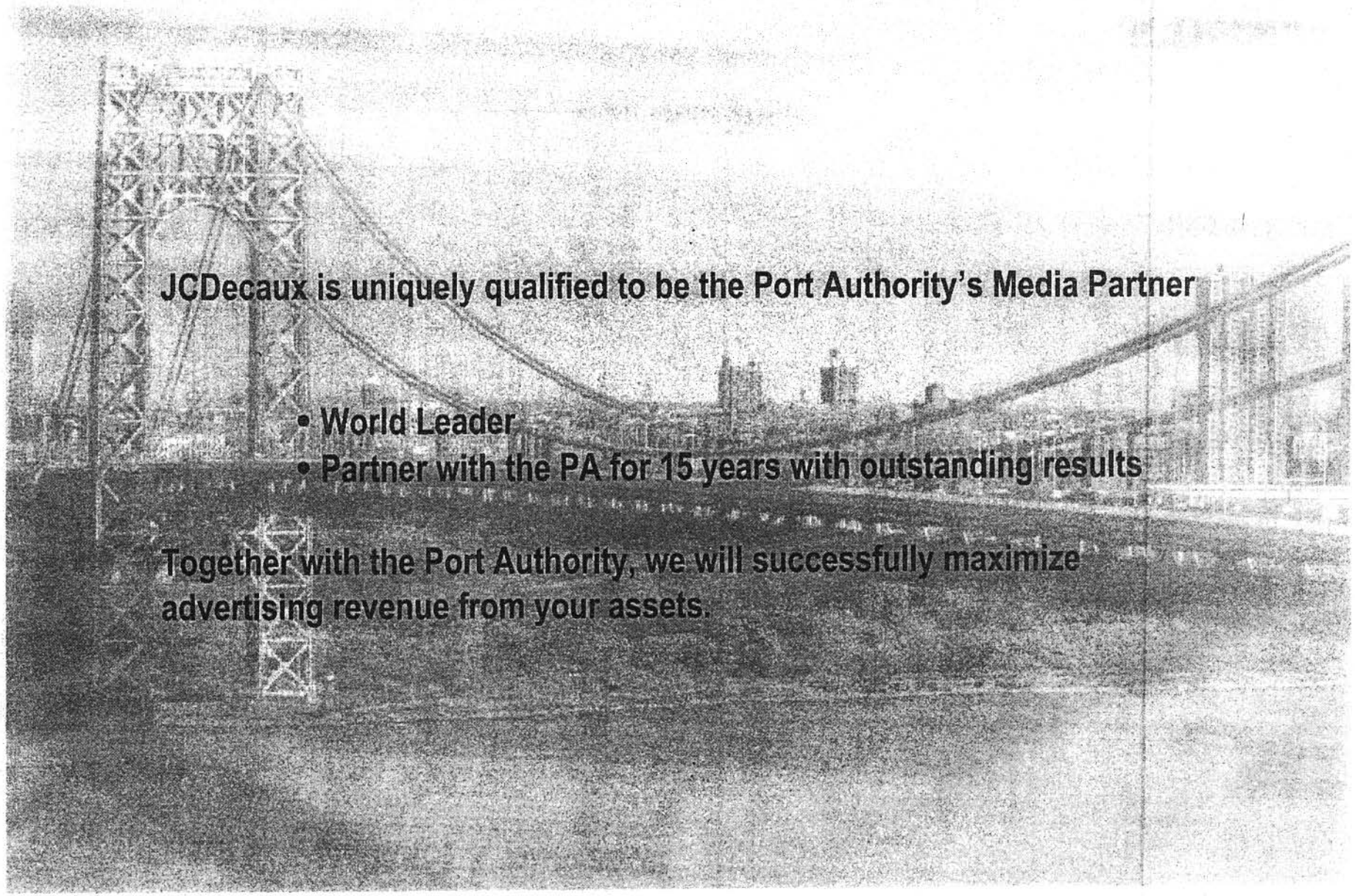
3 Dimensional Exterior

Commitment to Excellence & Innovation

Heathrow Express

AirTrain Wrap

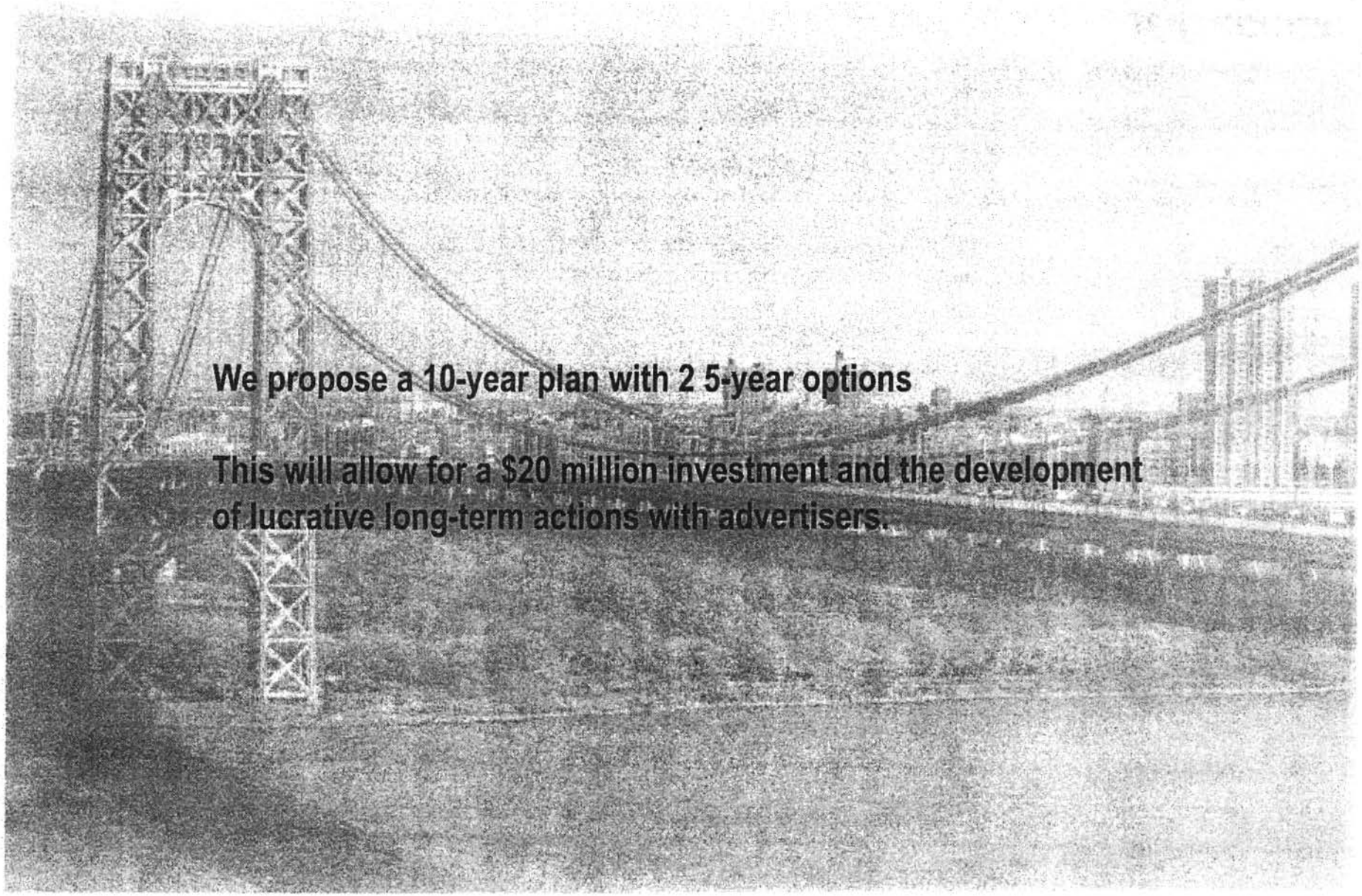
JCDecaux



JCDecaux is uniquely qualified to be the Port Authority's Media Partner

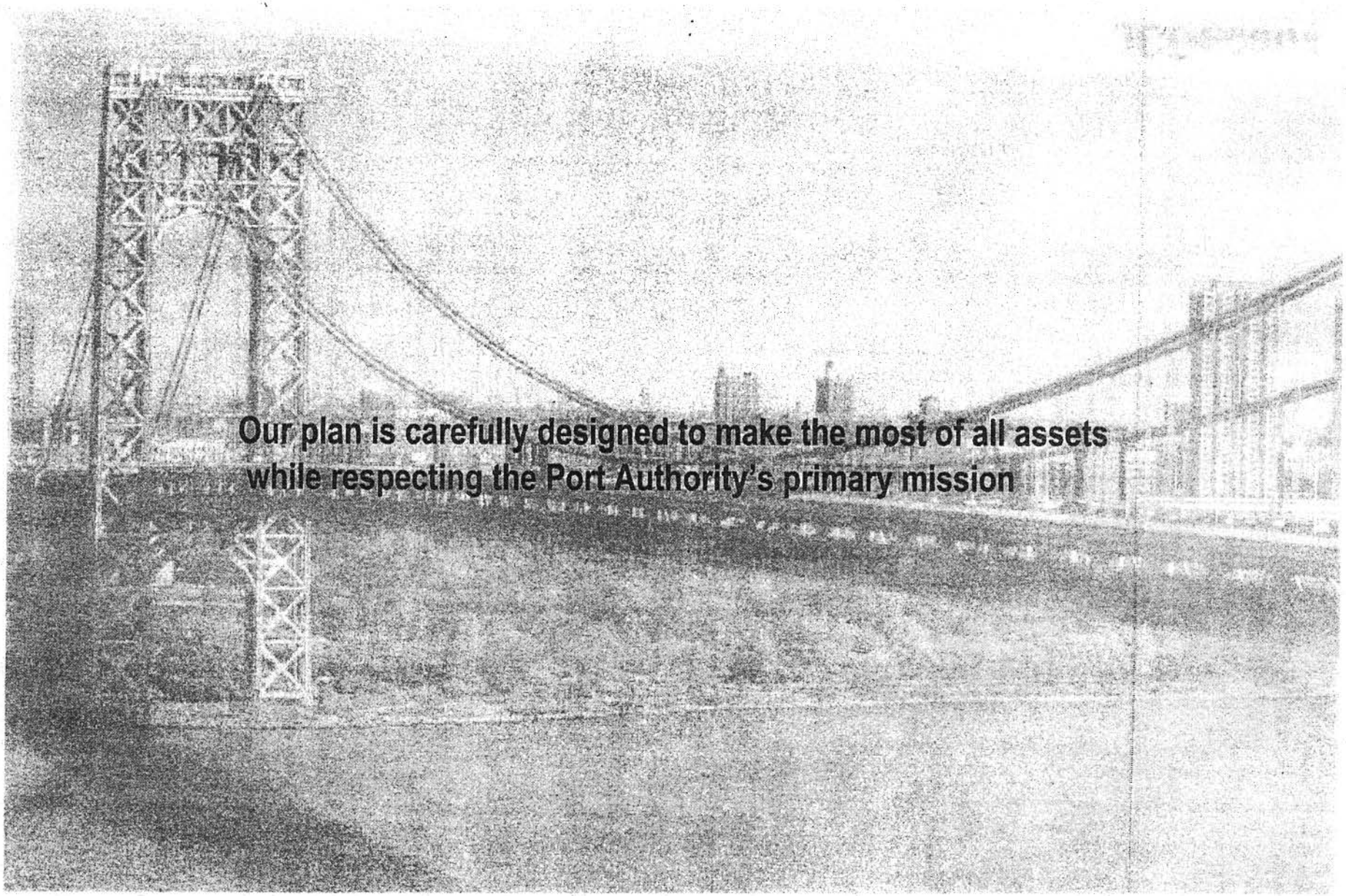
- World Leader
- Partner with the PA for 15 years with outstanding results

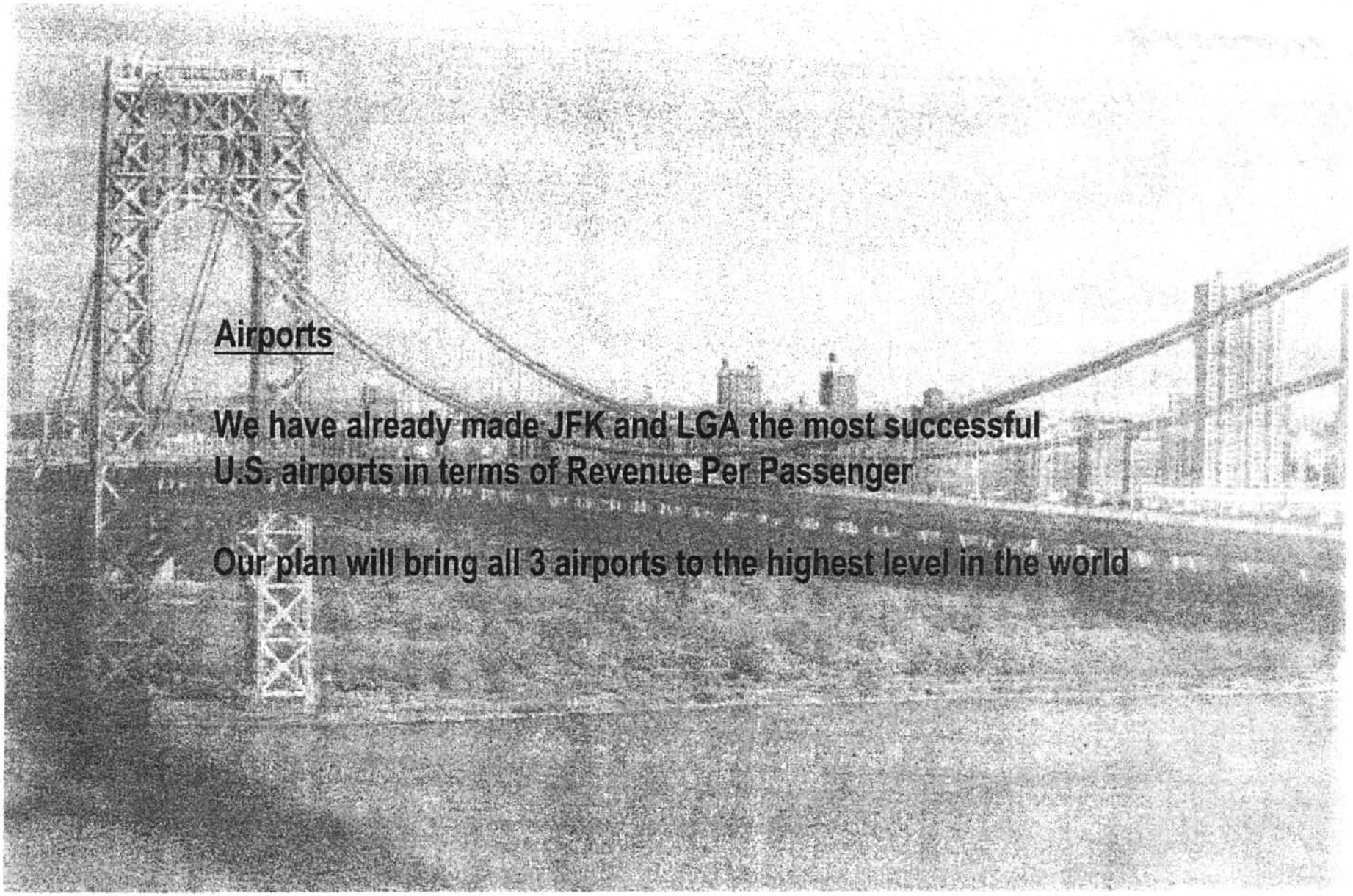
Together with the Port Authority, we will successfully maximize advertising revenue from your assets.



We propose a 10-year plan with 2 5-year options

This will allow for a $20 million investment and the development of lucrative long-term actions with advertisers.

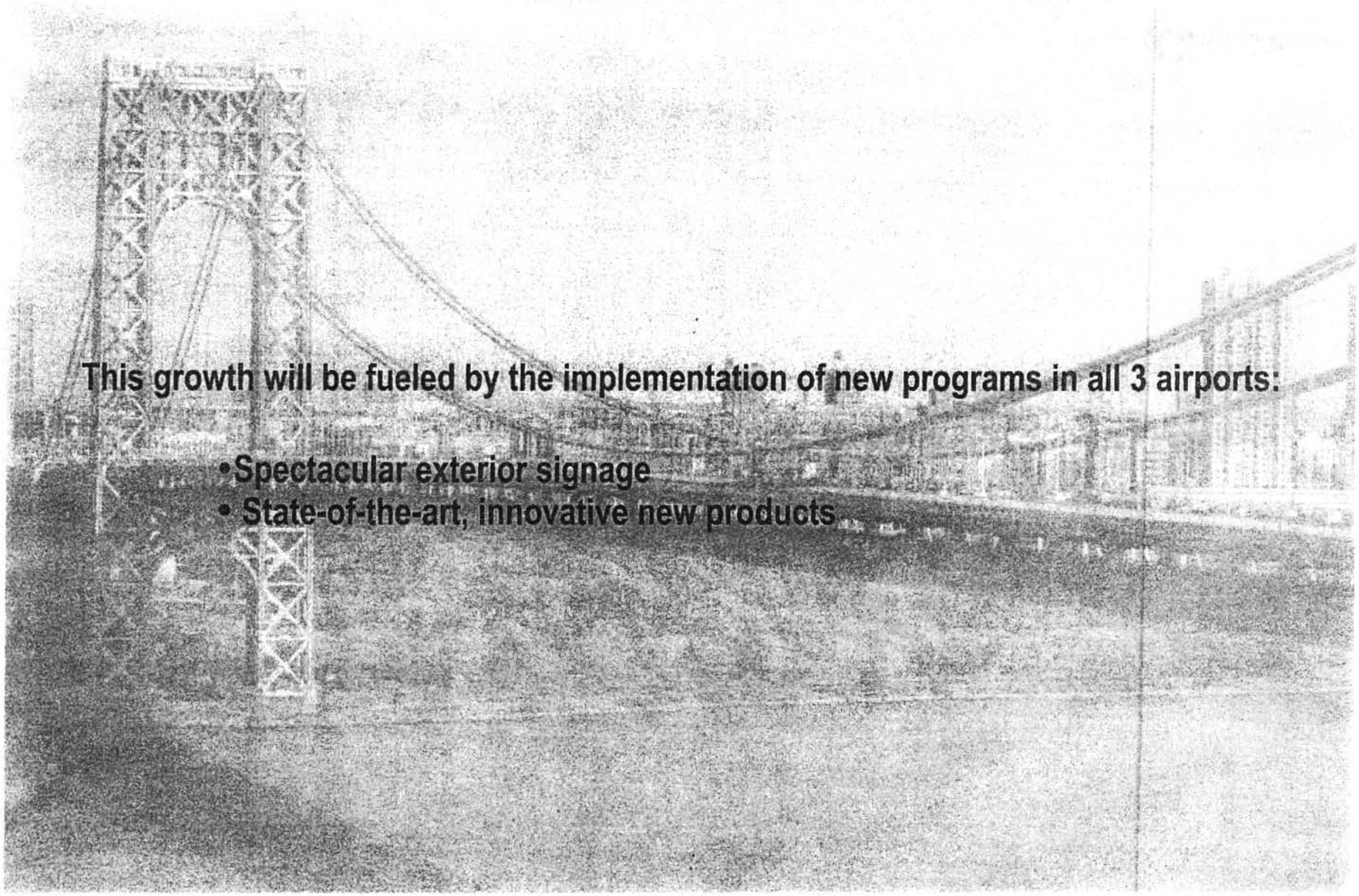

Our plan is carefully designed to make the most of all assets
while respecting the Port Authority's primary mission



Airports

We have already made JFK and LGA the most successful U.S. airports in terms of Revenue Per Passenger

Our plan will bring all 3 airports to the highest level in the world



This growth will be fueled by the implementation of new programs in all 3 airports:

- Spectacular exterior signage
- State-of-the-art, innovative new products

The Port Authority of NY & NJ

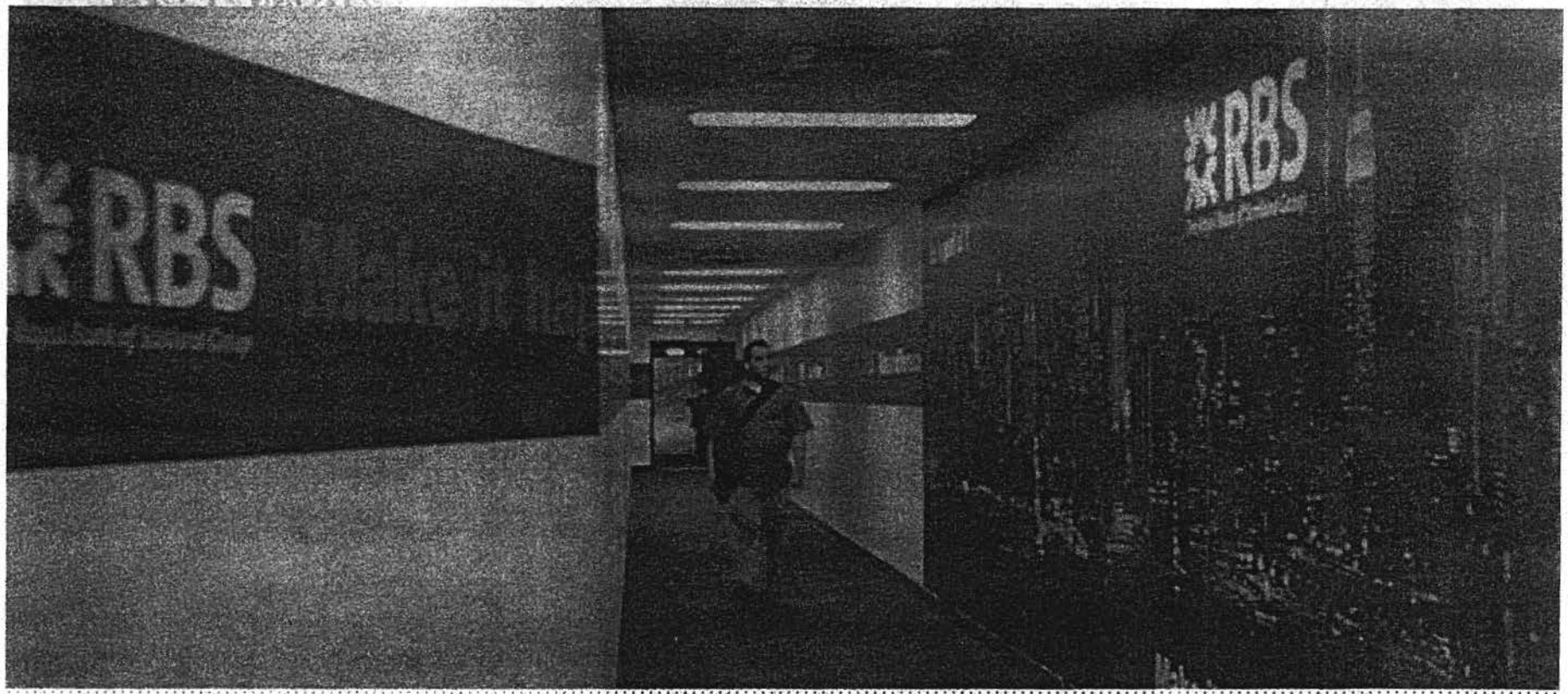
Your Partner in Building the Future

LaGuardia Exteriors

JCDecaux

The Port Authority of NY & NJ

Your Partner in Building the Future

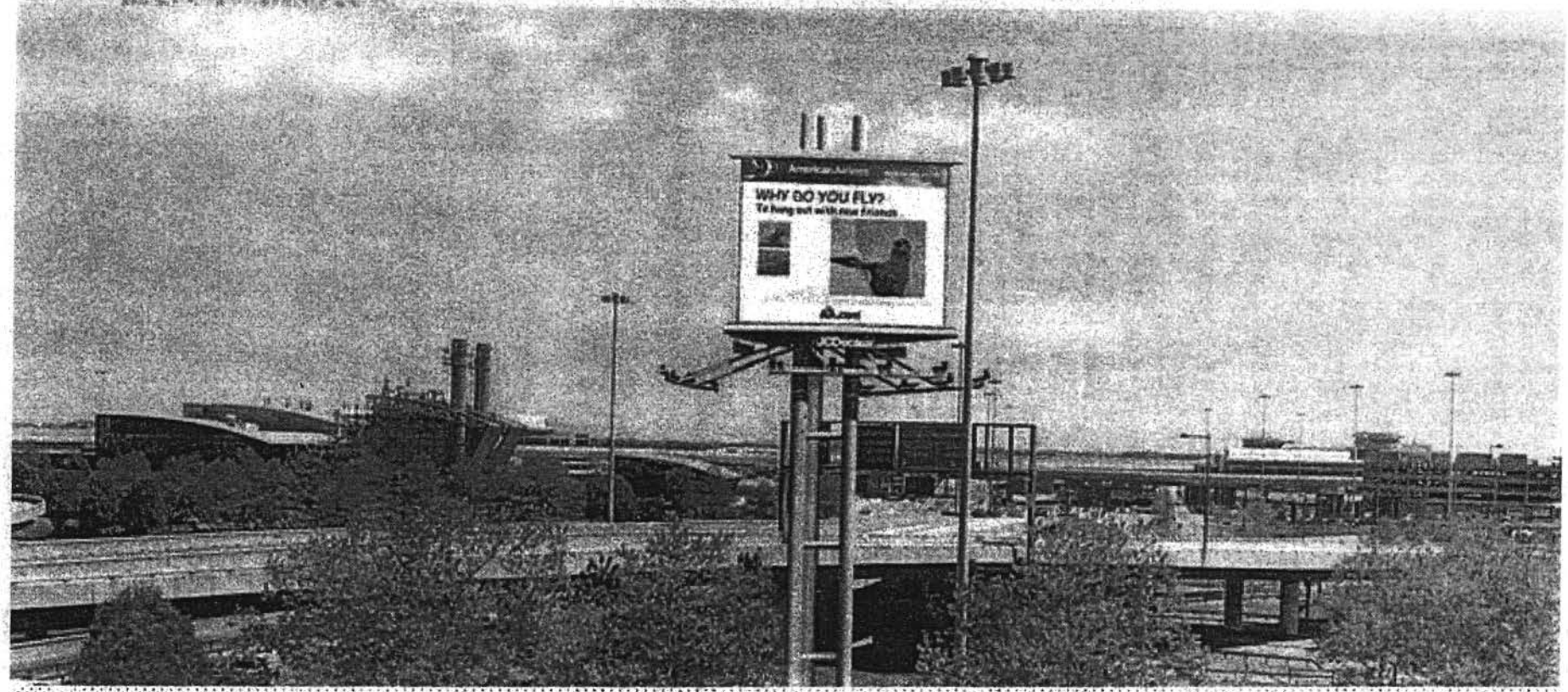


JetBridges

JCDecaux

The Port Authority of NY & NJ

Your Partner in Building the Future

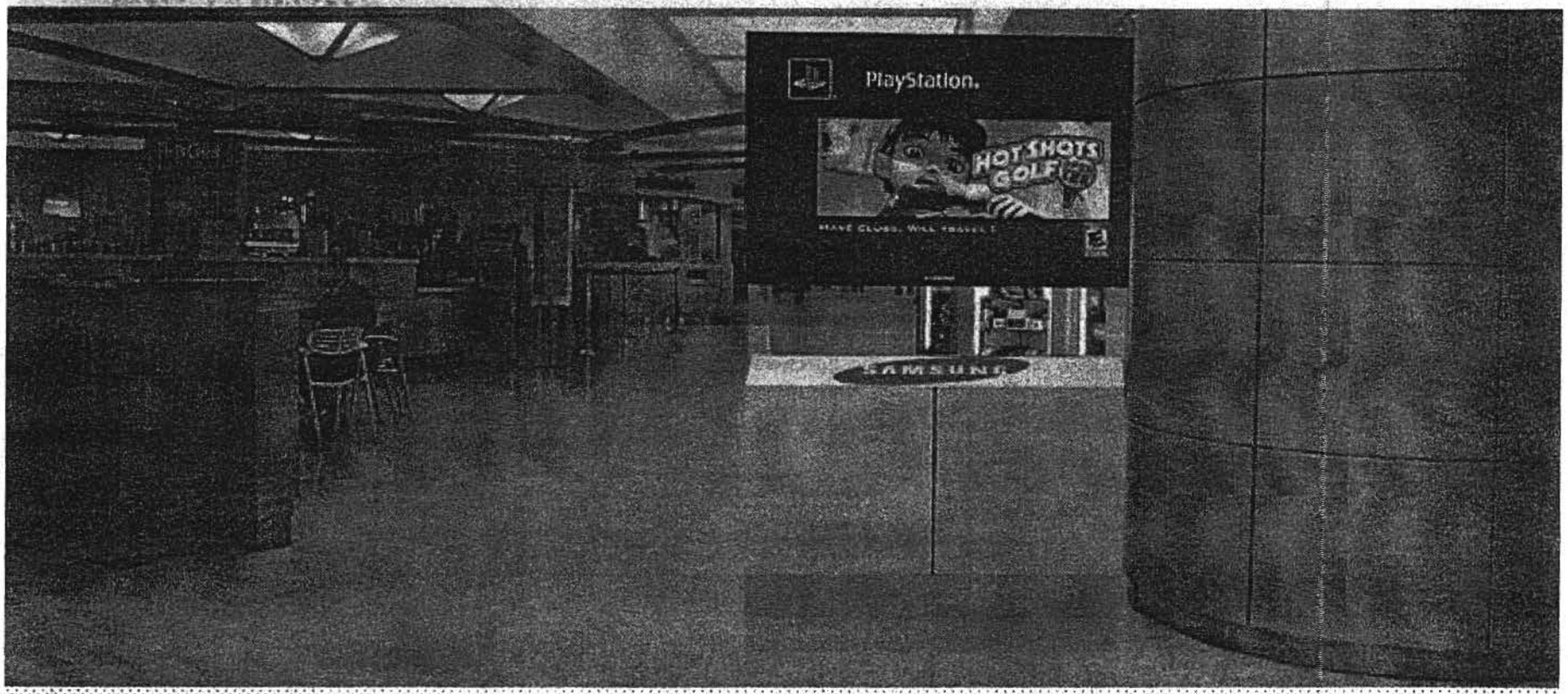


UniPole

JCDecaux

The Port Authority of NY & NJ

Your Partner in Building the Future



Prestige Digital Network

JCDecaux

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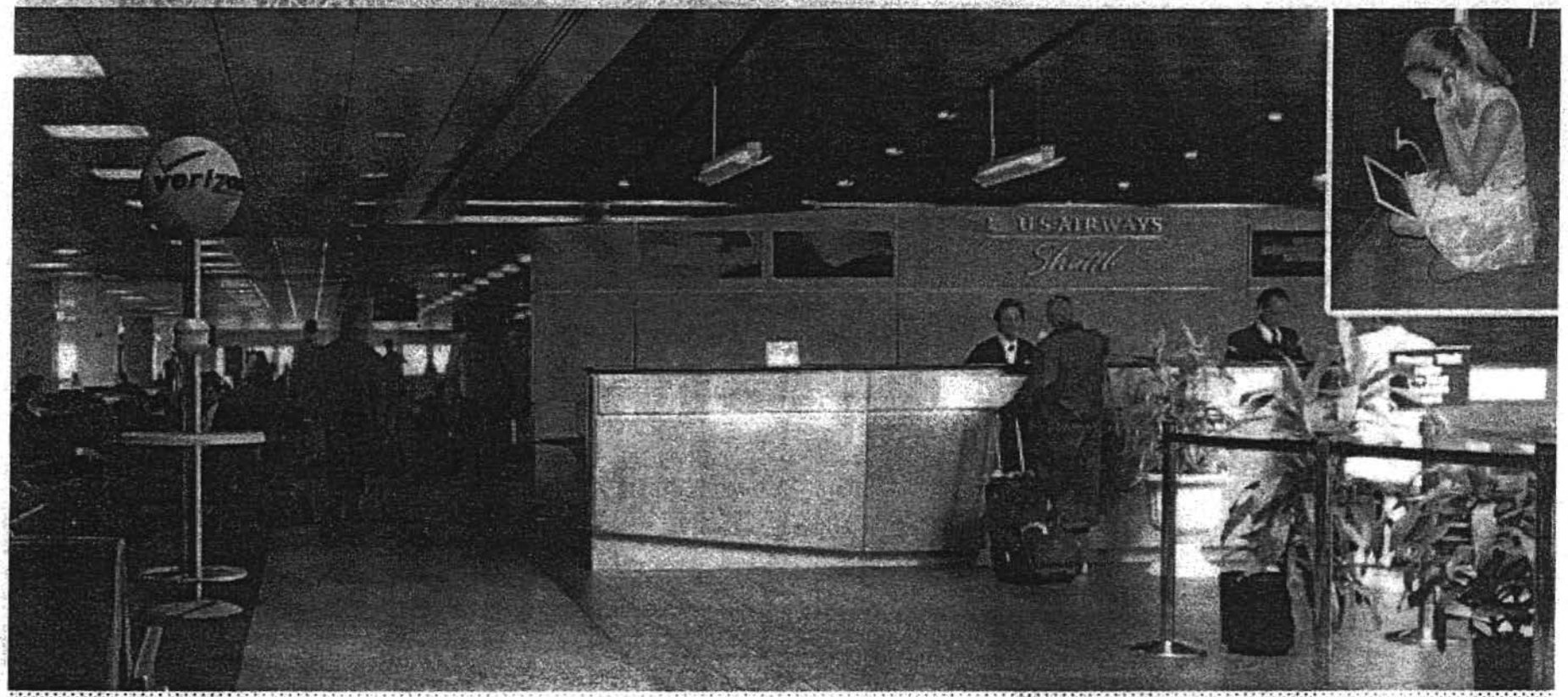


PowerPoles

JCDecaux

The Port Authority of NY & NJ

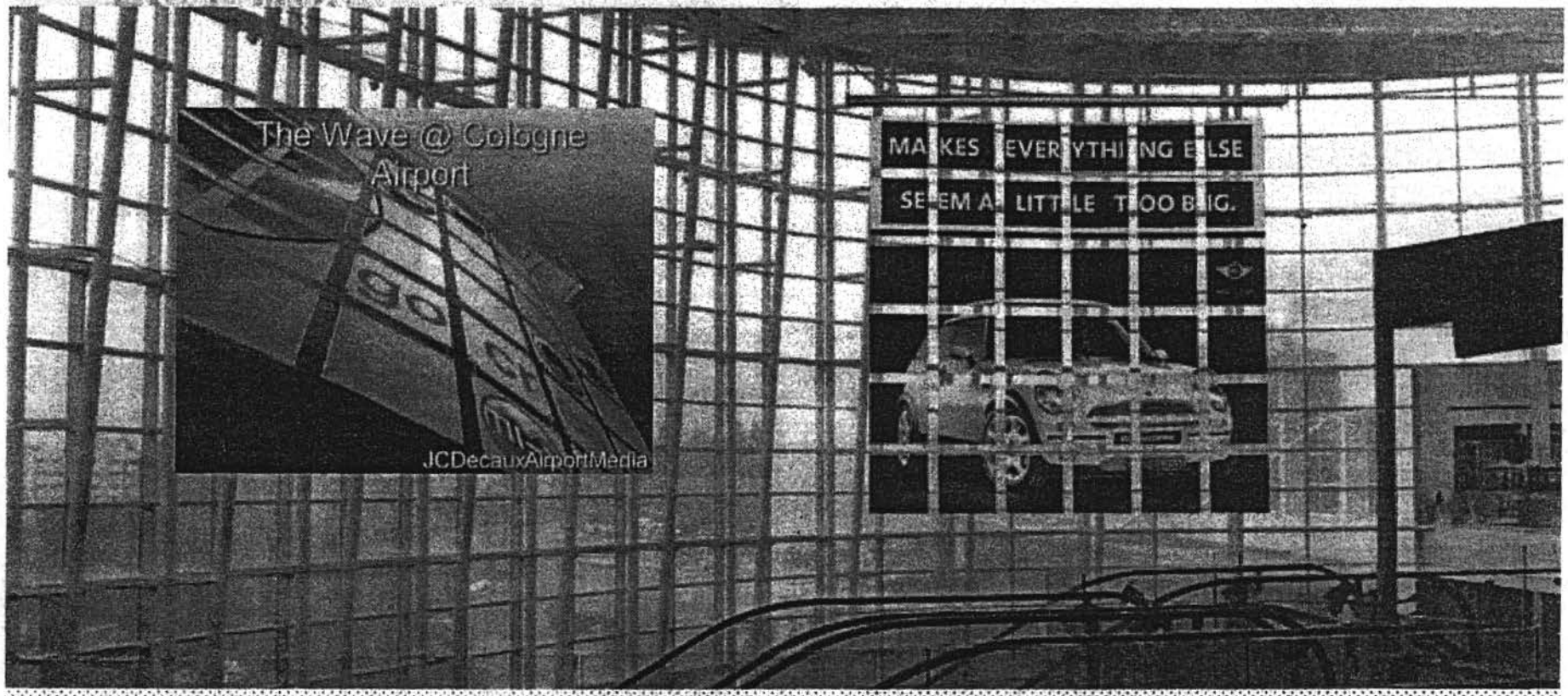
Your Partner in Building the Future

Frankfurt Airport

LightBags

JCDecaux

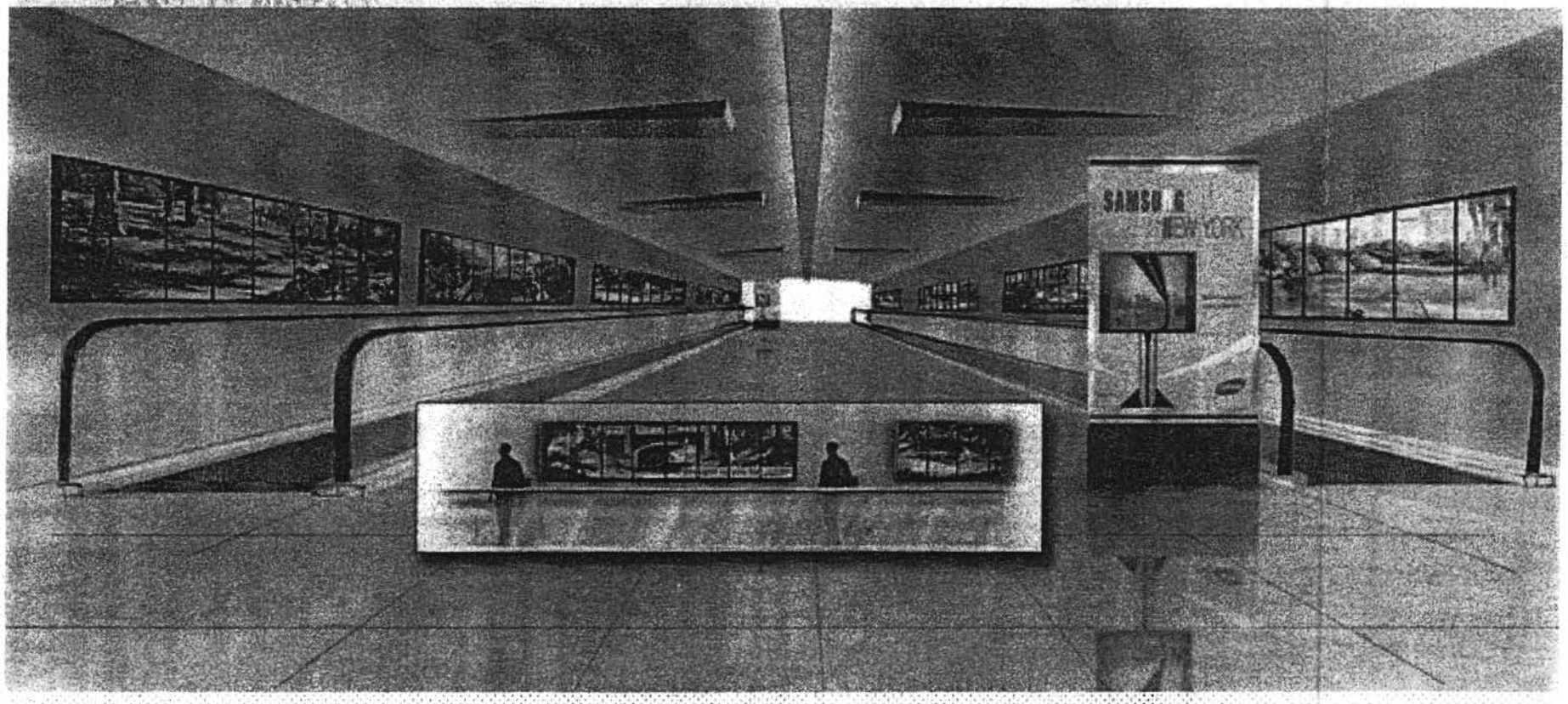
Your Partner in Building the Future



The Wave

The Port Authority of NY & NJ

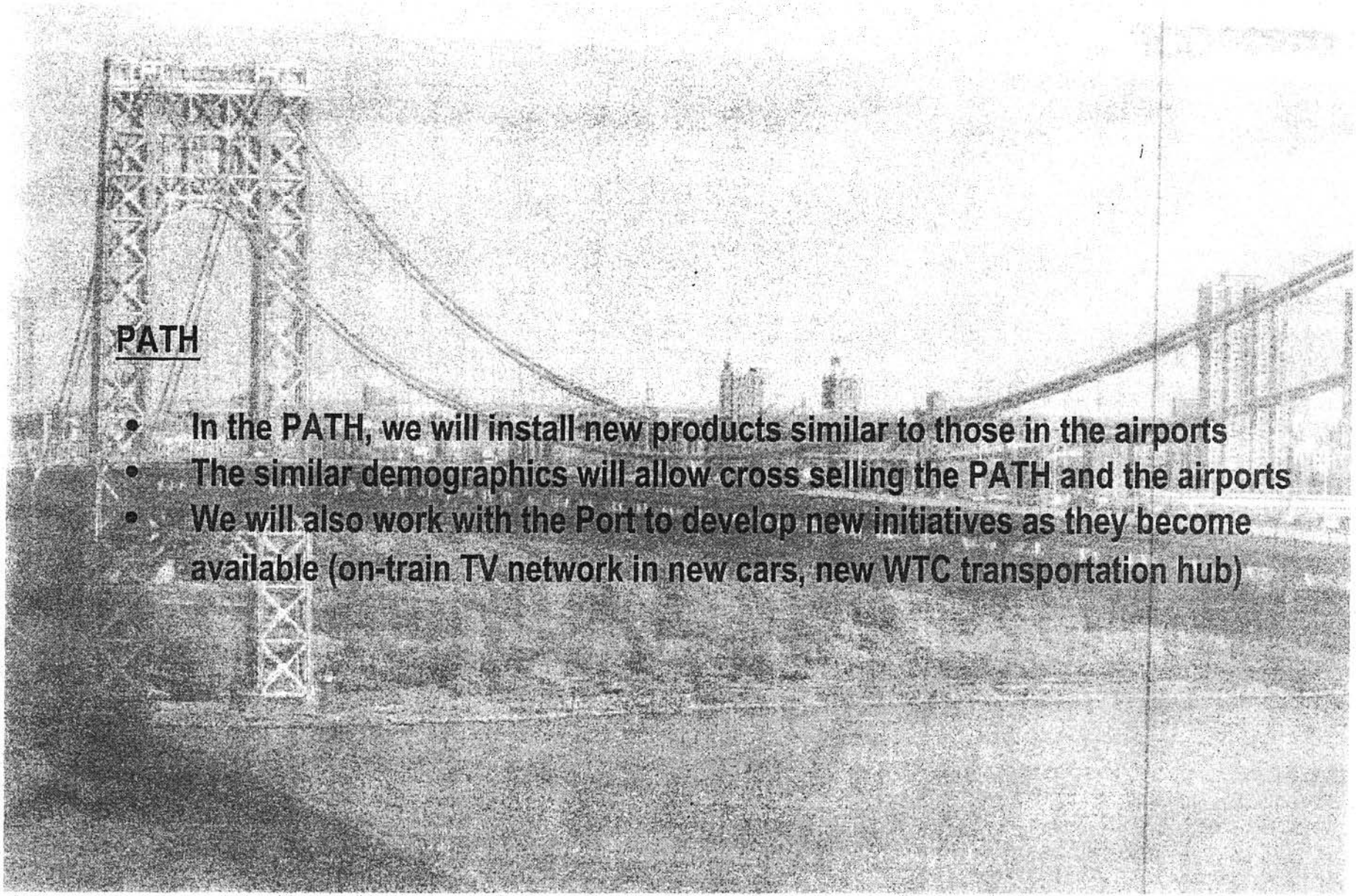
Your Partner in Building the Future



Electronic Art System JFK Terminal 8

JCDecaux

Overall, our plan will more than double advertising
revenues at the 3 airports in less than 4 years

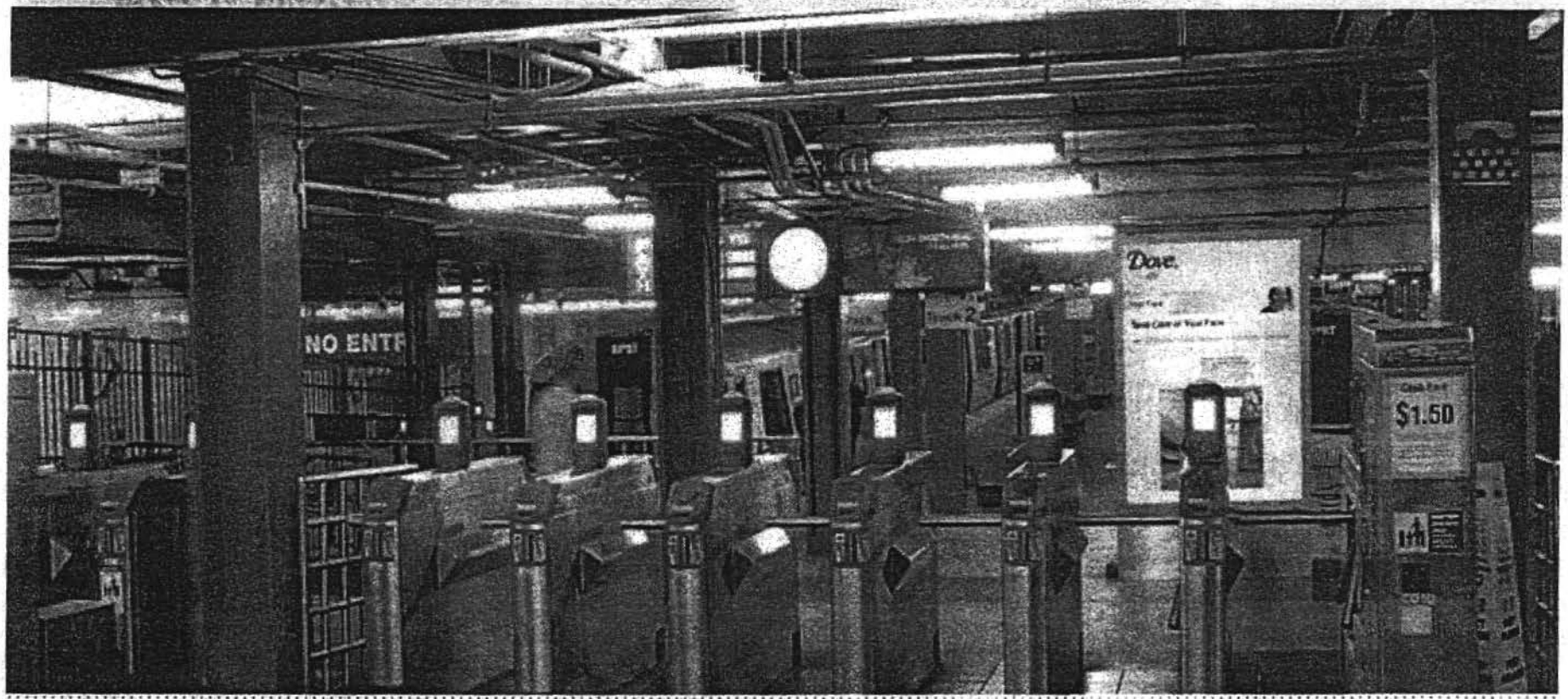


PATH

- In the PATH, we will install new products similar to those in the airports
- The similar demographics will allow cross selling the PATH and the airports
- We will also work with the Port to develop new initiatives as they become available (on-train TV network in new cars, new WTC transportation hub)

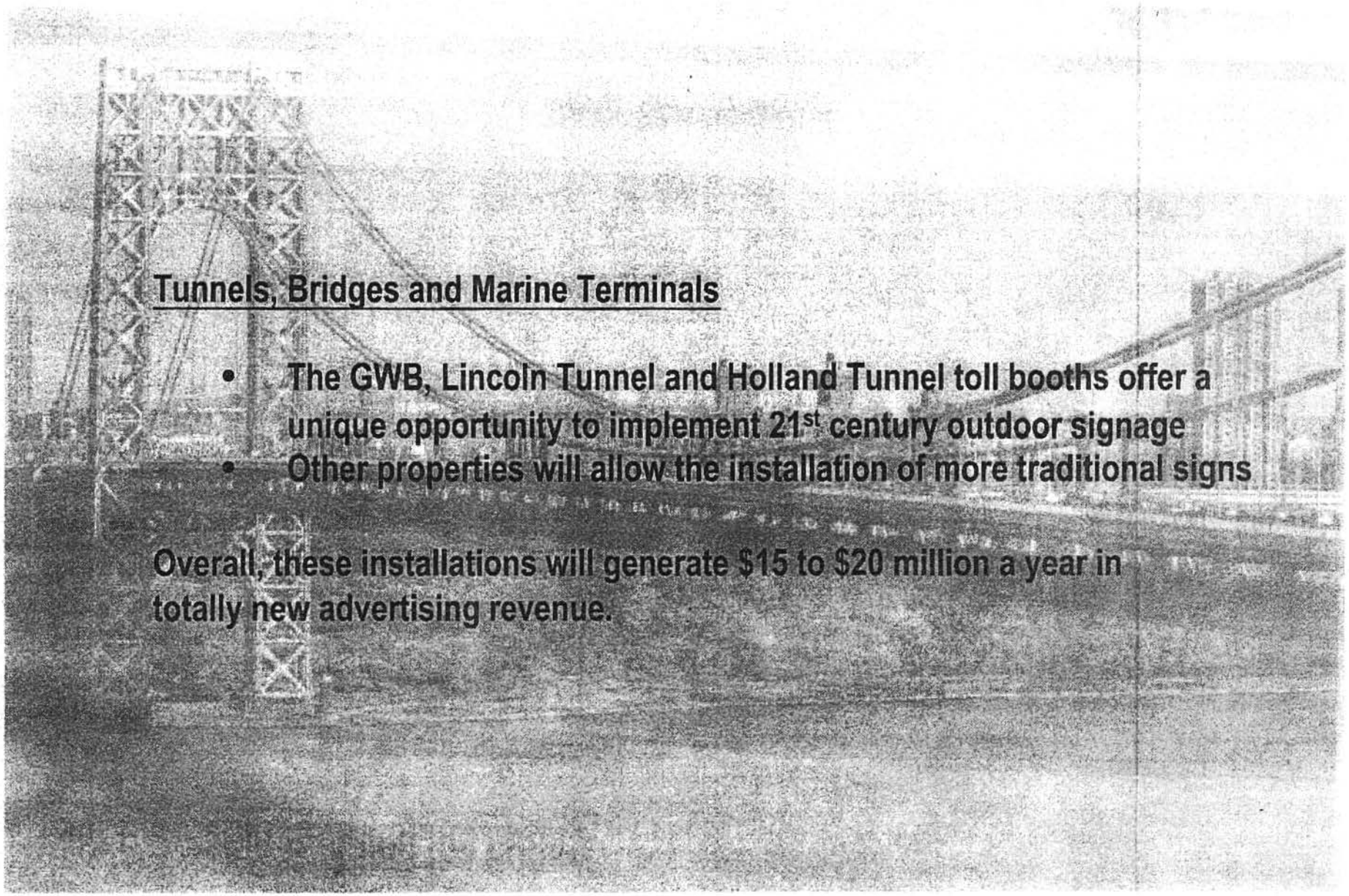
The Port Authority of NY & NJ

Your Partner in Building the Future



PATH Scrolling Unit

JCDecaux



Tunnels, Bridges and Marine Terminals

- The GWB, Lincoln Tunnel and Holland Tunnel toll booths offer a unique opportunity to implement 21st century outdoor signage
- Other properties will allow the installation of more traditional signs

Overall, these installations will generate $15 to $20 million a year in totally new advertising revenue.

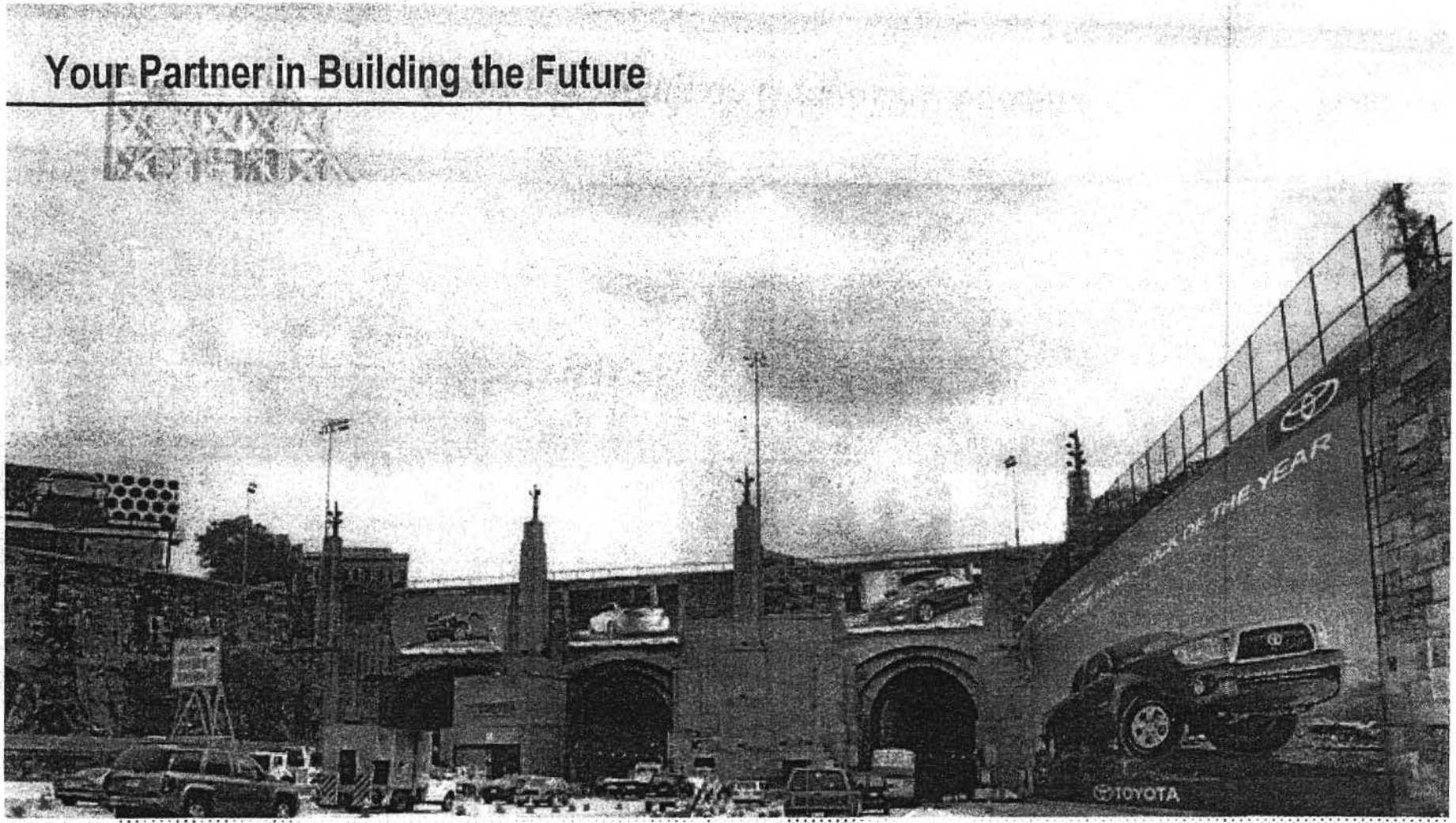
The Port Authority of NY & NJ

Your Partner in Building the Future

George Washington Bridge LED Screens

JCDecaux

Your Partner in Building the Future



Lincoln Tunnel Exteriors

Implementation

- JCDecaux is the only Out-of-Home Company in the U.S. with its own industrial organization (engineering, procurement, quality assurance)
- Our Operations Team is second to none
- Most of the equipment will be procured and manufactured in New York and New Jersey
- We will work with qualified DBE, MBE and WBE firms
- We will work with union affiliated subcontractors and personnel

In fact, JCDecaux sets the standards for the industry.

Total Value to Port Authority

All figures expressed in nominal dollars assuming a 3% inflation

$ 703 million

Over 10 years

Total Value to Port Authority

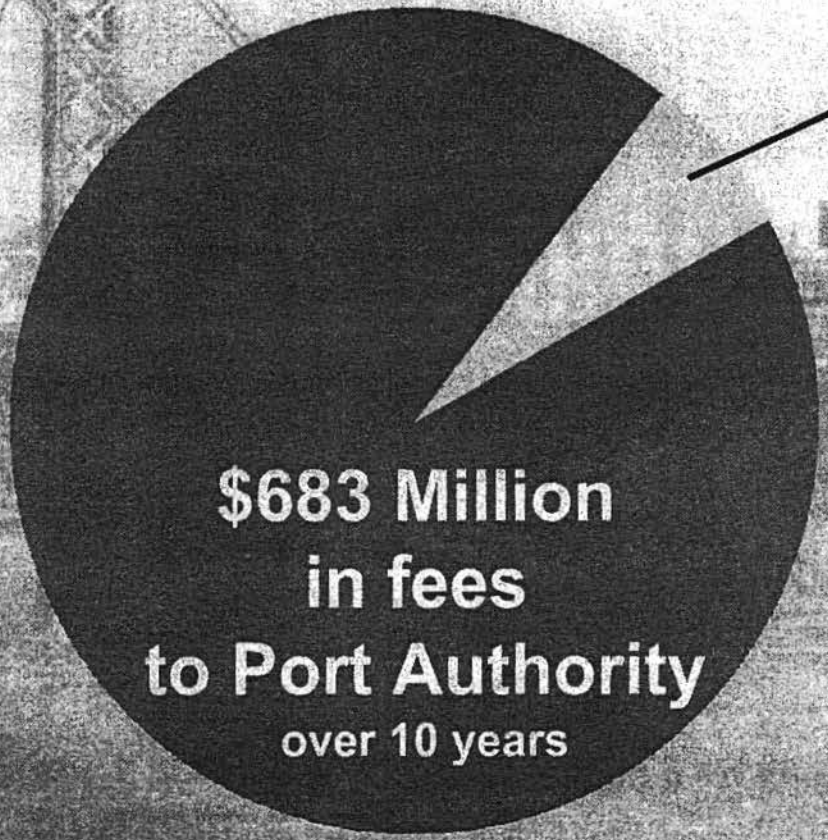
All figures expressed in nominal dollars assuming a 3% inflation

$ 1.8 Billion

Over 20 years

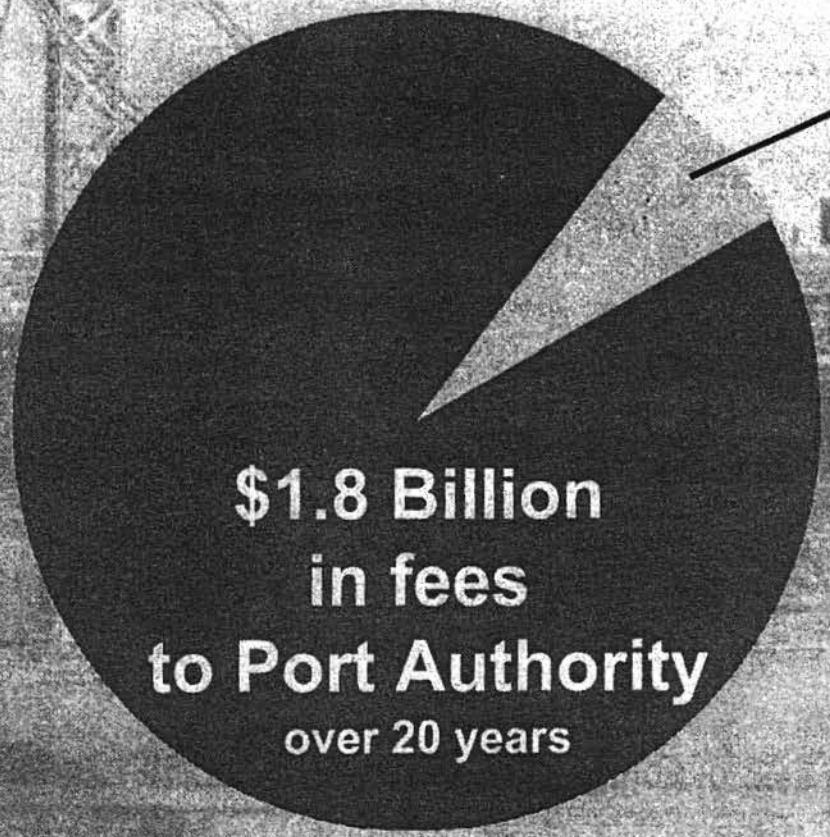
Total Value to Port Authority

All figures expressed in nominal dollars assuming a 3% inflation



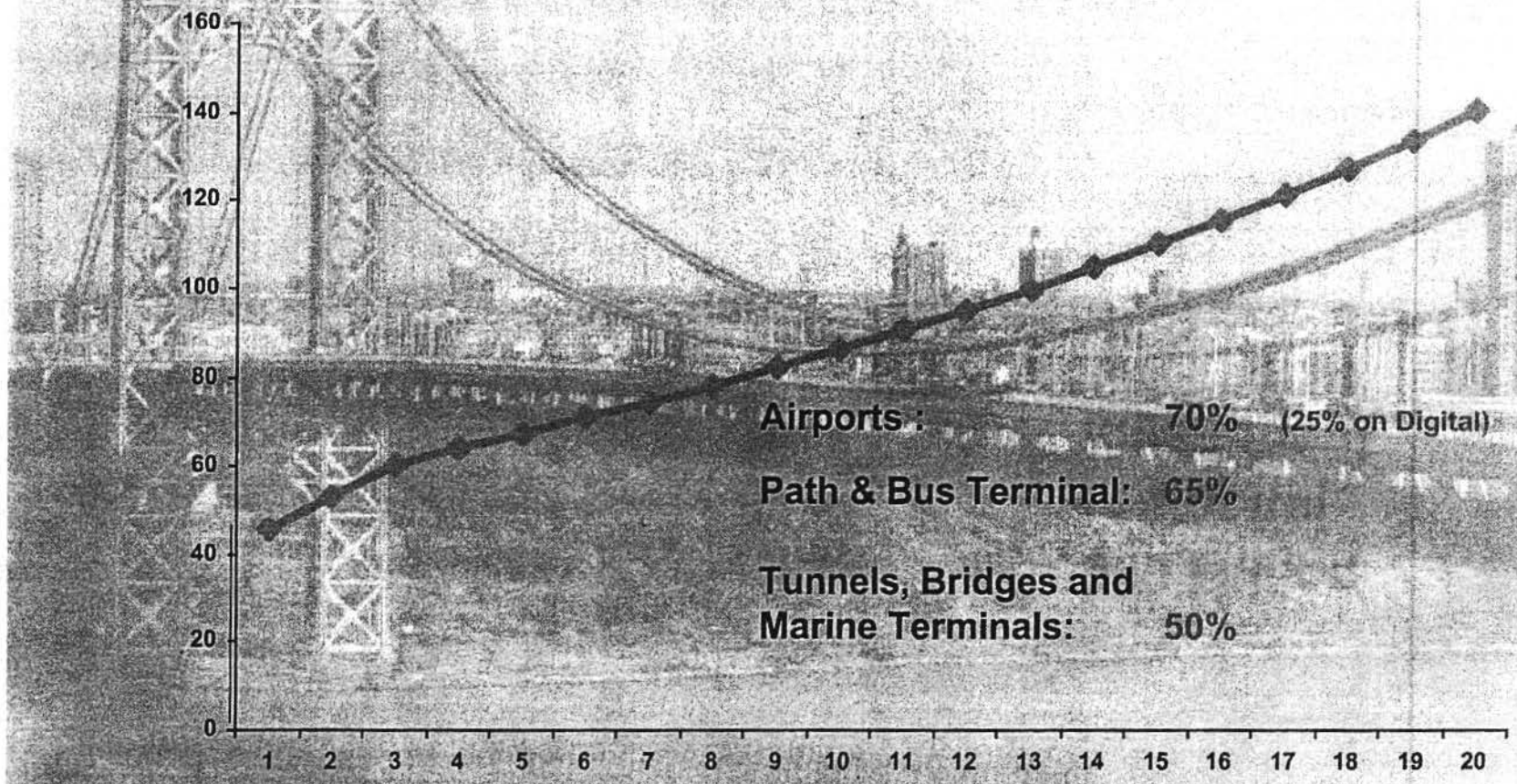
Total Value to Port Authority

All figures expressed in nominal dollars assuming a 3% inflation



Initial 10-Year Term

$1.1 Billion projected net ad revenue ➔ $683 Million in fees to Port Authority



Airports : 70% (25% on Digital)

Path & Bus Terminal: 65%

Tunnels, Bridges and Marine Terminals: 50%

Average revenue share over initial 10-year contract term: 65%

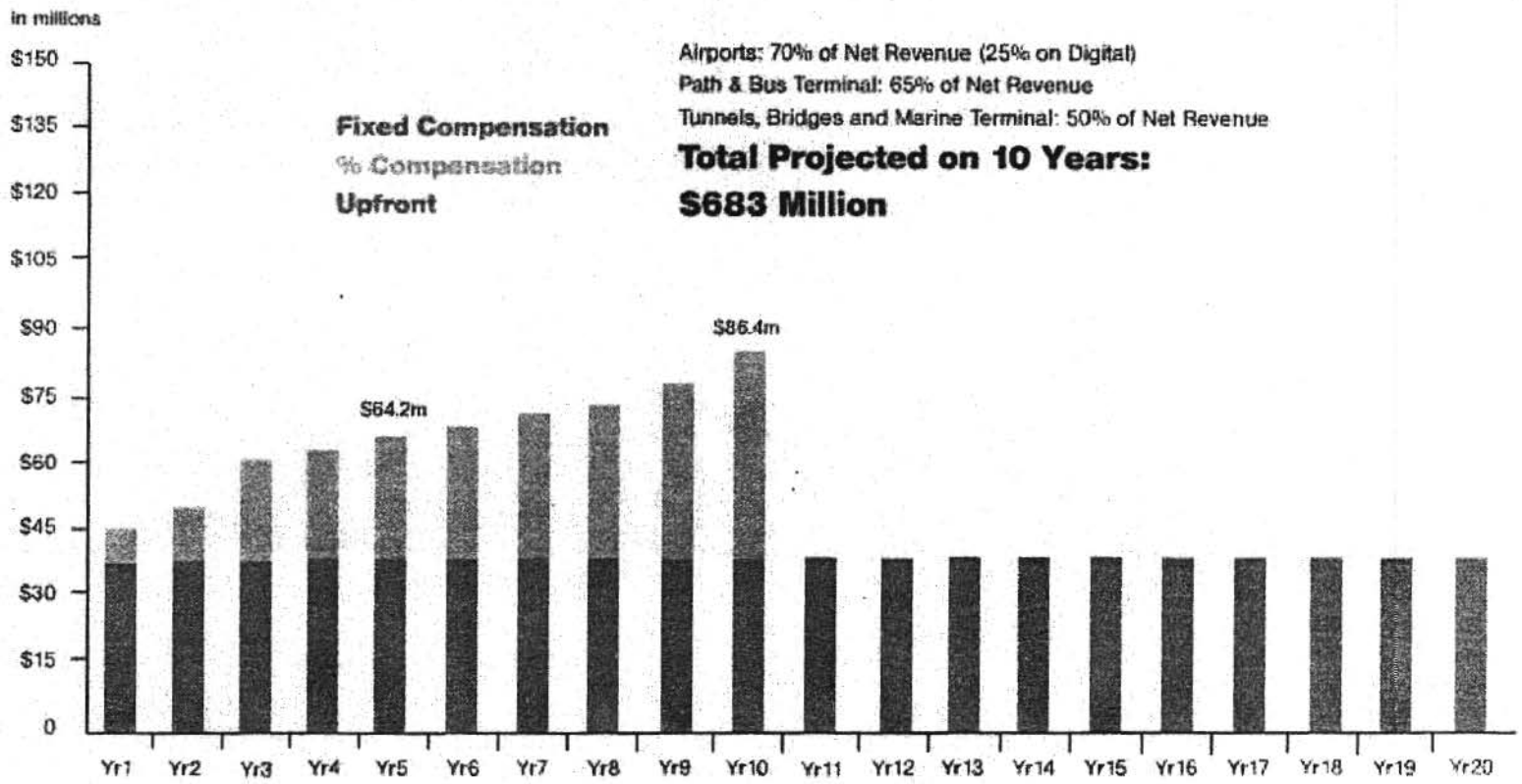
Initial 10-Year Term

$1.1 Billion projected net ad revenue ➔ $683 Million in fees to Port Authority

59% Guaranteed $400 Million	Up Front Payment $50 Million

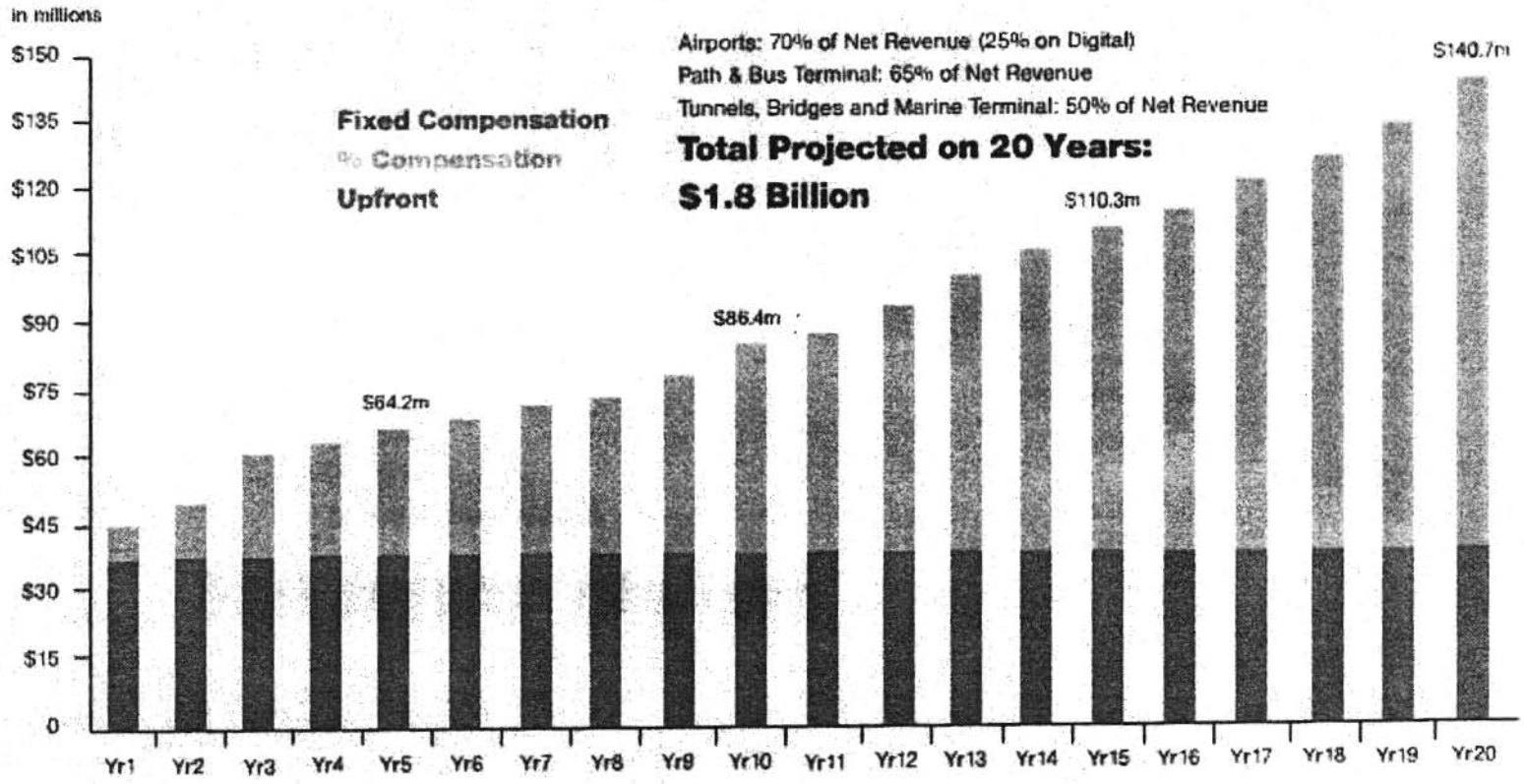
Fee payments:

(all figures expressed in nominal dollars assuming 3% inflation)



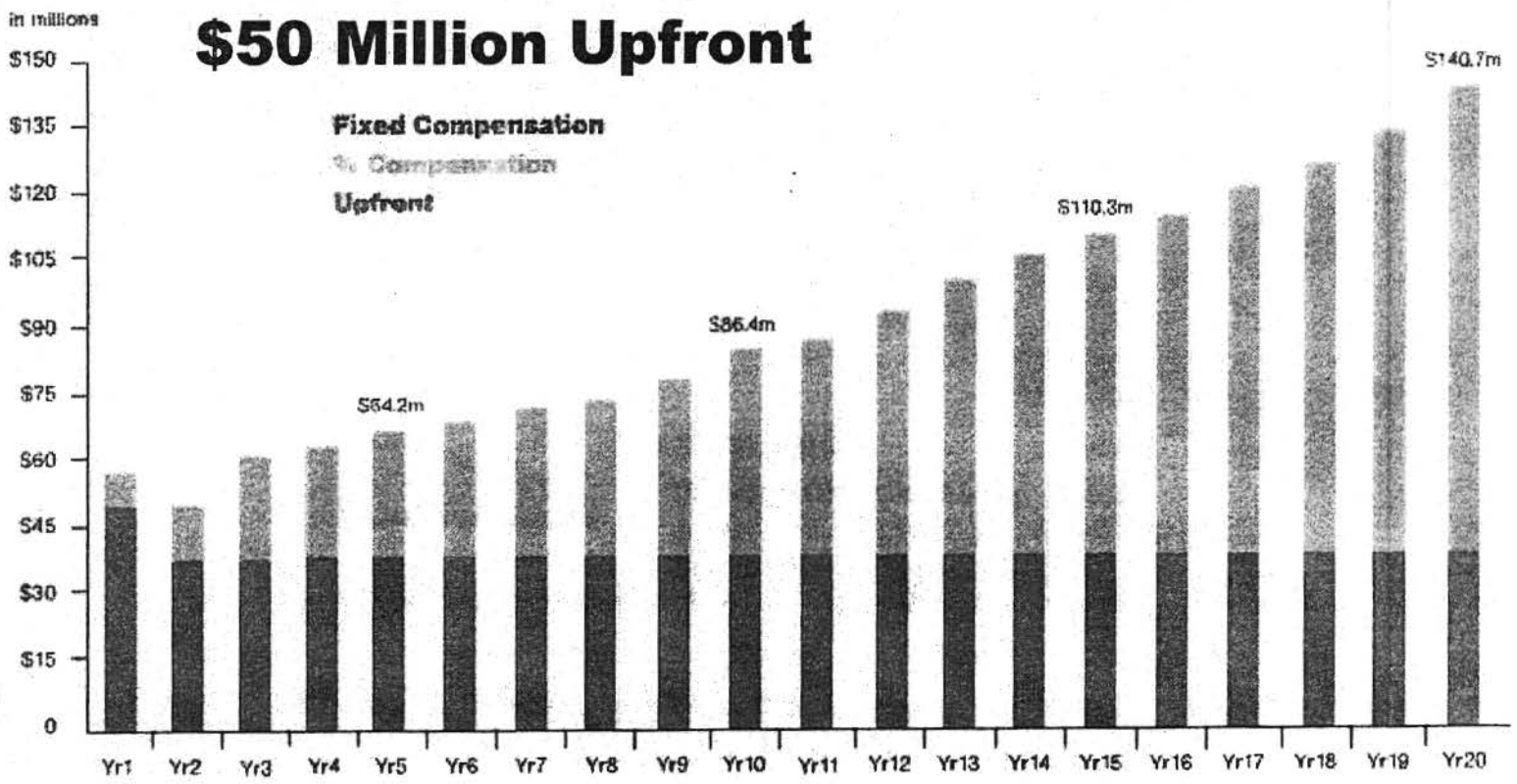
Fee payments:

(all figures expressed in nominal dollars assuming 3% inflation)



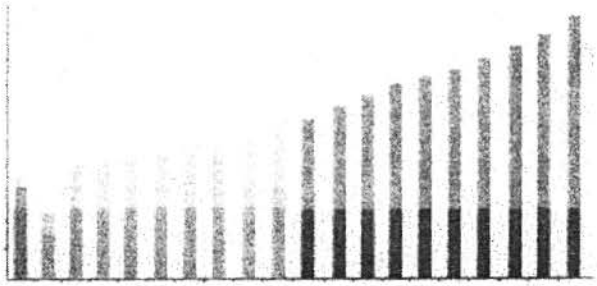
Fee payments:

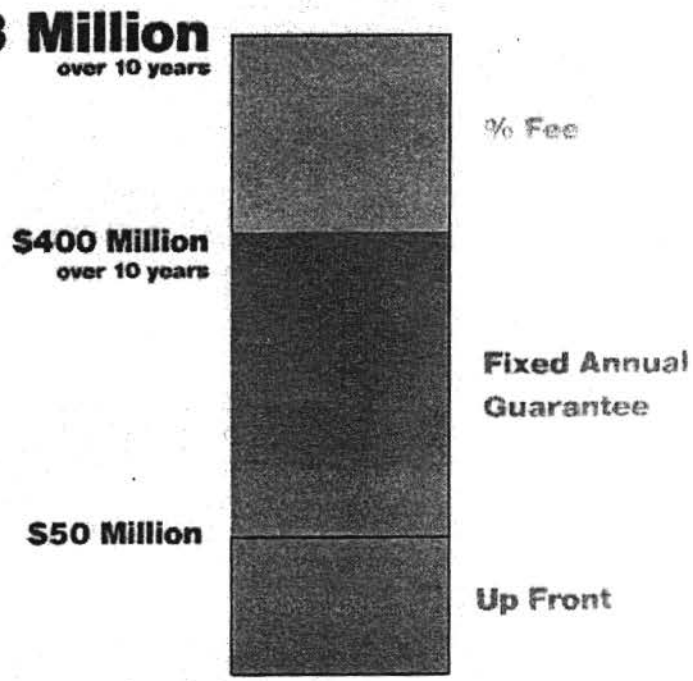
(all figures expressed in nominal dollars assuming 3% inflation)



Fee payments:

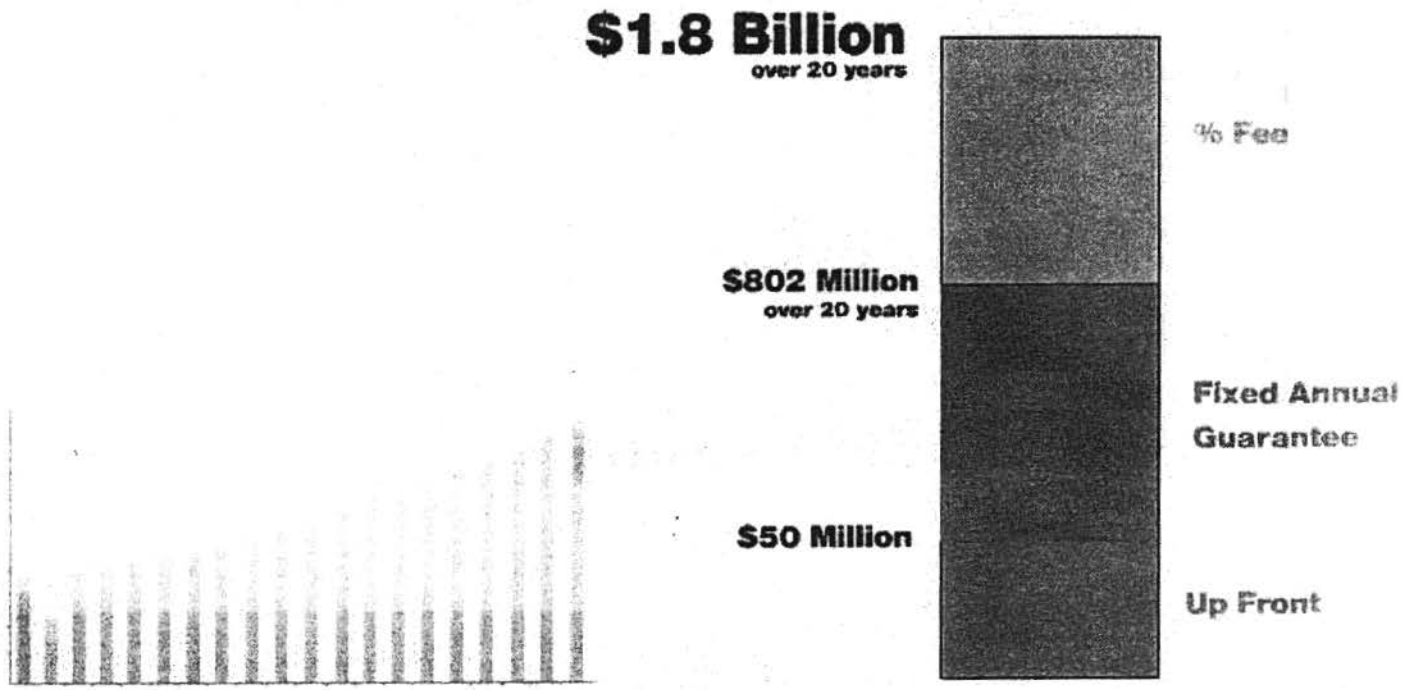
(all figures expressed in nominal dollars assuming 3% inflation)

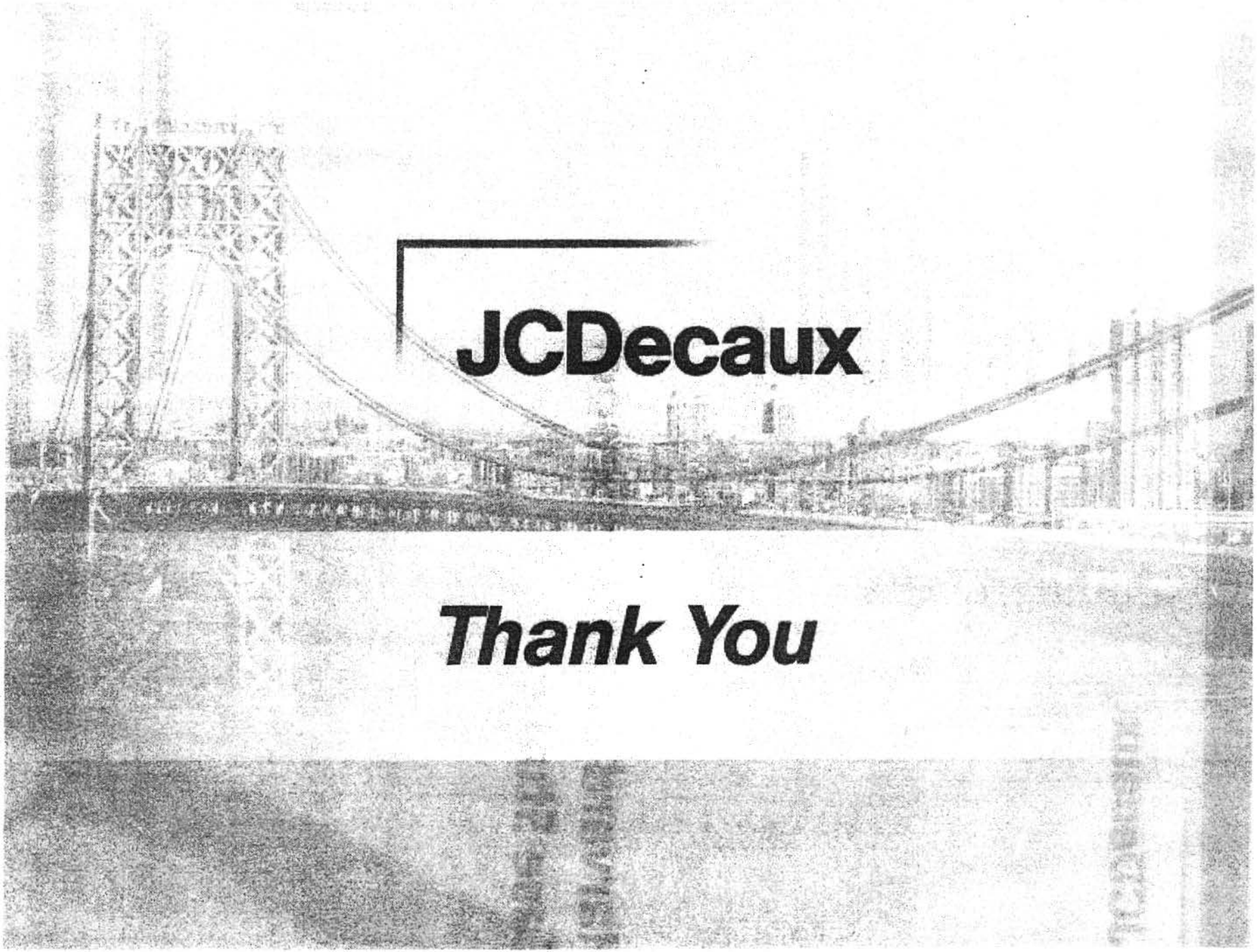




Fee payments:

(all figures expressed in nominal dollars assuming 3% inflation)




JCDecaux
Thank You

JCDecaux

Submitted to:
The Port Authority of NY & NJ
Purchasing Services Division
Attn: T.J. Storch
One Madison Avenue, 7th Floor
New York, NY 10010

Submitted by:
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
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July 6, 2005

Harvard Business School Case Study

Question and Answer Presentation

THE PORT AUTHORITY OF NY & NJ

HARVARD | BUSINESS | SCHOOL

9-705-458
REV: MARCH 9, 2005

JOHN WELLS
VINCENT DESSAIN
MONIKA STACHOWIAK

JCDecaux

It was late November 2004, and Jean-François Decaux, co-CEO of JCDecaux, looked out from his office window over the rain-swept company's headquarters in Plaisir, just outside Paris, contemplating the next big move in the development of the family company. Started by his father in 1964, JCDecaux had grown rapidly to become the largest outdoor advertising company in Europe and the second largest in the world. Over 150 million[1] people passed JCDecaux's outdoor advertising displays every day. As he waited for his brother, Jean-Charles Decaux, this year's Chairman and co-CEO, to arrive, he reflected on how they might continue this success. Should they grow the business organically, or make another major acquisition? Should they focus on Europe or build a stronger position in the Americas and Asia? Should they focus on their traditional strength, street furniture, where they had long ranked number one in the world, or continue to expand into other segments of outdoor advertising? And what about their home market? How should they prepare for the 2007 regulation change allowing retail advertising on television, until now forbidden in France?

And more pressing, what would happen in the upcoming bid for the $1 billion New York City contract, the biggest ever offered in the industry? The result of the bid was just days away. His brother entered the room but Jean-François did not notice. His mind was in New York.

The Outdoor Advertising Industry[2]

In 2003, outdoor advertising sales worldwide reached €16.16 billion ($18.31 billion) (see **Exhibit 1**), representing 5% of worldwide advertising spend, estimated at €321 billion ($364 billion). Outdoor advertising spend was most significant in the Asia-Pacific region with 9% of overall advertising spend, with Europe at 7%, North America at 4% and South America at 1%.[3]

Outdoor advertising consisted of four principal types: billboards, transport, street furniture, and ambient. Billboard advertising was the most important and most traditional form of outdoor advertising, accounting for 50% of total world outdoor advertising dollars. Billboards were prominently displayed near the principle commuter routes into cities. Billboard sites were typically leased from private landowners and, to a lesser extent, from city and railway authorities. Contracts were short term, normally 5 to 6 years, and often allowed for automatic renewal. The quality of billboards had increased over time; in addition, an increasing number were being illuminated, which enlarged the audience size by an estimated 40% and enabled companies to make better use of limited sites. Multi image billboards were also becoming widespread. Some of these were based on rotating triangular bobbins that allowed three separate images to be displayed in succession, and others were

Professor John Wells, Director of the HBS Europe Research Center Vincent Dessain, and Research Assistant Monika Stachowiak prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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based on a spool that allowed even more images to be scrolled. Sophisticated timing devices allowed the different images to be displayed at specific times in the day to catch different target audiences. Finally, giant digital TV screens that could download satellite content and display an infinite range of images were being installed in high traffic locations.

Transport advertising consisted of advertising in or on buses or subway cars; inside bus, subway and train stations; and inside airports and ferry terminals. It accounted for 26% of the outside advertising market. The largest segment of this market was airport advertising. Transport authorities typically bid concession rights and collected a proportion of the advertising revenues, which ranged from 50% to 70%. Contracts lasted for 5 to 10 years.

Street furniture advertising (bus shelters, free-standing information panels, large-format advertising panels, multi-service columns, etc.) was the most recent and the fastest growing segment of outdoor advertising, accounting for 18% of the total. The share of street furniture advertising of total outdoor advertising amounted to 17% in the U.S., 25% in the U.K. and 33% in France.[4] Street furniture was installed primarily in city center locations and along major commuting routes. It was considered effective since it placed advertising panels in locations where advertising was otherwise typically prohibited or significantly restricted. It also targeted the relatively rich urban population. Potential suppliers were typically required by the city or town government to bid for the concession to supply and maintain a specific range of street furniture free of charge for a fixed period ranging from 8 to 25 years. In return the successful bidder was granted the right to sell the advertising space. Contracts often required that some of the advertising space be reserved for public information such as maps, and many cities and towns also stipulated the supply of non-advertising furniture such as trash bins, benches, and signage. In other instances, an advertising fee was also levied by the city or town. About 30% of street furniture contracts specified revenue sharing, and in 2003, 14% of JCDecaux's advertising revenues were paid out as advertising fees. Street furniture suppliers did business primarily with cities and towns, but contracts with private mall owners were on the increase.

Other outdoor advertising, such as advertising on shopping trolleys or in gas stations, was referred to as "ambient media" and accounted for the remaining 6% of the outdoor advertising market.

Outdoor advertising had been growing faster than advertising as a whole (broadcast and cable TV, radio, newspapers, magazines, cinema), and this trend was expected to continue with growth rates between 4% and 5% per year. Trends benefiting outdoor advertising included the fragmentation of traditional in-home media (see **Exhibit 2**), consumers spending more time out of their homes, increasing quality of technologically advanced outdoor displays, and increasing sophistication of audience measurement techniques (including GPS monitoring of sample audiences) to help match techniques used in other media. Outdoor advertising was also a cost effective way of reaching consumers; according to the Outdoor Advertising Association, for every €1000 spent on advertising in the United Kingdom in 2003, outdoor reached 461,270 adults, radio 283,568 and television 118,680[5]. While the demand for outdoor advertising was growing, the supply of advertising space was constrained by regulation and local government policies, so concessions grew more valuable.

In some respects, outdoor advertising competed with other media for advertising money, but it was also seen as a complement. Indeed, outdoor advertising was often just one part of media campaigns since multiple media had proven to be an effective way of capturing consumer attention.

Advertisers

A wide range of companies used outdoor advertising as part of their marketing mix including local products and service providers, national brand advertisers and global brand advertisers. National brand advertisers often purchased outdoor advertising in locations in cities and towns that were representative of their core target audience to support national advertising campaigns. Outdoor advertising was also frequently used to support local promotions. In most European countries, outdoor advertising slots lasted 7 days; they lasted 15 days in Spain and the U.K., though. Advertising campaigns typically lasted 7 to 28 days but longer campaigns of six months to three years were common for corporate image advertising.

Airport advertising was particularly sought after given the demographics and the captive nature of the audience. Advertisers contracted for individual airports and networks of key airports throughout the world.

The advertiser typically supplied the media to the advertising company which then assured that it was displayed in the locations agreed upon for the time stipulated in the contract.

Regulation

Outdoor advertising was subject to a wide array of statutory provisions and restrictions, which varied between countries and towns. Most countries had strict laws governing where advertising could be placed, and planning permission was typically required. This was a lengthy process requiring public hearings. Local municipalities also enforced by-laws governing advertising.

The bidding process for supply of street furniture was a complex and often politically sensitive process. The law varied significantly from country to country and was often ambiguous. Since street furniture contracts did not require towns or cities to make any payments, they were not strictly public contracts and were therefore not subject to statutory bidding processes. Indeed, some courts in Germany and France had taken the view that street furniture contracts were merely the granting of a right to use the public domain. However, open bids were becoming the norm, catalyzed by new European directives, and by allegations by newspapers and aggrieved competitors of unfair practices. In 1992, for example, a Belgian court examined JCDecaux and several other outdoor advertising companies on charges of unlawful campaign contributions.[6]

Although there were many players in the outdoor advertising business, and many alternate advertising channels, the competition authorities took a keen interest in the industry. A decision in July 1998 by the French antitrust authorities meant that street furniture contracts could no longer include automatic renewal provisions, nor preferential rights to install additional structures identical to those covered by previous contracts. When JCDecaux, the market leader in street furniture in France, bought Avenir's billboard and transport businesses in France in 1999, the French Ministry of the Economy, Finance and Industry, imposed conditions on JCDecaux, effectively reducing the number of billboard panels of the combined entity and limiting the discounts that could be given on combined packages of street furniture and billboard advertising. The U.K. Monopolies and Mergers Commission also had set hurdles preventing JCDecaux from completing an acquisition of its biggest British competitor, the More Group, in 1998.[7]

Operations and Supply

Outdoor advertising companies typically subcontracted the manufacture of street furniture and equipment to third party suppliers. However, they typically installed and maintained the equipment

themselves, and also managed the distribution and posting of advertising media. This was a significant logistics challenge given the frequency of change and the large number of facings involved.

Outdoor Advertising Companies

There were hundreds of outdoor advertising companies throughout the world in 2004, but the top three, Clear Channel Outdoor, JCDecaux, and Viacom Outdoor, controlled 31%[1] of the world market. In addition, there were numerous national champions who held strong shares in their home markets. Up until the middle of the 1990s the industry was relatively fragmented and considered the stepchild of the media industry. However, the increasing interest in the sector drove the large media conglomerates Clear Channel and Viacom to significantly invest in outdoor advertising.

JCDecaux

Jean-Claude Decaux, the founder of the company, recalled the origins of his namesake company:

> I did not like studying, and was never good at school. I also preferred to do small jobs instead of playing with my schoolmates. My parents owned a shoe shop in Beauvais and I used to work there on Saturdays. One summer, when they planned to close the shop for a whole month while they were on vacation in Morocco, I convinced my dad to leave it open and let me run it. I was then free to manage the family business just on my own! For instance, I stayed open on Sundays! One day, I took my scooter and posted advertisements "Buy shoes at Decaux" on utility poles around the town—and business boomed. I didn't think this could be illegal—but when my parents came back, my dad was furious to see that the utility poles company was expecting him in court! And so I was fired from the shoe shop.
>
> Other shopkeepers, however, liked the idea of outdoor advertising and they encouraged me to do the same for them, this time legally of course. I was too young to start a company, though, so my dad had to give me permission to "emancipate." I had then launched my first advertising company at age 18.
>
> Soon however, the French government announced a ban on advertising on major roads outside cities. This was a blow to my company. I was 19 years old and I had a year to find another business. One rainy day in Paris as I was watching people standing in the rain at a bus stop, this new idea struck me. Why not build a shelter and advertise on it? I called it "Abribus."[2] I would supply the bus shelter and maintain it for free, and in return, I would get the right to advertise.
>
> I saw a great example of what I was trying to build in a Paris street. I took a picture and sent thousands of copies to municipalities in France to generate interest. I then built a sample bus shelter, loaded it onto the back of a truck and drove it round France to show anyone that was interested. Louis Pradel, the Mayor of Lyon, said he would see me. I explained the concept

[1] Adapted by case writers from the Exhibit 1/Table 3, JCDecaux, 2000 – 2003 Annual Reports (Neuilly-sur-Seine: JCDécaux, 2000 – 2003).

[2] "Abri" is French for "shelter" or "protection." The word that Jean-Claude Decaux invented soon became the de-facto word in France for bus shelters in place of the French word "arrêt de bus."

and he climbed up on the truck to take a look. When I said I would build and maintain them free of charge, he laughed, "Lets give it a try."[8]

Jean-Claude Decaux and his brother personally installed the first bus shelter on the de Guillotière Bridge and 39 more soon followed. The experiment was a success and the street furniture advertising medium was born. A second city soon followed, and from there JCDecaux grew quickly, negotiating exclusive, long-term contracts with numerous cities throughout France. Jean-Claude's son, Jean-François Decaux explained:

> My father believed that it was in city centers that we could reach people with higher income. By working on an exclusivity basis we could create a unique nationwide advertising network for our clients. It was also in the municipality's interest to grant a long-term contract to one player and be able to supervise a unified street furniture network. It was a win-win play: we provided the city with high quality service and equipment in exchange for the advertising space we could sell to our clients.[9]

The company grew rapidly. In 1972, JCDecaux won its first contract for street furniture in Paris. As part of this contract, it introduced its first freestanding information panel. A host of innovations followed, including decorative columns and a range of public amenities such as outdoor automatic public toilets and newspaper kiosks.

In the 1970s JCDecaux ventured beyond France into Portugal and Belgium, and in the 1980s into Germany and Holland. In the 1990s the company moved into Spain and the U.K. and planned moving beyond Europe into Asia Pacific and the Americas. This international expansion was driven by Jean Claude's two sons, Jean-François and Jean-Charles Decaux. Explained Jean-François Decaux:

> When I joined the company in 1982 at the age of 23, I directly moved to Germany to set up JCDecaux's subsidiary. It was a tough start. I stayed for almost nine years winning contracts in major German cities. When the Berlin Wall fell in 1989, we were the first outdoor company to venture to the former communist block. Our competitors were afraid to move so quickly.[10]

Jean-Charles added :

> I joined JCDecaux ten years after my brother, in 1992, and settled in Spain for a few years. Unlike other countries, where the street furniture concept was a novelty, our Spanish competitors had already copied it and built the first bus shelters in big cities. We had to innovate to establish our presence in the country. As Spanish cities lacked a recycling solution, I offered them a free recycling service for glass and batteries as long as I could advertise on the recycling bins. They liked the idea and in 1994, we won the Madrid contract; other cities followed rapidly.[11]

Outside France, JCDecaux often joint ventured with local competitors to enter new markets and often bought out joint venture partners over time. JCDecaux also purchased small interests in local, typically family-owned companies and subsequently increased these stakes. Examples included Gewista, the leading outdoor advertising company in Austria, in which JCDecaux increased its stake to 67% in 2003, and Wall AG, one of Germany's leading street furniture providers, in which JCDecaux held a 35% stake. JCDecaux also acquired small local competitors with valuable concessions such as Alma Quattro in Serbia-Montenegro, which held the street furniture contract for the city of Belgrade. (See **Exhibit 3**.)

JCDecaux entered the Asia-Pacific region in the early 1990s. During the following decade, it won street furniture contracts in Sydney, Singapore, Bangkok, Hong Kong, Macao, Yokohama and Seoul. Jean-Charles recalled:

> The street furniture concept was unknown in Asia and it took us several years to convince Asian municipalities of its benefits. After seven years of negotiations, the government of the Republic of Singapore agreed to tender the street furniture concession on an exclusivity basis for ten years. In Japan, where street furniture advertising was forbidden, we lobbied for three years to change the regulations. Meanwhile, we entered the market with Japanese retailers. Now, with new regulations, we expect to gradually increase JCDecaux's street furniture market share in Japan. In November 2004, we won the Yokohama tender. Asia is a very promising region and we hope to be in mainland China soon.[12]

In 1994, JCDecaux entered the street furniture business in the U.S. when it won a 20-year concession for San Francisco's 27 public toilets and over 100 advertising kiosks. Jean-François Decaux explained:

> No-one else was offering automatic toilets. There were huge concerns about vandalism and graffiti, but we knew we could do it. San Francisco became our showcase city in the US; it proved that we were able to provide an American city with a complex, high quality product and also service it properly.[13]

Market Consolidation Phase

In the middle of the 1990s, the fast growing outdoor advertising market began to attract the attention of U.S. media and advertising groups. This was partly driven by soaring costs of traditional media, and by the increasing fragmentation of traditional TV channels. Outdoor advertising offered a cost effective alternative to capture consumer attention. The sector was also consolidating as a result of the growing complexity and higher upfront costs of contracts. (See **Exhibit 4**.) As a result, during the late 1990s, two new entrants, Clear Channel and Viacom, built major positions in the industry through a series of aggressive acquisitions. (See **Exhibit 5**.)

Clear Channel Communications Inc. The San Antonio, Texas-based diversified media group primarily strong in radio broadcasting and live entertainment entered the outdoor advertising business in April 1997 with the acquisition of Eller Media Corporation. In early 1998, Clear Channel acquired Universal Outdoor and combined the two entities giving the company coverage in 33 major U.S. markets. In the summer of 1998, after an acrimonious battle with JCDecaux, Clear Channel acquired the More Group, a U.K.-based outdoor giant operating in 25 countries. Soon after, Clear Channel entered the French market, buying Sirocco and Dauphin, both important players in the outdoor advertising sector. In 2000, the company bought 80% of France Rail Publicité, a transport outdoor advertising company with concessions on buses, trams and railway stations. In July 2001, France's biggest retailer, Carrefour, chose Clear Channel to develop and install advertising billboards in 2,700 parking lots of its hypermarkets in 11 European countries. The 10-year contract represented an investment of around €100 million and was expected to generate a turnover of around €1 billion. In the same month, Eller Media Corporation officially changed its name to Clear Channel Outdoor. In 2002, Clear Channel completed the acquisition of the Ackerley Group, the fourth-largest U.S. outdoor advertiser.

In 2003, Clear Channel Outdoor, based in Phoenix, Arizona, represented 24% of its parent's total revenue. It operated in all three of the major outdoor segments—billboards, transport, street furniture—with more than 750,000 displays in 65 countries. The company was present in 46 U.S. markets, and daily reached more than half the adults in the United States.[14]

Viacom Inc. The New York-based diversified entertainment and communications company had interests in cable networks (MTV, VH1, Nickelodeon, BET and Comedy Central), television

broadcasting (CBS and UPN), production and syndication (Paramount TV), film (Paramount Pictures), video distribution (Blockbuster), publishing (Simon & Schuster) and owned over 180 radio stations.

Viacom entered the outdoor advertising business as a result of its $37 billion acquisition of CBS Corporation in September 1999. As part of the deal, it picked up a 64% stake in Infinity Broadcasting, a radio and outdoor advertising company. Subsequently, in June 2000, it bought Giraudy, one of France's main billboard players. It acquired the balance of Infinity Broadcasting in 2001.

Viacom Outdoor accounted for approximately 7% of Viacom Inc.'s consolidated revenues. It had outdoor advertising operations in more than 90 markets in North America, including all 50 of the largest metropolitan markets in the U.S., 14 of the 15 largest metropolitan markets in Canada and all of the 45 largest metropolitan markets in Mexico. Additionally, Viacom Outdoor had the exclusive rights to manage advertising space within the London Underground and on more than 90% of the buses in London and the United Kingdom.[15] (See **Exhibit 6** for Clear Channel's and Viacom's financials.)

JCDecaux's Response

In the face of growing competition, JCDecaux continued to innovate. In October 1998, spotting an interesting niche market, the company signed its first contract to install street furniture in shopping malls in the United States with the largest mall operator, the Simon Group. This first deal initiated a series of long-term contracts with prime shopping malls in the U.S.. The company also moved to protect its European base by attempting to buy the London-based More Group, but lost the deal to Clear Channel. After the unsuccessful attempt to block Clear Channel's moves into Europe, JCDecaux decided to bid for the French-based Avenir Group in June 1999. The Group included the Avenir and Mills & Allen billboard companies, and three airport advertising companies, Sky Sites, AP Systèmes and Pearl & Dean. Avenir was the billboard leader in France, and Mills and Allen owned almost 20% of Britain's billboard market. The airport advertising divisions held concessions at London Heathrow, New York's JFK and Hong Kong's Chek Lap Kok. Jean-François Decaux explained:

> In 1999 we faced a major challenge: grow or sell out. We received a very attractive offer from one of the major media Group and my dad, who was approaching retirement, generously left the decision to my brother Jean-Charles and me. We decided we wanted to grow. With the Avenir acquisition, we doubled our size. We also gained more international exposure and higher visibility with a series of new products for the advertisers. In fact, the three business lines are complementary. They also help us to maintain a national network; if we lose a street furniture contract, we can still provide an advertiser with national coverage with our billboards.[16]

The Avenir acquisition was financed with debt. Following the acquisition, the company embarked upon a major integration program, beginning in France, by merging all administrative functions of logistics and operations. In June 2001, JCDecaux decided to float 27% of its shares.

In July 2001, JCDecaux expanded in the U.S. by winning a $750 million contract in partnership with Viacom Outdoor in Los Angeles. In 2002, in partnership with Viacom again, they won the Vancouver concession. Also in 2002, working alone, JCDecaux won the 20-year Chicago concession to supply 2,175 bus shelters and other street furniture.[17] In 2003, JCDecaux acquired 50% of Wall USA, the subsidiary of Wall AG in Germany, which held the Boston street furniture contract until 2021. Jean-François Decaux explained the company strategy in the U.S.:

> We partnered with Viacom in cities where the company was incumbent and politics played an important role. Viacom lacked our street furniture skills, so both companies were better off joining forces. Chicago was different. I knew that the city mayor highly valued quality and that there was no incumbent.[18]

By 2004, JCDecaux's business had spread into 3,500 cities in 43 countries, and the company had passed Viacom Outdoor to become the second largest outdoor advertiser in the world after Clear Channel in the USA. (See **Exhibit 7**.) Almost 60% of JCDecaux's 2003 revenues derived from outside France. The company was valued at €4.26 billion ($5.65 billion) in late November 2004 and employed 6,900 people worldwide.

Lines of Business in 2004

Street Furniture JCDecaux competed in all segments of outdoor advertising, but its greatest strength was in street furniture where it was number one in the world. (See **Appendix** for some pictures of the JCDecaux street furniture.) Street furniture generated 54% of JCDecaux's revenues in 2003 and 88% of its operating income. (See **Exhibit 8**.) In 2004, JCDecaux held concessions in 1,500 cities in 36 countries with a total of 291,000 advertising faces.[19] It operated concessions in 34 of the top 50 cities in the European Union and 4 of the top 6 largest urban areas in the United States. Although the Asian street furniture market was still very fragmented and deregulated, JCDecaux looked ahead to gradually gain a foothold in the region. (See **Exhibits 9a** and **9b**.) The company also had contracts with 565 malls throughout the world.[20] With its broad coverage, JCDecaux could offer its advertisers high reach and targeted audiences. For instance its Distingo® service in France provided advertising facings specifically targeted to sophisticated urban women.

As of December 2003, the average term left to run on JCDecaux's street furniture contracts was nine years. In 2003, JCDecaux won 85% of its competitive bids for new and renewal contracts. In 2004, 15.9% of the portfolio, weighted by revenues, was scheduled to come up for renewal. The potential for expanding the portfolio was also extensive; new street concessions were coming up for bid in a number of major cities including New York City, Toronto, London, Milan, Rome, Warsaw, Sao Paulo, Beijing, Shanghai and Taipei.

Billboards JCDecaux generated 28% of its revenues from billboard advertising in 2003 and 9% of its operating income, and was the number one in Europe in 2004. In 2004, it controlled 189,000 panels in 25 European countries and 3,000 European cities of more than 10,000 people. 52,000 of these panels were in France; 37% of JCDecaux's French billboards were illuminated compared to 25% for competitors.[21]

Transport Transport accounted for 18% of JCDecaux's revenues in 2003 and 3% of operating income. JCDecaux was the world's leading airport advertising business with concessions in 153 airports, 101 of them in Europe (44 in France). JCDecaux reached 30% of all airport traffic through its concessions. (See **Exhibit 10**.) Airports accounted for two-thirds of JCDecaux's transport sales. The company also operated concessions in over 150 mass transit systems in 250 cities throughout Europe, South America and Asia Pacific. JCDecaux managed over 150,000 large advertising panels in the transport segment, of which 23,000 were in airports. These numbers excluded approximately 500,000 small-scale advertisements on airport luggage trolleys, and in buses, trams and metros.[22] Jean-François Decaux explained the strategic advantage of transport advertising:

> We reach a very specific audience and can have high impact for business to business advertising campaigns. For Samsung we placed a huge mobile phone the size of a multi-storey

building at Roissy, Paris' largest airport. It is impossible to miss! It brought us a lot of new customers.

Advertisers

Because of the broad appeal of outdoor advertising, many advertisers used the medium, and JCDecaux had a very broad customer base. Few customers accounted for more than 1% of sales, and the mix of sectors was broadly in line with the industry average. (See **Exhibit 11**.)

France was an exception to the average because retailers were not allowed to advertise on TV, so they traditionally used outdoor media in their promotional campaigns. As a result of a growing pressure from the European Commission in Brussels, those regulations were set to change in January 2007, most likely entailing major changes for the advertising companies.[23]

Because of its broad geographic scope, JCDecaux was able to offer global advertisers extensive reach. In January 2003, JCDecaux signed a five-year contract with Unilever for outdoor advertising in 22 European cities. The contract was estimated to generate $120 million in revenue. In March 2003, JCDecaux entered into a four-year alliance with Masterfoods for outdoor advertising campaigns to be displayed in 16 European countries.[24]

JCDecaux scored highly in audience measurements allowing it to ask for price premiums over its main competitors. David McEvoy, the Senior U.K. Marketing Director, commented:

> Our street furniture is typically better located than our competitors, better lit and better maintained. In the U.K., on average, we reach 28% more audience per display than our closest competitor. And that is just an average. In Birmingham, for instance, our facings are 75% more effective. This allows us to charge a healthy price premium.[25]

Management Structure and Corporate Values

The company was led by an Executive Board composed of five members: the two eldest sons of the founder, Jean-François and Jean-Charles (co-CEOs), Robert Caudron (Chief Operating Officer), Gérard Degonse (Chief Financial Officer), and Jeremy Male (Managing Director of Northern and Central European Operations). The Decaux brothers alternated every year as Chairman of the Executive Board. The Executive Board reported to a Supervisory Board of six members chaired by Jean-Claude Decaux. (See **Exhibit 12** for the Executive and Supervisory Boards' profiles.) Jean-François Decaux commented:

> In preparation to become a public company in 2001 and maintain our success in the outdoor advertising, we needed the backing of our shareholders. A strong Executive and Supervisory Board gave us a lot of credibility. Our management would soon be more multicultural to reflect further developments in the U.S. and Asia.[26]

JCDecaux operated a country structure with local management boards in each country composed of a country manager in charge of development, a head of operations, a head of sales and marketing and a head of finance. In larger regions, such as Asia, each country manager reported to a regional manager. In smaller regions, such as Europe, country managers reported directly to one of the Decaux brothers.

Within a country, operations and concession relations were structured along regional lines to serve local customers while sales and marketing was organized along lines of business.

Administration was performed at the national level and R&D was centralized globally in Plaisir, 23 miles outside Paris.

Since the company's first days, Jean-Claude Decaux had stressed the importance of putting the customer first, working hard, and getting the job done. The management style was therefore aggressive and pragmatic, and the Decaux had frequent contact with employees at all levels of the organization. Although Jean-Claude himself no longer held an executive position, he could often still be found out in the field at 7 a.m. talking to the operations people. The Executive Management team followed suit. Gérard Degonse, Executive Board Member and Chief Financial Executive explained:

> Our focus has always been on the service and the product we provide to our clients. Jean-Claude Decaux and his sons are a tremendous source of inspiration in this regard. They lead by example and have always shown strong commitment to the company and its employees. We have never had a layoff. All of us have easy access to the family and open communication is our standard. There are no family mysteries and no hierarchy per se. What counts most are results, not academic theory. You go out in the field and you will see the JCDecaux vans everywhere (...) and the people are proud to wear the JCDecaux uniform.[27]

Bidding for New Concessions

The bidding process for a new street furniture or airport concession was a lengthy and elaborate process. JCDecaux might start preparing the grounds for a future contract as early as a decade in advance. The work began with building an understanding of the target city's street furniture needs. The next step was to awaken interest and awareness among municipality officials of the advantages that the street furniture could bring to the city. Since most contracts went out to an open bid, it was important to ensure that the municipality had a clear idea of the criteria they should be setting for evaluating potential suppliers. The request for proposal (RFP) was only the last stage in a very long process, and typically lasted three or four months.

The criteria for bidders normally included i) quality, innovation and design, ii) track record in building out a big city iii) track record in maintenance, and iv) final package of furniture and price.

Manufacturing and Operations

JCDecaux subcontracted the manufacture of street furniture and billboard structures to a variety of suppliers. The Industrial Department in Plaisir purchased almost 75% of all street furniture and spare parts for Europe. In the Americas and Asia-Pacific procurement was generally done locally. No individual supplier accounted for more than 10% of total manufacturing costs in 2003, and the top three accounted for less than 20%. Eighty percent of the Industrial Department's purchases were made with 80 suppliers, 9% of the total supplier base. Much of the street furniture was also assembled by third party contractors, although more complicated items such as automatic toilets and rotating decorative columns were assembled in-house. All quality control inspections, installation and repairs were carried out by in-house technicians.[28] Of JCDecaux's 6,915 employees, 4,380 were employed in operations in 2004. (See **Exhibit 13** for an overview of JCDecaux employees.) The majority of these employees worked in the street furniture segment of the business. They were responsible for final assembly, installation and maintenance of street furniture, and for posting the media. Given the huge number of panels and the frequency with which they were changed (once a week in some instances), the media posting exercise was an extensive logistics operation. Each week, advertisers sent advertising posters to JCDecaux's preparation facilities where they were joined together into full sized posters and, for long term posters, laminated. They were then sorted and

rolled for distribution throughout the network. The company operated two main preparation facilities in France, in Lyon and Plaisir, and several other facilities across the world.

Field operations personnel typically worked alone from a distinctively painted JCDecaux van, and were assigned their own territory, which they had to service and maintain. Regional supervisors checked the quality of their work making sure that strict cleanliness, on-time delivery and maintenance standards were respected. They were linked to headquarters via mobile phone. Van location was also tracked in France via GPS.

Robert Caudron, Executive Board Member and Chief Operating Officer explained:

> JCDecaux's operations are like a strict military organization. Errors cost money (...) it's written into our contracts, so we aim to avoid them. Our error rate is less than 1%. Every job is well defined and we provide proper training for it. We measure it and reward it. If someone is capable of delivering more output than the standard, we pay bonuses. The best are rewarded with up to 15% of their fixed salary.[29]

In its drive to improve productivity, JCDecaux received ISO 9001 certification in 2003, and installed SAP to help control all manufacturing and logistics processes.

When starting a new contract abroad, JCDecaux placed an experienced French manager in market to take control of the operations. This manager was responsible for hiring a team from the local workforce. Once the new team was trained and up and running, the French manager moved on.

Sales and Marketing

JCDecaux sold its advertising through its own sales forces for the three business lines. Advertising on street furniture and billboards was sold locally and airport advertising was managed globally. Historically JCDecaux did not offer discounts off list price for street furniture advertising. However, it offered discounts on billboard and transport, in line with industry practices. JCDecaux also tended to sell street furniture advertising directly to advertisers. Albert Asséraf, Director of Strategy and Marketing, explained, "One of the key advantages of JCDecaux is its strong links with advertisers who acknowledge the quality differential of its Street Furniture. Panel quality drives audience, and audience drives revenues"[30]

To direct development efforts, and maintain client satisfaction, each subsidiary was encouraged to conduct annual client satisfaction surveys. In France, at the end of 2003, the Marketing Department conducted a satisfaction survey of 100 advertisers, 40 advertising agencies and 8 media agencies. In the U.K., JCDecaux's Sales and Marketing was voted the best sales and marketing team from 2002 through 2004 by *Campaign*, the main advertising industry title in the United Kingdom.

R&D

From its foundation, JCDecaux was a committed innovator, and invested significantly in developing new ideas. Approximately 130 people worked in its R&D department and their efforts had led to a string of innovations including the original bus shelters (1964), the first free standing panels (1972), the logistics capability to offer seven day campaigns (1973), the first back illuminated display panels (1973), the first scrolling panels (1976), the first automatic outside toilets (1980; in their sixth generation in 2004), the first "infobus" panels informing bus passengers when the next bus was due to arrive (1997), automatic detection systems for signaling repair needs (1999), voice recognition directories for airports and shopping malls (2000), and a computerized bicycle management system

that made free bicycles available to city dwellers, first in Vienna and Lyon (2003). JCDecaux worked closely with internationally acclaimed designers and architects to design its furniture, including Lord Norman Foster, Philippe Starck, Robert A.M. Stern, Mario Bellini, Martin Szekely and Philip Cox.

JCDecaux spent €20.6 million on R&D in 2000, €13.8 million in 2001, €9.8 million in 2002, and €8.3 million in 2003. Jean-François Decaux explained:

> The reduction in R&D is partly a result of accumulating a broad variety of street furniture designs and prototypes over the years. Billboards and transport advertising also requires less innovation than street furniture. If we win a strategic contract, as for example in New York, the R&D spend would increase significantly.[31]

Human Resources

To maintain quality, JCDecaux was committed to hiring full time staff rather than part time employees. To attract management talent, JCDecaux worked with a number of universities and organized 139 internships at the company in 2003 ranging from a few weeks to a year. According to Gérard Degonse, JCDecaux looked for "action oriented initiators, who are able to run autonomously."

JCDecaux provided extensive training programs for its staff including integrations seminars to help new hires assimilate the corporate culture. The company ran a training center at headquarters in Plaisir, which offered a wide range of courses on outdoor advertising. In 2003, more than 2,500 trainees received a total of 30,000 hours of continuing education, at a cost of €1.8 million.[32]

In 2004, JCDecaux launched JCD Media Academy, a program to train sales representatives and sales managers allowing them to share product knowledge and develop a shared professional culture as well as giving them the opportunity to enhance their careers.

Since October 1998, the working hours of the majority of French employees were limited to 35 per week. Employee turnover amounted to 12%.[33]

JCDecaux operated a profit sharing scheme. The principles governing the amount paid out varied by subsidiary. In France, €5.8 million were paid out in profit sharing in each of the years 2001 through 2003, representing an average of approximately €1,800 per employee. At the IPO, employees had also received option shares, exercisable by 2004.[34]

Finance, Information Technology

JCDecaux was relatively financially conservative, and had been virtually debt free until it acquired Avenir in 1999. In July 2000, the company refinanced this acquisition through credit facilities and a private placement in the U.S.

The cash flow profile of street furniture business required extensive upfront capital investment, $2-$3 of capital for every $1 of annual revenues in the first year, but was strongly cash positive thereafter. Typical bids delivered a 20% internal rate of return. The cost of bids was relatively small, between $300,000 and $500,000.[35]

To support its broad logistics operations JCDecaux had an extensive IT system. Much of the software had been developed in-house integrating operations from sales bookings, posting, invoicing

and creditors' payments. Budget, reporting and consolidation processes were also fully integrated. In addition, a yield management program was used to optimize sales.

The New York Contract

New York (NY) had long represented a major opportunity for modern street furniture. In the early 1990s, Manhattan-based Gannet Outdoor Group was operating the city's contract, which was due to expire in 1995. Jean-François Decaux first approached the New York City administration in 1992. The municipality decided to test JCDecaux's automated public toilets at three locations in Manhattan on a four-month trial basis. In 1994, JCDecaux committed to take part in the next street furniture bid in New York City. At that time, OSI (Outdoor Systems Inc.), former Gannet Outdoor, operated nearly 75% of the estimated 14,000 bus stop shelters throughout the U.S.. However, the RFP for a 20-year franchise was not released until early 1997. The contract for 3,300 bus shelters, 330 newsstands and 30 automatic public toilets was estimated at $1 billion in advertising revenues.[36]

The NYC contract short list included JCDecaux, the More Group, TDI and OSI. To the surprise of all, the RFP was withdrawn in April 1998, after Mayor Rudolph Giuliani decided to rewrite the tender documents. In the meantime, the city just extended the existing contract with OSI.[37]

JCDecaux had to wait six more years for the next New York RFP, by which time the incumbent OSI had become part of Viacom. In early 2004, Viacom announced that it would bid on the New York contract on its own, without a partner. In response, JCDecaux formed a 70/30 joint venture with NBC Universal. The venture—named NBCDecaux—jointly submitted a proposal to New York City on September 15, 2004.[38] NBC Universal, majority owned by General Electric, operated the prime television network and a valuable portfolio of news and entertainment networks in the New York area.

As Jean-François sat down with his brother Jean-Charles, the upcoming bid was the first order of discussion. This was the largest bid ever offered in their industry, and obtaining the concession—or not—would significantly impact the future of JCDecaux.

Exhibit 1 Outdoor Advertising Market

By Type of Advertising		1999	2000	2001	2002	2003
Billboard	Euro millions	n/a	9,345	9,599	9,101	8,082
Transport	Euro millions	n/a	4,867	4,999	4,930	4,202
Street Furniture	Euro millions	n/a	3,115	3,199	3,413	2,909
Ambient media	Euro millions	n/a	2,142	2,200	1,517	970
Total	Euro millions	n/a	19,469	19,997	18,961	16,163
Billboard	% of total	n/a	48%	48%	48%	50%
Transport	% of total	n/a	25%	25%	26%	26%
Street Furniture	% of total	n/a	16%	16%	18%	18%
Ambient media	% of total	n/a	11%	11%	8%	6%
Total	% of total	n/a	100%	100%	100%	100%

Source: JCDecaux's estimates adapted by case writers.

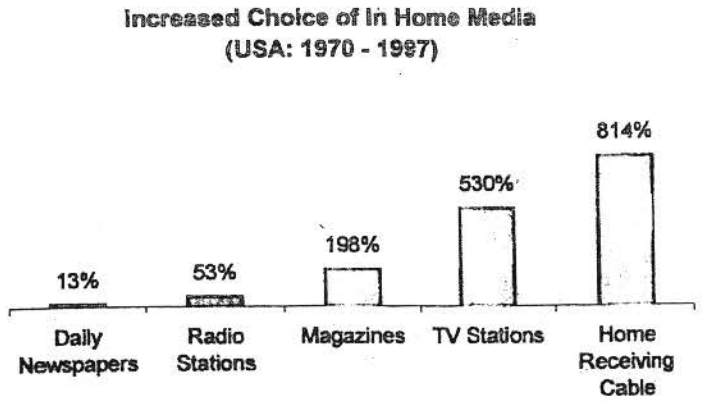
By Region		1999	2000	2001	2002	2003
Europe	Euro millions	4,732	6,210	6,588	6,211	5,298
Asia Pacific	Euro millions	5,405	6,539	6,706	6,225	5,108
Americas	Euro millions	5,037	6,236	6,178	5,823	5,052
Other	Euro millions	313	484	525	702	704
Total	Euro millions	15,487	19,469	19,997	18,961	16,163
Europe	% of total	31%	32%	33%	33%	33%
Asia Pacific	% of total	35%	34%	34%	33%	32%
Americas	% of total	33%	32%	31%	31%	31%
Other	% of total	2%	2%	3%	4%	4%
Total	% of total	100%	100%	100%	100%	100%

Source: JCDecaux information available from ZenithOptimedia, *Advertising Expenditure Forecasts* (London: ZenithOptimedia, July 2004).

By Company	Nationality	1999	2000	2001	2002	2003
				Euro millions		
Clear Channel Outdoor	USA	1,252	1,876	1,954	1,971	1,914
JCDecaux	France	1,208	1,417	1,543	1,578	1,544
Infinity/Viacom Outdoor	USA	n/a	1,865	1,845	1,696	1,539
Lamar	USA	417	746	768	822	713
DSM/Stroer	Germany	n/a	440	440	463	396
Affichage Holding	Switzerland	168	198	212	205	191
Maiden	U.K.	102	132	129	130	127
Metrobus	France	116	117	125	133	132
Outdoor advertising			19,469	19,997	18,961	16,163
All advertising			356,000	347,000	325,000	321,000

Source: JCDecaux, 2000 - 2003 Annual Reports (Neuilly-sur-Seine : JCDecaux, 2000 – 2003).

Exhibit 2 Trends Affecting Outdoor Advertising

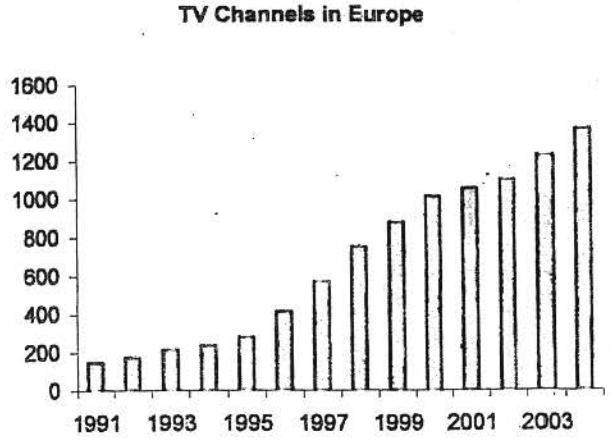


Source: JCDecaux, Group: Market: Fragmentation, JCDecaux Web site, http://www.jcdecaux.com/anglais/groupe/marche/fragmentation/index.htm, accessed November 24, 2004.

Number of Vehicles per 1000 Inhabitants as of January 1

	1990	1995	1999	2003
European Union	454	473	545	568
Germany	512	529	554	583
Belgium	419	463	498	523
Spain	403	430	522	562
France	495	520	548	587
Italy	507	541	608	656
United Kingdom	454	474	516	554

Source: Adapted from Committee of the French Automobile Producers (CCFA), "Automobile Density by Country," CCFA Web site, http://www.ccfa.fr/tab/mu1.htm, accessed October 15, 2004.



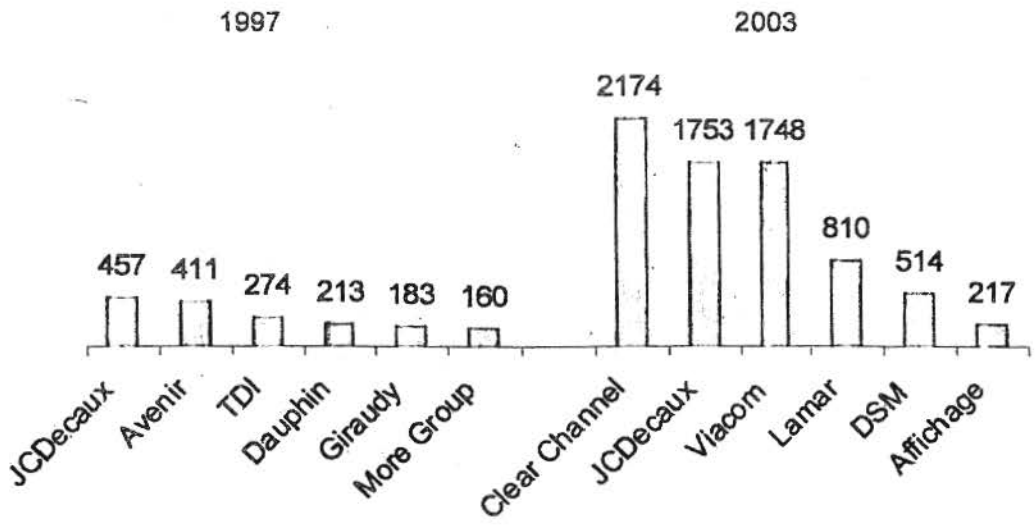
Source: JCDecaux.

Exhibit 3 JCDecaux Acquisitions and Joint Ventures

Date	Geography	Detail
Jun-99	Global	Acquired Avenir, the outdoor advertising division of Havas Media Communication for 885 million euros
Jan-01	Finland	Took complete control of Maximedia Oy, number one in Finland (60% share)
Feb-01	Norway	Acquired TDI Media Norge (Viacom group)
Feb-01	Sweden	Acquired Xpomera
Mar-01	Spain	Acquired 49% of Planigrama
Mar-01	Portugal	Acquired a majority stake in Red
Apr-01	Austria	Acquired a controlling interest in Gewista, Austria's leading outdoor advertising company (40% share)
Jun-01	Mexico	JV with UDC - 8 year advertising concession in 9 airports in South Western Mexico
Dec-01	Germany	Acquired 11.1% of Wall AG (concessions in Berlin, Boston, Düsseldorf, Amsterdam, Moscow, Istanbul)
Jul-01	Japan	JV with Mitsubishi Group to install street furniture in shopping malls
Oct-01	China	JV with Nolasco : 20 year street furniture concession in Macau
Aug-01	Korea	JV with Poong Group: taxi shelters in Seoul
Jan-02	Germany	Acquired Klett family minority stake in KlettDecaux
Jan-02	USA	JV with Viacom Outdoor – street furniture concession in Los Angeles
Apr-02	Pan Europe	Signed pan-European advertising business alliance with Unilever
May-02	Central Europe	JV with Affichage Holdings in Central Europe
Oct-02	Czech/Slovakia	Gewista acquired two outdoor advertising companies in the Czech Republic and Slovakia
Nov-02	Spain	Acquired remaining 51% interest in Planigrama
Nov-02	Italy	Merged Italian operations with IGP in Italy to form IGP Decaux, the number one outdoor advertising company in Italy
May-04	Canada	JCV with Viacom Outdoor: 20 year street furniture concession in Vancouver
Apr-03	Serbia	Acquired Alma Quattro, the leading outdoor advertising company in Serbia-Montenegro
Aug-03	Austria	Increased stake in Gewista to 67%
Oct-03	Germany	Increased stake in Wall AG to 35%
Oct-03	USA	Acquired 50% of Wall USA
Nov-03	Spain	Acquired remaining 25% of JCDecaux & Sign
Sep-04	USA	NBCDecaux

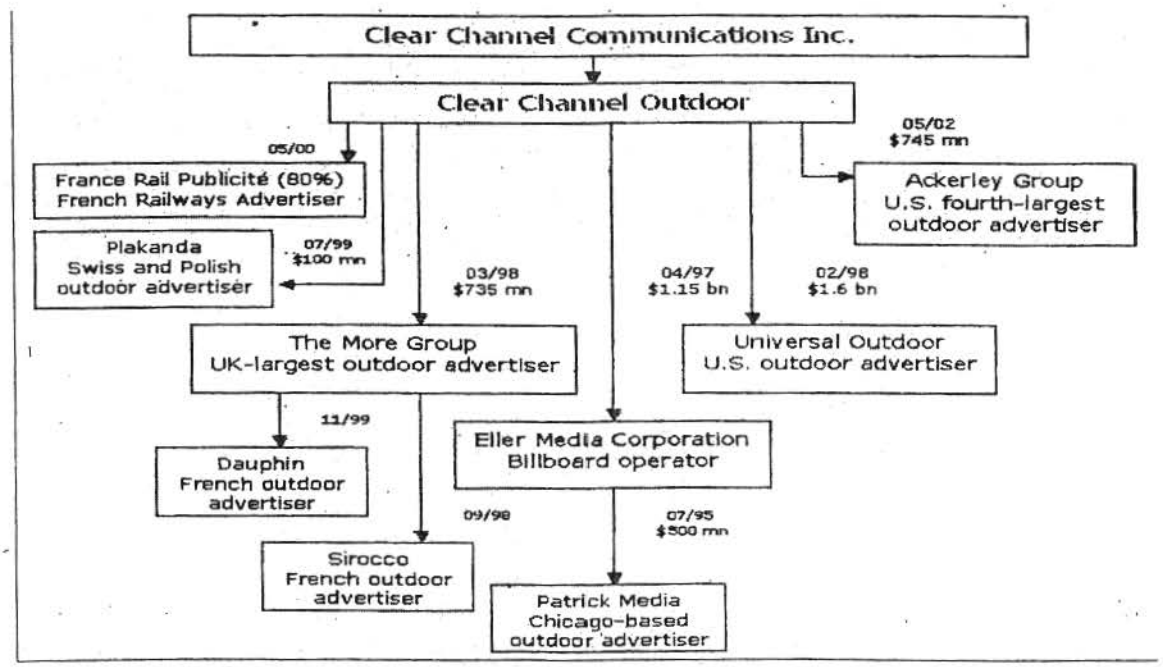
Source : JCDecaux.

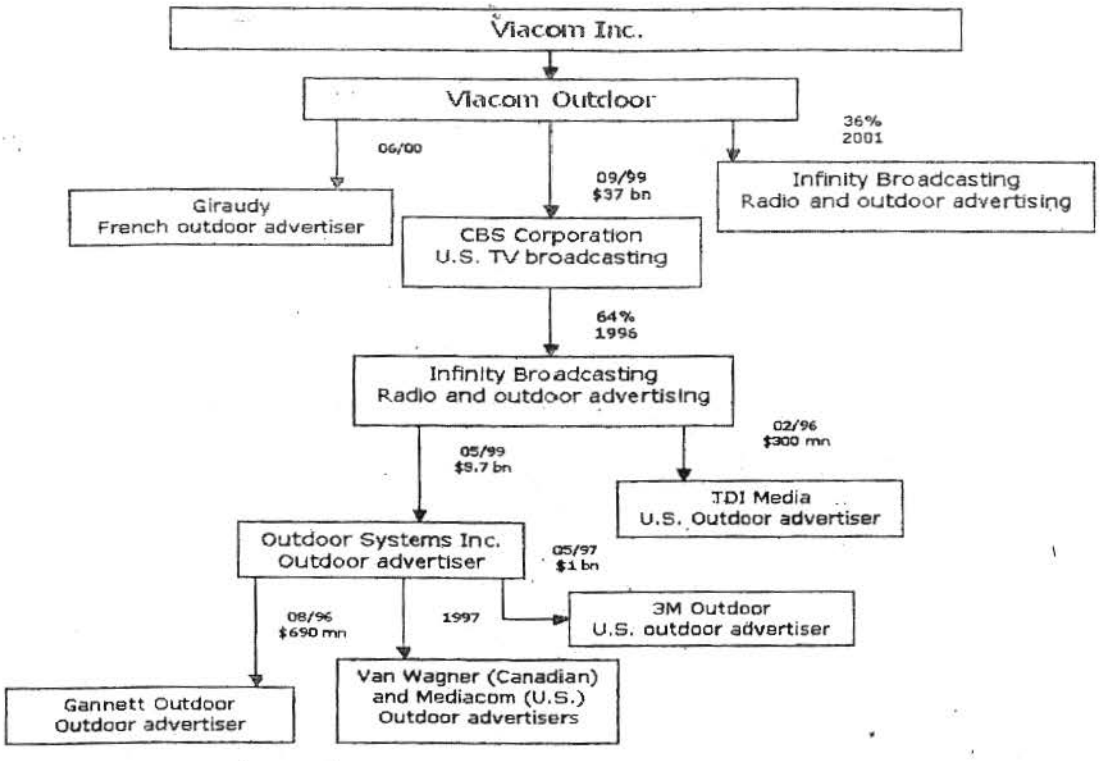
Exhibit 4 Market Consolidation (outdoor advertising revenues in 1997 and 2003 in $ million)



Source: JCDecaux.

Exhibit 5 Clear Channel and Viacom Acquisitions, 1996–2000





Source: Compiled by case writers from McKay, Peter. "Gannett agrees to sell billboard ad division," *The Washington Post*, July 10, 1996, Cousteau, Libie. "Alerte à Decaux City," *Enjeux les Echos*, November 26, 1996, Wilke, Michael. "Stage is set for more linkups at radio, outdoor : Clear Channel purchase of Eller Media," *Advertising Age*, March 3, 1997, Kirk, Jim. "3M selling billboards to Outdoor Systems," *Chicago Sun-Times*, May 2, 1997, Brodesser, Claude. "Out-of-home advertising – a billion for billboards, " *Mediaweek*, May 6, 1997, "Plus Business," *Chicago Sun-Times*, September 19, 1997, "Clear Channel Communications: Stock Deal is completed to buy Universal Outdoor," *The Wall Street Journal*, April 2, 1998, "Reaching new heights of success – Marketing Outdoor Advertising," *Financial Times*, May 28, 1999, "Viacom will buy CBS in marriage of media titans, " *Reuters News*, September 7, 1999, Wrobel, Justyna. "Plakanda acquisitions help close the gap with AMS, " *Warsaw Business Journal*, June 26, 2000, "Clear Channel Communications: Purchase of Ackerley approved by FCC with some conditions," *The Wall Street Journal*, May 30, 2002, via Factiva, accessed October 2004.

Exhibit 6 Competitor Financials

Viacom Group	1999	2000	2001	2002	2003
Sales ($ million)	$12,859	$20,044	$23,223	$24,606	$26,585
Net Income ($ million)	$334	-$816	-$224	$726	$1,417
Viacom Outdoor	1999	2000	2001	2002	2003
Sales ($ million)	n/a	n/a	$1,650	$1,633	$1,748
Operating Income ($million)	n/a	n/a	-$91	$218	$208

Viacom Segment Data in 2003	Sales Net Income	Operating Income	Operating Income
	$ millions	$ millions	% of sales
Television	$7,761	$1,238	16%
Video	$5,912	-$848	-14%
Cable Networks	$5,645	$2,172	38%
Entertainment	$4,101	$271	7%
Radio	$2,098	$975	46%
Outdoor	$1,748	$208	12%

Source: Viacom, 2001 - 2003 Annual Reports (New York: Viacom, 2001 – 2003).

Clear Channel Group	1999	2000	2001	2002	2003
Sales ($ million)	$2,678	$5,345	$7,970	$8,421	$8,931
Net Income ($millions)	$72	$249	-$1,144	$725	$1,146
Clear Channel Outdoor			2001	2002	2003
Sales ($ mn)			$1,748	$1,860	$2,174
Operating Income ($)			-$32	$169	$201

Clear Channel Segment Data in 2003	Sales Net Income	Operating Income	Operating Income
	$ millions	$ millions	% of sales
Radio Broadcasting	$3,695	$1,409	38%
Live Entertainment	$2,647	$130	5%
Outdoor	$2,175	$201	9%
Other	$557	$51	9%

Source: Clear Channel, 2001 – 2003 Annual Reports (San Antonio: Clear Channel, 2001 – 2003).

Exhibit 7 JCDecaux Market Share

In 1999	Street Furniture	Billboards	Transport	Total
France	88%	29%	8%	39%
United Kingdom	22%	35%	14%	22%
Germany	28%	-	n/a	15%
Iberian peninsula	59%	38%	18%	42%
Italy	-	10%	2%	5%
Benelux	53%	35%	n/a	39%
Northern Europe	54%	34%	12%	30%
Other Western Europe	51%	25%	8%	28%

In 2001	Furniture	Billboards	Transport	Total
Western Europe				
France	87%	29%	11%	35%
United Kingdom	25%	31%	20%	24%
Germany	21%	2%	11%	10%
Iberian peninsula	56%	33%	22%	39%
Italy	5%	18%	59%	21%
Benelux	53%	33%	0%	34%
Northern Europe	59%	36%	31%	43%

In 2001	Furniture	Billboards	Transport	Total
Other Western Europe	24%	45%	31%	37%
Total Western Europe	40%	24%	22%	27%
East Europe	22%	16%	54%	19%
Latin America	1%	0%	0%	0%
Asia Pacific	27%	1%	38%	27%
Total Other Regions	36%	20%	24%	25%

Note: Iberian Peninsula (Spain and Portugal), Benelux (Netherlands, Belgium and Luxemburg), Northern Europe (Sweden, Norway, Finland, Denmark and Iceland), Other Western Europe (Ireland and Austria). Analysis excludes Bulgaria, Canada, Chile, USA, Japan, South Korea, Mexico, Malaysia, Macau, Switzerland.

Source: JCDecaux.

Exhibit 8 JCDecaux Financial Performance

	1996	1997	1998	1999	2000	2001	2002	2003
	€ millions	€ millions	€ millions	€ millions	€ millions	€ millions	€ millions	€ millions
Sales	461	506	556	932	1,417	1,543	1,578	1,544
EBITDA	207	213	230	280	386	377	405	417
Operating profit	133	136	142	183	238	201	211	230
Net income (group share)	77	82	75	60	20	10	26	41
Total assets	683	772	678	2,152	2,541	2,918	2,730	2,758
Debt	52	35	74	1,082	1,296	1,416	1,249	1,262
Shareholders Equity	432	508	351	449	624	1,322	1,313	1,334
Street Furniture								
Sales	461	506	556	627	726	798	840	837
EBITDA	207	213	230	250	294	306	340	349
Operating profit	133	136	142	155	180	169	189	203
Billboards								
Sales	0	0	0	362	384	411	443	428
EBITDA	0	0	0	48	66	48	55	54
Operating profit	0	0	0	31	45	18	23	20
Transport								
Sales	0	0	0	220	307	334	295	279
EBITDA	0	0	0	16	28	23	10	14
Operating profit	0	0	0	12	21	14	-1	6
Sales by Geography								
France	n/a	n/a	301.2	558.3	581.1	591.8	570.9	555.8
United Kingdom	n/a	n/a	35.9	166.8	213.4	220.9	231.6	220.3
Rest of Europe	n/a	n/a	216	346.6	401.2	516.1	568.9	574.9
Asia Pacific	0	0	0	73.1	115.5	111	102.1	86.6
Americas	n/a	n/a	2.9	63.5	105.9	103.4	104.2	106.2

Sales breakdown by Line of Business

	1996	1997	1998	1999	2000	2001	2002	2003
Street Furniture	100%	100%	100%	67%	51%	52%	53%	54%
Billboards	0%	0%	0%	39%	27%	27%	28%	28%

	1996	1997	1998	1999	2000	2001	2002	2003
Transport	0%	0%	0%	24%	22%	22%	19%	18%

Operating Profit Breakdown by Line of Business

	1996	1997	1998	1999	2000	2001	2002	2003
Street Furniture	100%	100%	100%	85%	76%	84%	90%	88%
Billboards	0%	0%	0%	17%	19%	9%	11%	9%
Transport	0%	0%	0%	6%	9%	7%	0%	3%

Sales Breakdown by Region

	1996	1997	1998	1999	2000	2001	2002	2003
France	0%	0%	54%	60%	41%	38%	36%	36%
United Kingdom	0%	0%	6%	18%	15%	14%	15%	14%
Rest of Europe	n/a	n/a	39%	37%	28%	33%	36%	37%
Asia Pacific	0%	0%	0%	8%	8%	7%	6%	6%
Americas	n/a	n/a	1%	7%	7%	7%	7%	7%

Source: JCDecaux, 1999 - 2003 Annual Reports (Neuilly-sur-Seine : JCDecaux, 1999 – 2003).

Exhibit 9a Street Furniture Concession Holders—Top 50 European Cities

Rank	City	Country	Population in millions	Concession Holder
1	London	U.K.	7.17	Clear Channel (Adshel)/JCDecaux
2	Berlin	Germany	3.39	Wall (1)
3	Madrid	Spain	2.94	JCDecaux/Cemusa
4	Rome	Italy	2.55	None
5	Paris	France	2.13	JCDecaux
6	Hamburg	Germany	1.73	JCDecaux
7	Vienna	Austria	1.55	JCDecaux(2)
8	Barcelona	Spain	1.50	JCDecaux
9	Milan	Italy	1.26	IGPDecaux(3)
10	Munich	Germany	1.23	JCDecaux
11	Naples	Italy	1.00	IGPDecaux(3)
12	Brussels	Belgium	0.98	JCDecaux
13	Birmingham	U.K.	0.98	JCDecaux/Clear Channel (Adshel)
14	Cologne	Germany	0.97	JCDecaux
15	Turin	Italy	0.87	IGPDecaux
16	Marseille	France	0.80	JCDecaux
17	Stockholm	Sweden	0.76	JCDecaux/Clear Channel (Adshel)
18	Athens	Greece	0.75	Alma
19	Valencia	Spain	0.74	JCDecaux/Cemusa
20	Amsterdam	Netherlands	0.74	JCDecaux
21	Leeds	U.K.	0.72	Clear Channel (Adshel)
22	Palermo	Italy	0.69	None

23	Seville	Spain	0.68	JCDecaux(4)/Cemusa
24	Frankfurt	Germany	0.64	Stroer
25	Saragossa	Spain	0.61	JCDecaux
26	Genoa	Italy	0.61	Cemusa
27	Rotterdam	Netherlands	0.60	Viacom
28	Essen	Germany	0.59	Stroer
29	Dortmund	Germany	0.59	Wall/Ruhfus
30	Stuttgart	Germany	0.59	JCDecaux
31	Glasgow	U.K.	0.58	JCDecaux
32	Düsseldorf	Germany	0.57	JCDecaux/Wall(1)
33	Lisbon	Portugal	0.56	JCDecaux/Cemusa
34	Helsinki	Finland	0.56	JCDecaux
35	Bremen	Germany	0.54	JCDecaux
36	Malaga	Spain	0.52	Cemusa
37	Hanover	Germany	0.52	Stroer
38	Sheffield	U.K.	0.51	JCDecaux/Clear Channel (Adshel)
39	Duisburg	Germany	0.51	Stroer
40	Copenhagen	Denmark	0.50	JCDecaux/Clear Channel (Adshel)
41	Dublin	Ireland	0.50	Clear Channel (Adshel)
42	Leipzig	Germany	0.49	JCDecaux
43	Nuremburg	Germany	0.49	JCDecaux
44	Dresden	Germany	0.48	JCDecaux
45	Gothenburg	Sweden	0.47	JCDecaux
46	Bradford	U.K.	0.47	JCDecaux/Clear Channel (Adshel)
47	The Hague	Netherlands	0.47	JCDecaux
48	Antwerp	Belgium	0.45	JCDecaux
49	Edinburgh	U.K.	0.45	JCDecaux/Clear Channel (Adshel)
50	Lyon	France	0.45	JCDecaux

Note: (1) JCDecaux owns 35% of Wall's share capital, (2) JCDecaux is present in Vienna through its subsidiary Gewista, of which it owns 67% of the share capital, (3) JCDecaux owns 32,35% of the share capital of IGPDecaux, (4) JCDecaux is present in Seville through its subsidiary Planigrama.

Source: JCDecaux.

Exhibit 9b Street Furniture Concession Holders—Top 20 American Cities

Rank	City	Street furniture	Malls (2)
1	New York	tender in progress	JCDecaux
2	Los Angeles	Viacom Decaux	JCDecaux
3	Chicago	JCDecaux	JCDecaux
4	Philadelphia	Viacom	JCDecaux
5	San Francisco	JCDecaux	JCDecaux
6	Boston	Wall Inc/JCDecaux (1)	JCDecaux
7	Washington, DC	Clear Channel	JCDecaux
8	Dallas	no street furniture program	JCDecaux
9	Detroit	no street furniture program	JCDecaux
10	Atlanta	Viacom	JCDecaux
11	Houston	no street furniture program	JCDecaux
12	Seattle – Tacoma	no advertising bus shelters	JCDecaux
13	Cleveland	no street furniture program	JCDecaux

Rank	City	Street furniture	Malls (2)
14	Minneapolis-St. Paul	no street furniture program	n/a
15	Miami	Sarmiento/CCU	JCDecaux
16	Tampa-Sarasota	no street furniture program	JCDecaux
17	Phoenix	Viacom	JCDecaux
18	Denver	Viacom	JCDecaux
19	Sacramento	no street furniture program	JCDecaux
20	St Louis	Wall Inc/JCDecaux (1)	JCDecaux

Note: JCDecaux strategy and business concept exclude cities without visible downtown areas.

(1) JCDecaux owns 50% of Wall Inc

(2) Some competitors may operate malls in the same city

Source: JCDecaux.

Exhibit 10 Airport Concession Holders—Top 10 World Airports

Rank	City	Annual Passengers in millions	Concession Holder
1	London	119	JCDecaux
2	Tokyo	90	Local company
3	Chicago	87	Clear Channel (TMI)
4	New York	83	JCDecaux
5	Atlanta	79	Clear Channel (TMI)
6	Paris	70	JCDecaux
7	Los Angeles	61	Upcoming bid
8	Dallas	58	Clear Channel (TMI)/JCDecaux
9	Frankfurt	48	JCDecaux/Fraport
10	Houston	42	JCDecaux

Source: JCDecaux.

Exhibit 11 JCDecaux Advertisers by Customer and Industry

Company	Industry	% in 2003
Unilever	Food and beverage	2.0%
PSA Peugeot Citroen	Automobile	1.6%
France Telecom Group	Telecom and technology	1.4%
Ford Motors	Automobile	1.2%
L'Oreal	Luxury and beauty products	1.2%
Nestlé	Food and beverage	1.1%
Vodafone Group	Telecom and technology	1.1%
LVMH	Luxury products	1.1%
Renault/Nissan	Automobile	1.1%
Hennes & Mauritz	Fashion	0.8%

Industry	2000	2001	2002	2003
Leisure, entertainment, film	13.6%	12.4%	14.1%	14.0%

Retail stores	6.6%	8.3%	9.4%	10.2%
Food and beverage	8.6%	10.3%	9.6%	8.9%
Luxury and beauty products	8.0%	8.7%	8.6%	8.8%
Automobile	7.2%	8.1%	8.9%	8.5%
Fashion	6.3%	7.0%	7.3%	7.3%
Banking, finance	7.2%	7.6%	7.2%	7.1%
Telecom, technology	9.4%	7.7%	6.5%	7.0%
Services	6.4%	5.4%	5.4%	5.3%
Travel	5.8%	5.9%	5.4%	5.3%
Wine and spirits	3.5%	3.3%	3.9%	3.9%
Beer	2.5%	2.2%	2.1%	2.2%
Tobacco	2.4%	2.3%	2.0%	1.6%
Other (Restaurants, Government & other)	7.4%	8.9%	9.0%	8.9%

Source: JCDecaux.

Exhibit 12 JCDecaux Leadership

Executive Board profiles

Jean-François Decaux – Chairman of the Executive Board and Co-Chief Executive Officer. He joined the Group in 1982, and lived in Germany to create and develop the German subsidiary. He then developed subsidiaries in Northern and Central Europe, primarily through organic growth. More recently, he succeeded in establishing operations in the United States, as well as in Australia ahead of the Olympic games.

Jean-Charles Decaux – Co-Chief Executive Officer. He joined the Group in 1989 and moved to Spain to set up and develop the Spanish subsidiary. He then developed subsidiaries in Southern Europe, Asia and South America, chiefly through organic growth. He has also served as Chairman and Chief Executive Officer of Avenir since June 1999.

Gérard Degonse – Chief Financial Officer. He joined the Group in June 2000, after holding positions as CFO-Treasurer of Elf-Aquitaine and VP Treasurer-Company Secretary of Euro Disney. In 2004, he was elected the Finance Director of the Year in France.[3]

Robert Caudron – Chief Operating Officer. HE joined the Group in 1984 as Finance Director and became Managing Director of JCDecaux Services and President of the Group in 1995. Prior to joining JCDecaux, he worked for Ciments Français and Eternit, where he was responsible for financial operations and investments.

Jeremy Male – Managing Director of Northern and Central European Operations. He joined the Group in August 2000. Prior to this, he was Managing Director of European Operations for Viacom Affichage and held a series of management positions in food processing groups such as Jacobs Suchard and Tchibo.

Supervisory Board profiles

Jean-Claude Decaux – Founder of the JCDecaux Group, he has been the Chairman of the Supervisory Board since October 9, 2000.

[3] The Finance Director of the Year Award was set up in 2000 by Le Figaro (the French daily newspaper), the DFCG (the French association of financial directors and controllers) and Hudson (human capital management company) to increase the recognition of this position in France.

Jean-Pierre Decaux – Vice-Chairman of the Supervisory Board since October 9, 2000. He was previously Chairman of the Group's subsidiary Régie Publicitaire de Mobilier Urbain (RPMU).

Christian Blanc – Member of the Supervisory Board since October 9, 2000. He is also a Member of the French Parliament and holds directorships in Carrefour France, Thomson Multimedia France, Coface France and Cap Gemini France.

Xavier de Sarrau – Member of the Supervisory Board since May 14, 2003. An attorney-at-law, holding a doctorate in tax law and a degree from the HEC school of business administration, he previously served as President of the Andersen Group for Europe, Africa and the Middle East before taking responsibility for support functions worldwide within the same group. He is a former member of the French National Bar Association (Conseil National de Barreaux) and is a Knight of the Legion of Honor.

Pierre-Alain Pariente – Member of the Supervisory Board since October 9, 2000. He held various positions in the JCDecaux Group between 1970 and February 2000, notably as Sales Director of the Subsidiary Régie Publicitaire de Mobilier Urbain (RPMU).

Prof. Lothar Späth – Member of the Supervisory Board since May 14, 2003. He is Vice-President of Merrill Lynch Europe, where he is responsible for Germany. HE served as Chairman of the Board of Management of Jenoptik AG until June 2003. From 1978 to 1991, he was Prime Minister of the State of Baden-Würtemberg, of which Stuttgart is the capital.

Source: JCDecaux, 2003 Annual Reports (Neuilly-sur-Seine : JCDecaux, 2003).

Exhibit 13 JCDecaux Employees, as of December 31

	1998	1999	2000	2001	2002	2003
Technical	4,297	4,295	4,369	4,667	4,539	4,380
Concession Relations	424	452	437	447	420	406
Research and Development	104	175	199	134	124	107
Sales and Marketing	638	768	899	1,042	1,033	1,057
Management and Administration	717	811	878	1,046	963	965
Total	6,180	6,501	6,782	7,336	7,079	6,915
France	3,440	3,482	3,504	3,495	3,340	3,194
Outside France	2,740	3,019	3,278	3,841	3,739	3,721
Total	6,180	6,501	6,782	7,336	7,079	6,915
Technical	69.5%	66.1%	64.4%	63.6%	64.1%	63.3%
Concession Relations	6.9%	7.0%	6.4%	6.1%	5.9%	5.9%
Research and Development	1.7%	2.7%	2.9%	1.8%	1.8%	1.5%
Sales and Marketing	10.3%	11.8%	13.3%	14.2%	14.6%	15.3%
Management and Administration	11.6%	12.5%	12.9%	14.3%	13.6%	14.0%
France	55.7%	53.6%	51.7%	47.6%	47.2%	46.2%
Outside France	44.3%	46.4%	48.3%	52.4%	52.8%	53.8%

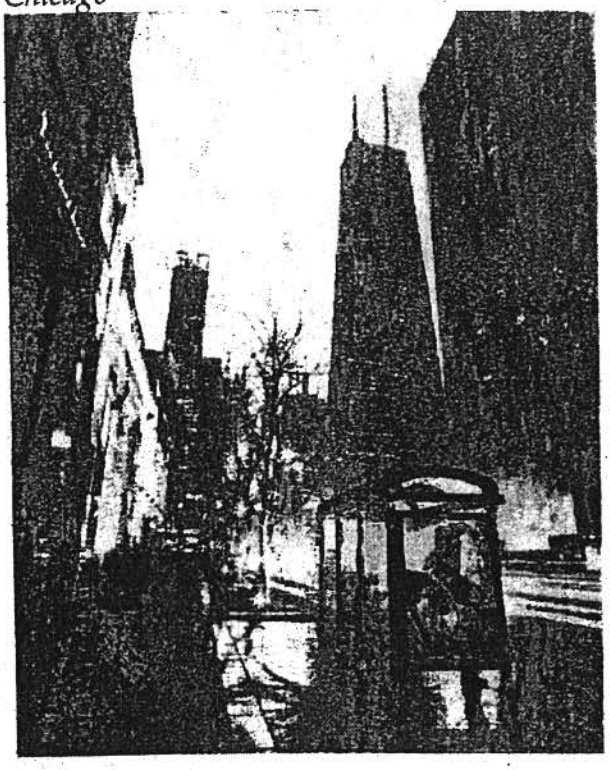
Source: JCDecaux, 2000 - 2003 Annual Reports (Neuilly-sur-Seine : JCDecaux, 2000 – 2003).

Appendix – Street Furniture in the U.S.

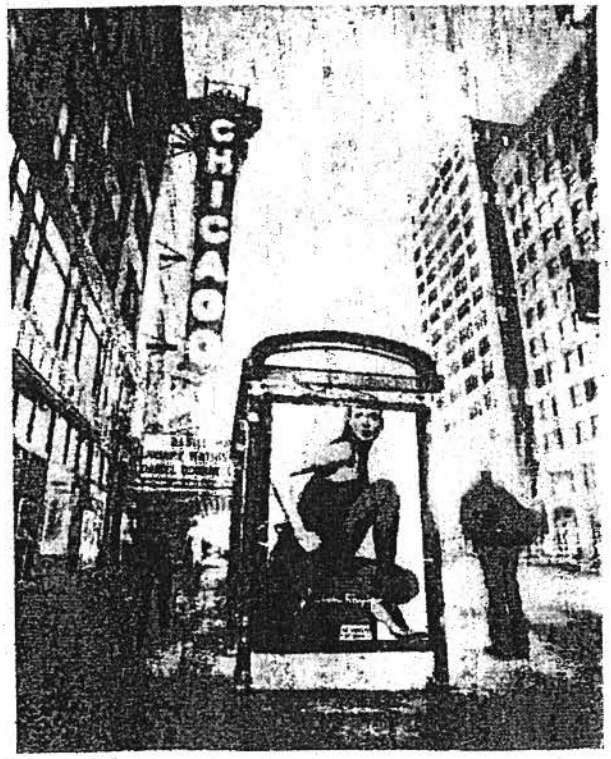
San Francisco

San Francisco

Chicago



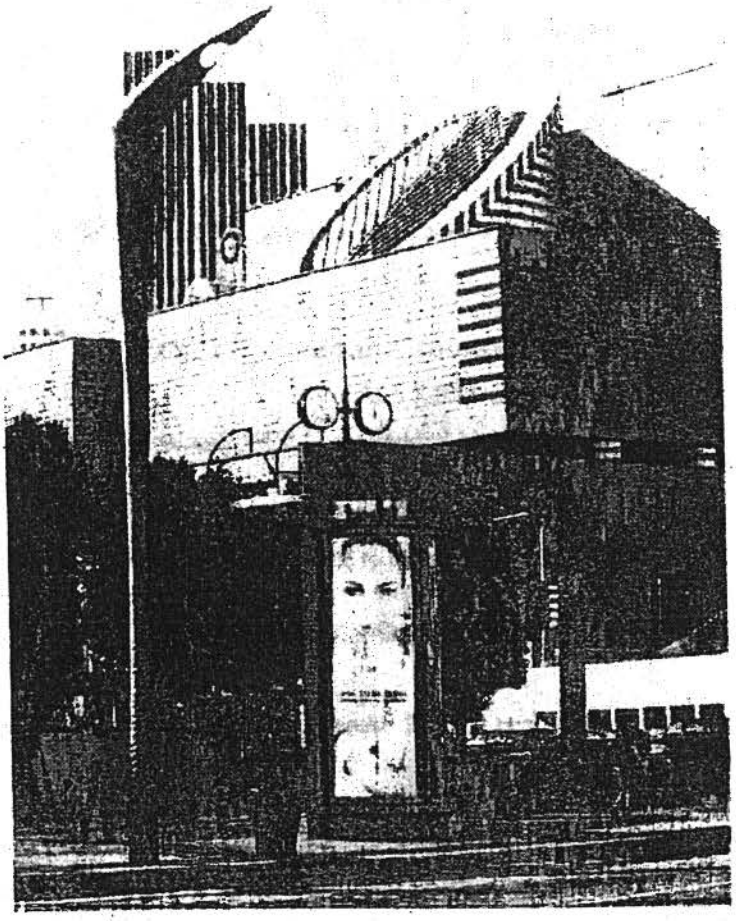
Chicago



JFK airport (New York)

Roosevelt field (Long Island)

San Francisco



Source: JCDecaux.

Endnotes

[1] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, p.16.

[2] The following description of the outdoor advertising industry comes from the JCDecaux, 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, pp.11-26.

[3] Ibid, p.11.

[4] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[5] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, p.13.

[6] Paola Totaro, "Street Fighting Men," *The Sydney Morning Herald*, September 24, 1997, available from Factiva, <http://www.factiva.com> (accessed October 2, 2004).

[7] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[8] Authors' interview with Jean-Charles Decaux, Founder and Chairman of the Supervisory Board, JCDecaux, Plaisir, November 17, 2004.

[9] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[10] Ibid.

[11] Authors' interview with Jean-Charles Decaux, co-CEO and 2004 Chairman, JCDecaux, Plaisir, November 17, 2004.

[12] Ibid.

[13] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[14] Clear Channel Company. "Outdoor." Clear Channel Company Web site. <http://clearchannel.com/outdoor/home.aspx> (accessed October 3, 2004).

[15] Viacom Company. "The Facts." Viacom Company Web site. <http://www.viacom.com/thefacts.tin> (accessed October 3, 2004).

[16] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[17] Carol Matlack, "Will Decaux's Street smarts work in the U.S.?," *BusinessWeek*, September 23, 2002, available from Factiva, <http://www.factiva.com> (accessed October 2, 2004).

[18] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[19] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, p.18.

[20] JCDecaux.

[21] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, p.21.

[22] Ibid., p.23.

[23] Authors' interview with Albert Asséraf, Director of Strategy and Marketing, JCDecaux, Plaisir, November 17, 2004.

[24] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, pp. 27-28.

[25] Authors' interview with David McEvoy, U.K. Marketing Director, JCDecaux, Plaisir, November 17, 2004.

[26] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[27] Authors' interview with Gérard Degonse, CFO, JCDecaux, Plaisir, November 17, 2004.

[28] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, pp. 31-32.

[29] Authors' interview with Gérard Degonse, CFO, JCDecaux, Plaisir, November 17, 2004.

[30] Authors' interview with Albert Asséraf, Director of Strategy and Marketing, JCDecaux, Plaisir, November 17, 2004.

[31] Authors' interview with Jean-François Decaux, co-CEO, JCDecaux, Plaisir, November 17, 2004.

[32] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, pp. 30.

[33] Authors' interview with Robert Caudron, COO, JCDecaux, Plaisir, November 17, 2004.

[34] JCDecaux. 2003 Annual Report. Neuilly-sur-Seine: JCDecaux, 2003, pp. 30.

[35] Authors' interview with Robert Caudron, COO, JCDecaux, Plaisir, November 17, 2004.

[36] Erin White, "Advertising: Companies to Bid for Bus-Stop Ads," *The Wall Street Journal*, April 7, 2004, available from Factiva, <http://www.factiva.com> (accessed October 2, 2004).

[37] "Top Ad Firms in a $1Bn Transatlantic Battle," *The Mail on Sunday*, February 15, 1998, available from Factiva, <http://www.factiva.com> (accessed October 15, 2004).

[38] Sophie Borland, "JCDecaux and NBC Join Forces in New York," *The Guardian*, September 16, 2004, available from Factiva, <http://www.factiva.com> (accessed October 16, 2004).

JCDecaux

Submitted to:
The Port Authority of NY & NJ
Purchasing Services Division
Attn: T.J. Storch
One Madison Avenue, 7th Floor
New York, NY 10010

Submitted by:
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

Contact Name:
Bernard Parisot, co-CEO
Jean-Luc Decaux, co-CEO
Tel. (646) 834-1300
Fax (646) 834-1206
Bernard.Parisot@jcdecauxna.com
Jean-Luc.Decaux@jcdecauxna.com

June 8, 2005

Proposal for

Advertising Opportunities For Port Authority of NY & NJ and Path Facilities, Including Outdoor and Out-Of-Home Locations

(RFP #0000007920)

Original

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NY & NJ

June 27, 2005

VIA FAX 646-834-1206 and email to Bernard.Parisot@jcdecauxna.com

Mr. Bernard Parisot, co-CEO
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10006

RE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY FACILITIES, PROPOSAL #7920, CLARIFICATIONS, CONCERNS AND PRESENTATION

Dear Mr. Parisot:

Thank you for submitting your response for the above referenced proposal. We would like to invite you and key staff that will be assigned to this operation for a discussion of your proposal and a question and answer period on Wednesday, July 6, 2005 at 2:00 PM at 225 Park Avenue South, 9th Floor, New York, NY, 10003. A photo ID is required for access to the building. In this discussion, please allow a 15-minute opening presentation highlighting the key points of your firm's proposal. Questions, answers and closing statements should take approximately one and one-half hours.

A list of individuals who will attend this presentation should be emailed to tjstorch@panynj.gov by 2:00 PM on Tuesday, July 5, 2005.

As we are still evaluating your proposal, the following items need to be addressed. Your response to these issues will assist the Review Committee to make a better determination on the evaluation of your proposal.

1. You understand that the Port Authority intends to award separate agreements for Sponsorship and Advertising. How and where do you see sponsorship co-existing with JCDecaux's advertising contract?

2. The RFP was clear that this agreement will be non-exclusive, yet your proposal provided financial terms (i.e. MAG and % rent) that were conditioned on certain advertising assets being made available exclusively to JCDecaux. How do you address this conflict and what is your financial proposal based on the non-exclusively of this agreement?

3. Are your percentage fees payable to the Port Authority on a "pay or payable" basis? If no, how are your proposing payment?

One Madison Avenue, 7th Fl.
New York, NY 10010
T: 212 435 7000

4. The financial proposal to the Port Authority is based on a MAG or a Gross Receipts Percentage (Pgs. 81-82). Define the components of Gross Receipts and any deductions that would reduce these gross receipts.

5. Please explain more clearly JCDecaux's approach to the Bus Terminal, PATH, and George Washington Bridge Bus Station. We noticed that they have been lumped together and not treated as separate entities, and that your MAG and projected revenues are very conservative. We need clarification and an idea of the specific new programs you are proposing for each of these facilities.

6. The termination dates of the existing agreements for specific Port Authority facilities are noted on page 76, Attachment D. If the Port Authority Bus Terminal and PATH were made available sooner than 2006 (interior), 2016 (exterior), and 2007 (PATH), what would your new MAG and projected revenue proposal be for those facilities.

7. We also noted that in your proposal it takes approximately 3 years to reach the current levels of revenues that PATH and PABT are achieving now, both on a MAG and percentage of sales. What are your assumptions? Why does it take so long to achieve the current revenue stream on those two facilities?

8. You noted that JCDecaux would work with the Port Authority and interested content providers to deploy a digital screen network in the new PATH rail cars. Please describe what your plans are for this, and any relevant applications in which your company has had the lead role. Also, did you include this application in your revenue assumptions for PATH?

9. JCDecaux did not address the Downtown Heliport or Essex County Recycling Facility. What are your plans for those two facilities?

10. Your proposal shows higher income at the airports, but a smaller percentage paid to the Port Authority under your current contract with us. Please explain why.

11. Explain your staffing plan and how you would manage the broad range of facilities covered under this contract, including airport, transit, terminal, and new out-of-home installations at the Port Authority's facilities.

12. The new technologies you point to in your proposal sound interesting. Please provide more detail on their current use, experience and deployment plans for all Port Authority Facilities.

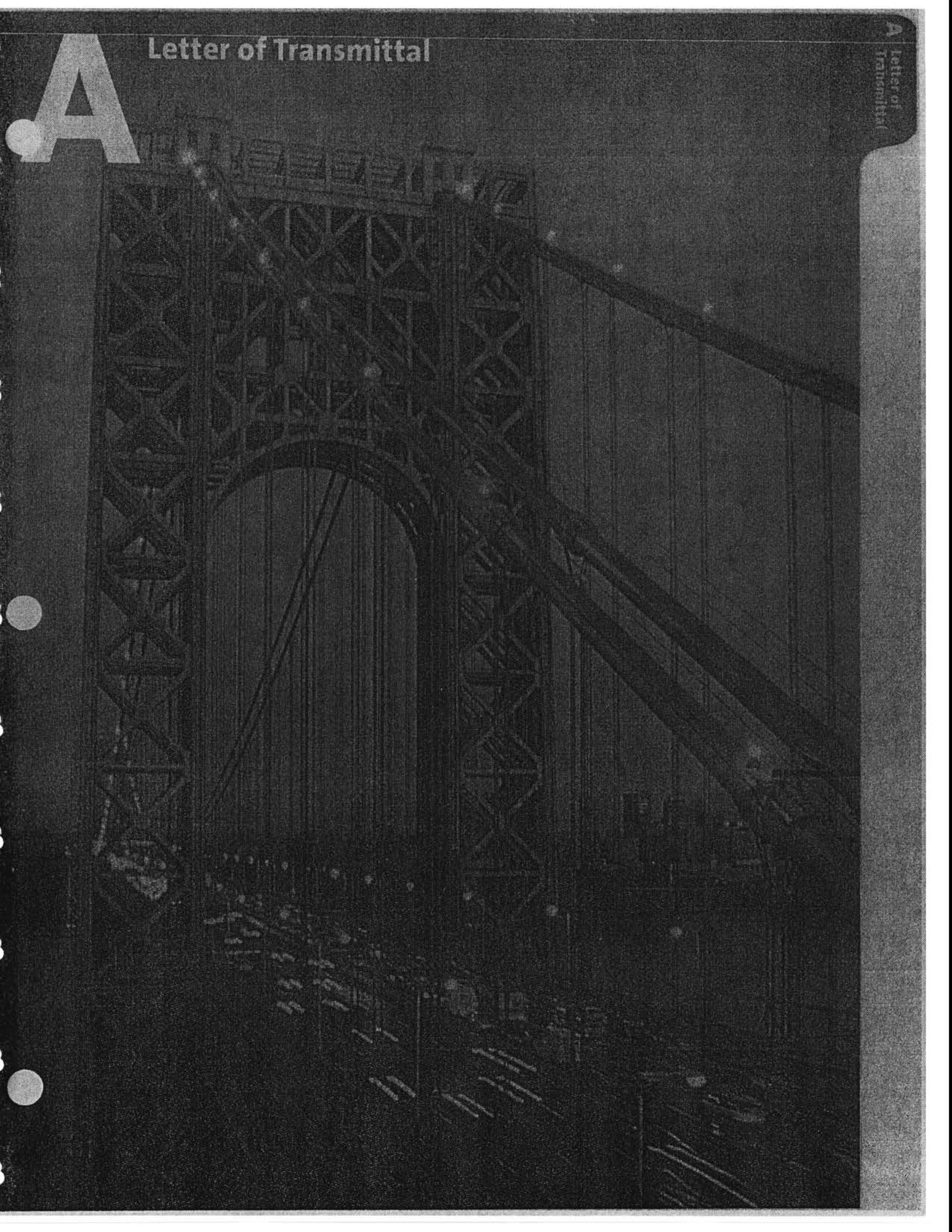
13. Your company is offering a lower percentage on the new technology, the "Electronic Art System" and "Prestige Digital Network," please explain why this is proposed at 25%? Where is this new technology presently in use, in locations relevant to the RFP? What are the projected gross receipts from these items?

Your response to the above questions must also be submitted in writing, due at the time of JCDecaux's presentation. In addition this offer to make a presentation to the Review Committee shall not be construed to be an acceptance of your proposal. If you have any questions, contact me at (212) 435-3936.

Very truly yours,

T. J. Storch
Senior Contracts Manager
Priority Procurements Division

A Letter of Transmittal



A Letter of Transmittal

JCDecaux

Mr. T.J Storch
Port Authority of New York and New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

June 13, 2005

Out of Home Media

Argentina
Australia
Austria
Belgium
Bosnia
Brazil
Bulgaria
Canada
Chile
Croatia
Czech Republic
Denmark
Finland
France
Germany
Hong Kong
Hungary
Iceland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Yugoslavia

RE: Letter of Transmittal

Dear Mr. Storch:

We are pleased to submit our proposal in response to the Request for Proposal for "Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, including Outdoor and Out-of-Home Locations," Number: 0000007920. We welcome this opportunity to expand our relationship with the Port Authority beyond the two New York Airports where we have been operating the advertising concession for the last 9 and 15 years.

JCDecaux is uniquely qualified to offer a total solution to provide advertising to the Port Authority of NY & NJ Facilities.

- JCDecaux - Number 1 in Airport Advertising worldwide
  150 airports and more than 250 Transport contracts in metros, buses, trains, and subways (157,000 faces)
- JCDecaux - Number 1 in Billboard Advertising in Europe
  (197,000 faces)
- JCDecaux - Number 1 Street Furniture advertising company worldwide
  (304,000 faces)

JCDecaux manages advertising concessions in six of the top ten aviation markets in the world – New York, London, Paris, Frankfurt, Houston and Dallas. We have been working with the Port Authority of NY & NJ since 1990 when we were awarded the contract at JFK International Airport. We have operated and managed the interior and exterior advertising program at LaGuardia since 1996.

In our Billboard programs, we are constantly striving for both quality of product and the best possible sites for our panels. The combination of our specific selection of high quality locations, quality of product and JCDecaux's commitment to innovation is second to none in the industry.

JCDecaux's transport advertising covers 4 continents, including 9 underground networks, 1,800 buses and 200 trams. Our expertise is realized through the 157,000 transport panels we manage in 20 different countries around the world.

JCDecaux North America
3 Park Avenue, 33rd Floor - New York, NY 10016 - USA
Telephone: 646 834 1200 - Fax: 646 834 1201 - www.jcdecauxna.com

JCDecaux

JCDecaux has the experience and qualifications to offer a total solution to provide advertising to the Port Authority of NY & NJ Facilities. Our creative and complete package of traditional and non-traditional, out-of-home and outdoor advertising will maximize revenue to the Port Authority. We will be responsible for the entire development, implementation and management of these advertising concepts. JCDecaux will sell the advertising space for all locations and have full responsibility for all advertising displays. As one complete package, we can deliver more than $1.8 billion in revenue to the Port Authority over the next 20 years.

JCDecaux Airport, Inc. is submitting a proposal for Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, including Outdoor and Out-of-Home Locations as a single entity.

1. This proposal is being submitted by:

JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

2. The following individual is authorized to negotiate and execute the Contract with The Port Authority of NY & NJ on behalf of JCDecaux Airport, Inc.:

Bernard Parisot
co-CEO
Tel. 646-834-1300
Fax 646-834-1306

3. The Port Authority of NY & NJ should submit all questions and inquires regarding the proposal to:

Bernard Parisot
co-CEO
Tel. 646-834-1300
Fax 646-834-1306

4. The following is a list of our proposed subcontractors:

S & J Electrical Contractors, Inc.
34 Ravenswood Lane
Scotch Plains, NJ 07076
908-322-1121

JCDecaux

Kleinberg Electric, Inc.
437 West 16th Street
New York, NY 10011
212-206-1140

Electric Corporation
30-30 Northern Blvd.
Long Island City, NY 11101
718-784-9015

5. JCDecaux Airport, Inc. is a Delaware Corporation founded on June 22, 1990.

Names and residences of JCDecaux Airport, Inc.'s officers:

Bernard Parisot
co-CEO
66 Barlow Lane
Rye, NY 10580

Jean-Luc Decaux
President & co-CEO
51 Elm Avenue
Larchmont, NY 10538

Laurence Raoult
Secretary & CFO
200 East 64th Street
New York, NY 10021

Directly following you will find a true copy of JCDecaux's Certificate of Incorporation.

6. Following you will find the Exceptions to the General Contract Provisions.
At this time, JCDecaux makes no specific exceptions to the General Contract Provisions, however, the contract is missing material terms, e.g. location of billboards or terms of contract. Therefore, we have assumed that such terms will be incorporated into a completed contract in a reasonable manner.

JCDecaux

We are proud of our accomplishments over the more than 24 combined years working for the Port Authority. JCDecaux has excelled in our sales performance, increasing revenues at an average annual compound rate of 16% at JFK and 17.7% at LGA. This represents the highest revenues per passenger in any airport throughout the United States. Our NY/NJ Team has proven that JCDecaux staff is the most experienced, most dedicated and provides constant innovation to better serve the Port and your customers.

We look forward to building on these solid accomplishments and expanding our role to provide the Port Authority the most successful advertising program in its history.

Sincerely,

Bernard Parisot
co-CEO

JCDecaux

June 6, 2005

I, Laurence Raoult, Secretary of JCDecaux Airport, Inc., hereby declare that the copy furnished is a true copy of the Certificate of Incorporation, and have affixed a corporate seal thereto.

Laurence Raoult
Secretary

State of Delaware

Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SKY SITES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTH DAY OF OCTOBER, A.D. 1999.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SKY SITES, INC." WAS INCORPORATED ON THE TWENTY-SECOND DAY OF JUNE, A.D. 1990.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

Edward J. Freel, Secretary of State

2234090 8300

991417442

AUTHENTICATION: 0006740

DATE: 10-04-99

12. Please indicate the fees a Massachusetts corporation would be required to pay to register to do business in the state of incorporation: $250.00

13. Attached to this certificate shall be a Certificate of Legal Existence of such foreign corporation issued by an officer or agency properly authorized in the state or country in which such foreign corporation was organized or other evidence of legal existence acceptable to the Secretary. If such certificate or other evidence of such legal existence is in language other than English, a translation thereof, under oath of the translator, shall also be attached.

SIGNED UNDER THE PENALTIES OF PERJURY, this 19th day of July, 19 99

*President / *Vice President.

*Clerk / *Assistant Clerk or *Secretary / *Assistant Secretary.

678509

THE COMMONWEALTH OF MASSACHUSETTS

FOREIGN CORPORATION CERTIFICATE
(General Laws, Chapter 181, Section 4)

SECRETARY OF THE COMMONWEALTH
99 OCT 27 PM 2:50

I hereby approve the within Foreign Corporation Certificate and, the filing fee in the amount of $ 300.00 having been paid, said certificate is deemed to have been filed with me this 27th day of October, 1999

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

A TRUE COPY ATTEST
WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH
DATE _____ CLERK _____

TO BE FILLED IN BY CORPORATION
Photocopy of document to be sent to:

National Corporate Research, Ltd.
225 West 34th Street, Suite 910
New York, NY 10122-0032
Telephone: 212-947-7200

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

SKY SITES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of Sky Sites, Inc. by unanimous written consent of its members, filed with the minutes of the board, duly adopted resolutions setting forth a proposed amendment to the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

"RESOLVED, that effective as of the date hereof, the Certificate of Incorporation of the Corporation shall be amended by changing Article FIRST thereof in its entirety to read as follows:

FIRST: The name of the corporation is JCDECAUX Airport, Inc."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Sky Sites, Inc. has caused this certificate to be signed by Joseph Evans, its President, and attested by Jonathan Lapin, its Secretary, this 27 day of May 2001.

SKY SITES, INC.

By: _____, President
Name: Joseph Evans

ATTEST:

By: _____, Secretary
Name: Jonathan Lapin

Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "SKY SITES, INC.", CHANGING ITS NAME FROM "SKY SITES, INC." TO "JCDECAUX AIRPORT INC.", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2001, AT 5 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

GREAT SEAL OF THE STATE OF DELAWARE · 1793 · 1847 · 1907 ·

LIBERTY AND INDEPENDENCE

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2234090 8100

010311236

AUTHENTICATION: 1215365

DATE: 06-27-01

State of Delaware

Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SKY SITES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTEENTH DAY OF JULY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SKY SITES, INC." WAS INCORPORATED ON THE TWENTY-SECOND DAY OF JUNE, A.D. 1990.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

Edward J. Freel, Secretary of State

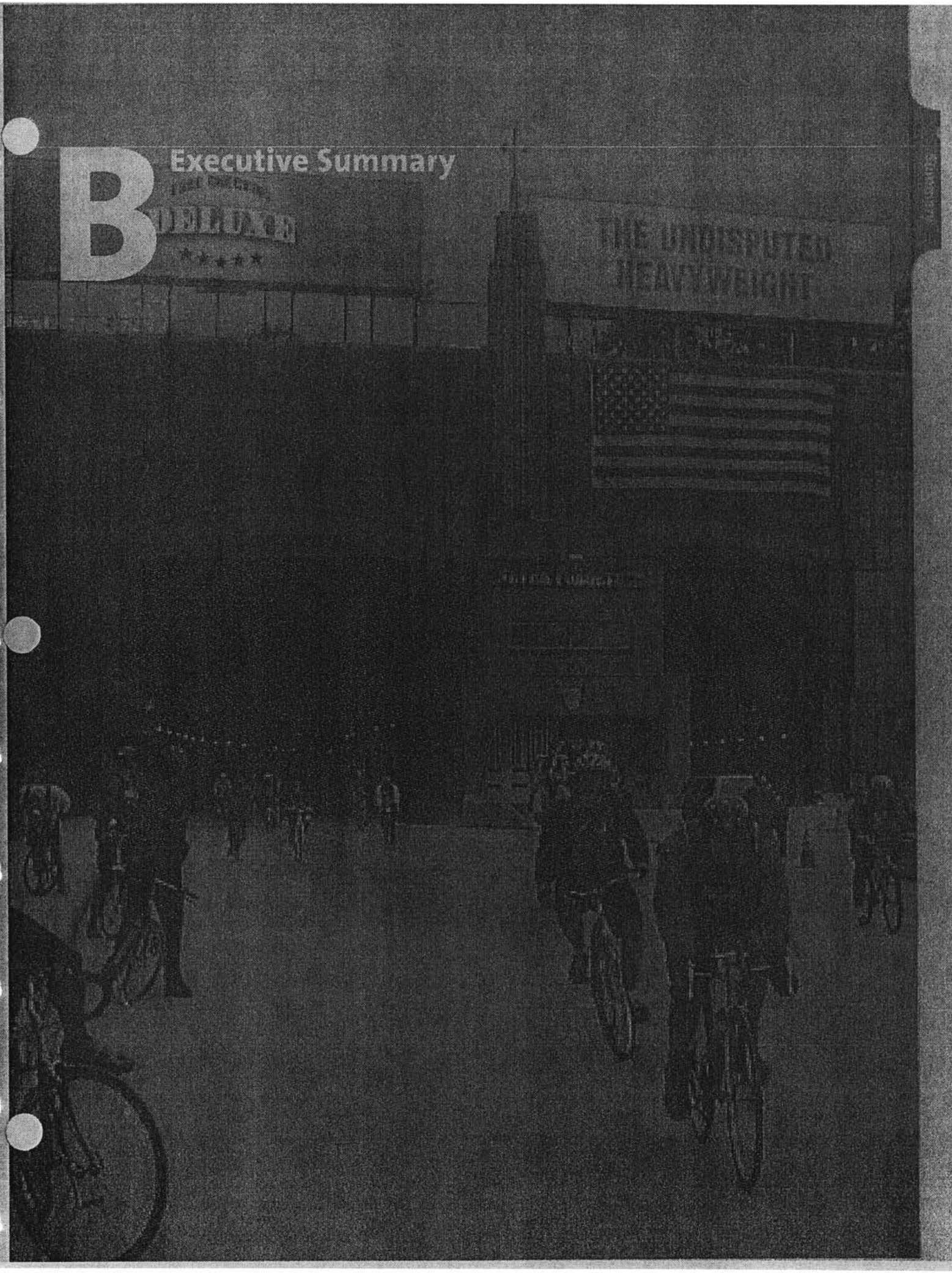
2234090 8300

001355996

AUTHENTICATION: 0557747

DATE: 07-13-00

B Executive Summary



B. Executive Summary

JCDecaux is the world leader in airport and outdoor advertising. We have a well regarded reputation for quality, creativity, and the ability to maximize revenue for our public authority and municipal partners.

JCDecaux has been the successful advertising concessionaire at JFK and LGA airports for many years. We are proud of our performance, having made these two airports the consistent U.S. leaders in revenue per passenger. With $17 million in 2005, Kennedy Airport received the highest advertising revenues of any U.S. airport.

We welcome this opportunity to broaden our relationship with the Port Authority to include all of your properties in a single advertising concession. JCDecaux is uniquely qualified to design and successfully implement a total solution that will maximize revenue while keeping the interests of the Authority and the public in mind.

Consistent with the Port Authority's Vision for the Region, our plan is based on a ten-year base term, with two 5-year extension options. This long-term approach allows for major capital and strategic investments into spectacular displays and technology that could not be made under a short-term contract. JCDecaux is prepared to make a $20 million capital investment for this concession.

The financial return to the Port Authority will reach unprecedented levels:

	10-Year Total	15-Year Total	20-Year Total
Projected Revenue	$1.034 billion	$1.792 billion	$2.759 billion
Guaranteed Payment to PANYNJ	**$400 million**	**$601 million**	**$802 million**
Projected Payment to PANYNJ	**$683 million**	**$1.185 billion**	**$1.824 billion**

In addition, **JCDecaux will make an upfront payment of $50 million upon execution of the contract**, to be recouped from the Minimum Annual Guarantee in years 1 and 2 of the concession.

B. Executive Summary

Designing the Plan

The Port Authority's properties can be grouped into three main categories to evaluate and maximize advertising potential:

- Airports
- PATH trains and Bus Terminals
- Tunnels, Bridges and Marine Terminals

JCDecaux has carefully analyzed the characteristics of each venue's demographics and physical layout. We have identified the categories of advertisers that will be interested in each demographic and designed our advertising plan accordingly.

- **Airports**
  The 3 major New York / New Jersey airports present significant opportunities for revenue growth based on additional innovative signage. The introduction of these new products will double advertising revenues at the airports within the next 3 years:

  - **Exterior signage**
    There is a high demand from advertisers for spectacular outdoor displays at the airports. JCDecaux is the only company with a track record in developing these types of lucrative opportunities, both in the United States and worldwide. Large backlit displays, stretched banners, spectacular 3-D installations, AirTrain car wrapping and jet-bridge branding are amongst the successes we have implemented around the world, and will be a success for the P.A..

  - **New indoor products**
    Our proposal includes the deployment of several brand new products that will revolutionize airport advertising as we know it:
    - PowerPoles - a network of electronic equipment recharging stations
    - Prestige Digital Network - featuring state-of-the-art 57" LCD screens
    - Business First Network - strategically located backlit scrolling units
    - LightBags - a fun, contextual product for the bag claim area
    - The Wave - a monumental undulating banner bringing art and advertising together

  - **New Terminals**
    The construction of new terminals at JFK - new American Airlines Terminal 8, future JetBlue Terminal 5 - will allow the introduction of spectacular, state-of-the-art advertising installations developed in conjunction with the Port, the airlines and the architects.

    JCDecaux is currently working on the installation of new displays in the section of the new Terminal 8 that is due to open this summer. In addition, JCDecaux, American Airlines and The New York Public Art Foundation have combined to develop the most stunning visual concept to appear at JFK since the opening of the Eero Saarinen TWA terminal in 1962. Thirty-two digital LCD screens would be installed in the connecting

corridor between the new Terminal 8 and Concourse C. The screens will provide a canvass for world-renowned artists to display their work in a digital electronic format. The New York Public Art Foundation will commission the Artists and JCDecaux will be responsible for the commercial element by securing multi-year sponsorship revenues from Corporations. This installation, in the words of the Terminal's manager, "will become as recognizable to our Terminal and JFK as the Ticker Tape sign is to Times Square" (see letter on Page 170 of this Proposal).

- **PATH Trains and Bus Terminals**

The PATH trains and stations present a significant opportunity to increase revenues by introducing new advertising products that are similar to those deployed at the airports. The demographics of the PATH users are very close to the airport patrons. Synergies should therefore be developed.

The replacement of all PATH train cars provides an opportunity to significantly upgrade the advertising offering, with the possible introduction of digital screens that would display a mix of news, weather and advertising.

The construction of the new, iconic Calatrava World Trade Center Transportation Hub will provide an extraordinary opportunity to create a sensible "ArtVertising" program fully integrated within the stunning architecture that will be respectful of the historical significance of the location.

The existing programs at the Bus Terminals will be continued, with an emphasis on special events and packaging with our regional malls advertising program.

- **Tunnels, Bridges and Marine Terminals**

The tunnels, bridges and marine terminals operated by the Port Authority offer significant opportunities for lucrative and tasteful outdoor advertising signage. They provide access to a full cross section of the area's demographics. As such, they will be of high interest for America's largest outdoor advertising spenders - consumer products, automotive and media in particular. JCDecaux proposes developing those opportunities in a manner that will maximize revenue while minimizing the number of signs erected, limiting visual clutter.

  - **Giant Digital Displays**

    The toll plazas at the New Jersey entrances to the George Washington Bridge, Lincoln Tunnel and Holland Tunnel offer the best opportunities for advertisers. We are proposing to install bulletin-size LED panels (13' x 40') above the tollbooths at these locations. These state-of-the-art signs will carry a loop of several short messages. Advertisers will pay a premium to be featured on these high-value displays that will deliver more than 100 million viewers every year. In addition to significant revenues, the Port Authority will receive the use of up to 10% of the screen time for its own non-commercial messaging. The screens can also be used by the authorities for emergency messaging, a significant security feature.

- **Traditional Billboards**
  We have identified 16 locations near and around the 4 bridges and 2 tunnels where traditional billboard structures could be erected. We have also assumed that at least 10 more structures could be erected on Port Commerce property facing freeways and other major arteries.

- **Other Opportunities**
  Other opportunities would include the use of wraps and stretched banners on existing buildings and walls, along with the potential to use temporary barricades at construction sites. We will also develop non-traditional Out-of-Home opportunities such as leaflet/samples distribution at tollbooths, event-related banner programs, etc.

• **Sponsorships**
Advertisers today seek more than just a traditional poster campaign. They design complex plans that combine several media. They want to immerse their target audience in an environment that establishes an emotional link between them and the brand. They want to place their product directly in front of the audience.

JCDecaux is attuned to this growing segment of the advertising business. We work with advertisers worldwide to develop multi-prong campaigns that combine traditional signage with exhibits, displays, sampling and other types of "ambient media". We also put together packages that include art or specific cause sponsoring by corporations. The possibilities are limitless; demand is there and growing. JCDecaux will continue developing these activities at the airports, and extend them to the other properties of the Port Authority.

Implementing the Plan
JCDecaux is uniquely positioned to implement our ambitious plan for this advertising concession. We are the only Out-of-Home advertising company in the United States that employs its own design, engineering, procurement and quality assurance organization. In doing so, we fully control the quality and timing of production and installation of our products. Our talented team of professionals routinely designs, produces and installs our innovative displays for our airport, street furniture and mall advertising programs throughout North America.

When awarded this new concession, we will be fully staffed and equipped to hit the ground running. JCDecaux is already present in the two New York airports, JFK and LGA. Expanding our presence to Newark Liberty will be seamless. Assuming the timely receipt of all necessary permits and approvals, the overall rollout of our plan for the airports, tunnels, bridges and marine terminals should be completed within 12 months of the contract start date. Initial installations will begin promptly, guaranteeing significant revenue increases in the first year. Implementation of the PATH program will start immediately upon availability of the facilities in 2007.

B. Executive Summary

- **Local Manufacturing**
  JCDecaux is committed to using local New York and New Jersey vendors for the procurement of components and production of the advertising displays to the fullest extent possible. We have a large database of qualified vendors and suppliers in the area whom we routinely engage for the production of our signs and street furniture.

- **Union Labor**
  For the construction, installation and maintenance phases of this program, only union affiliated subcontractor and personnel will be utilized. For this project, we plan to use members from IBEW Local 3 (Electrical), Local 137 (Sheet Metal & Poster Hangers) and IBEW Local 164 (Electrical).

  JCDecaux already works with local unions at JFK and LGA. Please see letter of reference from the Sheet Metal Worker's International Association Local Union 137 on Page (71) of this proposal.

- **MBE/WBE participation plan**
  JCDecaux is committed to exceeding the participation requirements set by the RFP. We have already screened and pre-qualified several firms that could provide installation and electrical connection services.

  JCDecaux has a history of working with MBE/WBE firms for our airport and street furniture programs. We are a corporate member of the Airport Minority Advisory Council (AMAC).

- **Sales and Marketing**
  John F. Kennedy International Airport is the most important gate of entry to America - "Where America Greats the World". Newark Liberty International Airport is an important international gateway from Europe and Asia as well.

  JCDecaux is the only Out-of-Home advertising company with a true international airport advertising division. With airport concessions and sales offices in London, Hong Kong, Paris, Frankfurt, New York, Milan, Rome, Barcelona, Miami and more, JCDecaux has daily access to the world's most influential media buyers and corporate advertisers. Shanghai selected JCDecaux in 2004 to run their advertising concession for 15 years because of our ability to bring international advertisers to their airport. RBS (Royal Bank of Scotland) has bought multi-airport, multimillion dollar campaigns with JCDecaux, including $1.5 million at JFK and LGA in 2005 alone.

  International advertising sales at JFK accounted for $5 million or 31% of the revenue in 2004, but were minimal at Newark. We will further develop international sales at JFK, and bring them to where they should be in Newark.

  Our talented national and local sales teams consistently outperform the competition. In 2004, sales were up 6% at JFK and 3% at LGA, while they were down 2% at EWR.

B. Executive Summary

Our sales this year in LGA are up almost 50% over last year.

Our sales, sales administration and marketing teams are overwhelmingly recognized by the advertising community as the clear leaders in the industry (see Customer Satisfaction Survey results on page (174)). We will reinforce this talented team with additional resources to ensure that no opportunity to generate revenue from the new properties is left untapped. Our roster of local, national and international airport, mall and street furniture advertising clients covers a very broad spectrum and will allow us to quickly build up revenues from the new facilities.

Qualifications

JCDecaux is uniquely qualified to implement a plan that meets the goals and vision of this RFP:

- #1 Worldwide in Transport Advertising (airports, subways, buses and trains)
- #1 Worldwide in Street Furniture Advertising
- #1 in Europe in Billboard Advertising

An international leader, our company has the largest presence of all Out-of-Home advertising companies in world capital cities and major international airports.

JCDecaux's approach to the Out-of-Home business is characterized by:

- Constant innovation to better serve the public and advertisers
- Highest quality standards - in designs, construction and maintenance
- Best advertising products - we deliver the highest value to advertisers; in turn, we get the highest rates for our products
- Highest yield - we deliver more revenue to our Public Authority partners
- Ability to work with Public Authorities and maximize revenues for them while respecting their primary mission
- Financial strength - a family company listed on the Paris Euronext stock exchange, JCDecaux is the most profitable of the three largest OOH companies in the world.

Please refer to Section H3 of this proposal for a detailed presentation of our U.S. and worldwide activities.

B. Executive Summary

Your Partners to Build the Future

As the Port Authority embarks on its new ten-year strategic plan, JCDecaux is tremendously excited at the thought of being part of this visionary momentum. As the Port Authority's long-term partner, we will be able to develop with you and for you ambitious, cutting-edge solutions that will maximize revenue and contribute to your goal of making the Port Authority a world-class, multi-faceted organization serving the region, the nation and the world.

Your future is our future, and this motivates us to think out-of-the-box to find solutions that match the new thinking that guides the Port Authority in its "Vision for the Region". We hope this will transpire as you read this carefully crafted proposal.

C Terms of Discussion

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

The Port Authority's receipt or discussion of any information (including information contained in any proposal, Proposers qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) is not to impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this letter, either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Port Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Resolution adopted by its Committee on Operations on April 11, 1996, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a proposal.

JCDecaux Airport Inc.

(Company)

(Signature)

co-CEO

(Title)

June 8, 2005

(Date)

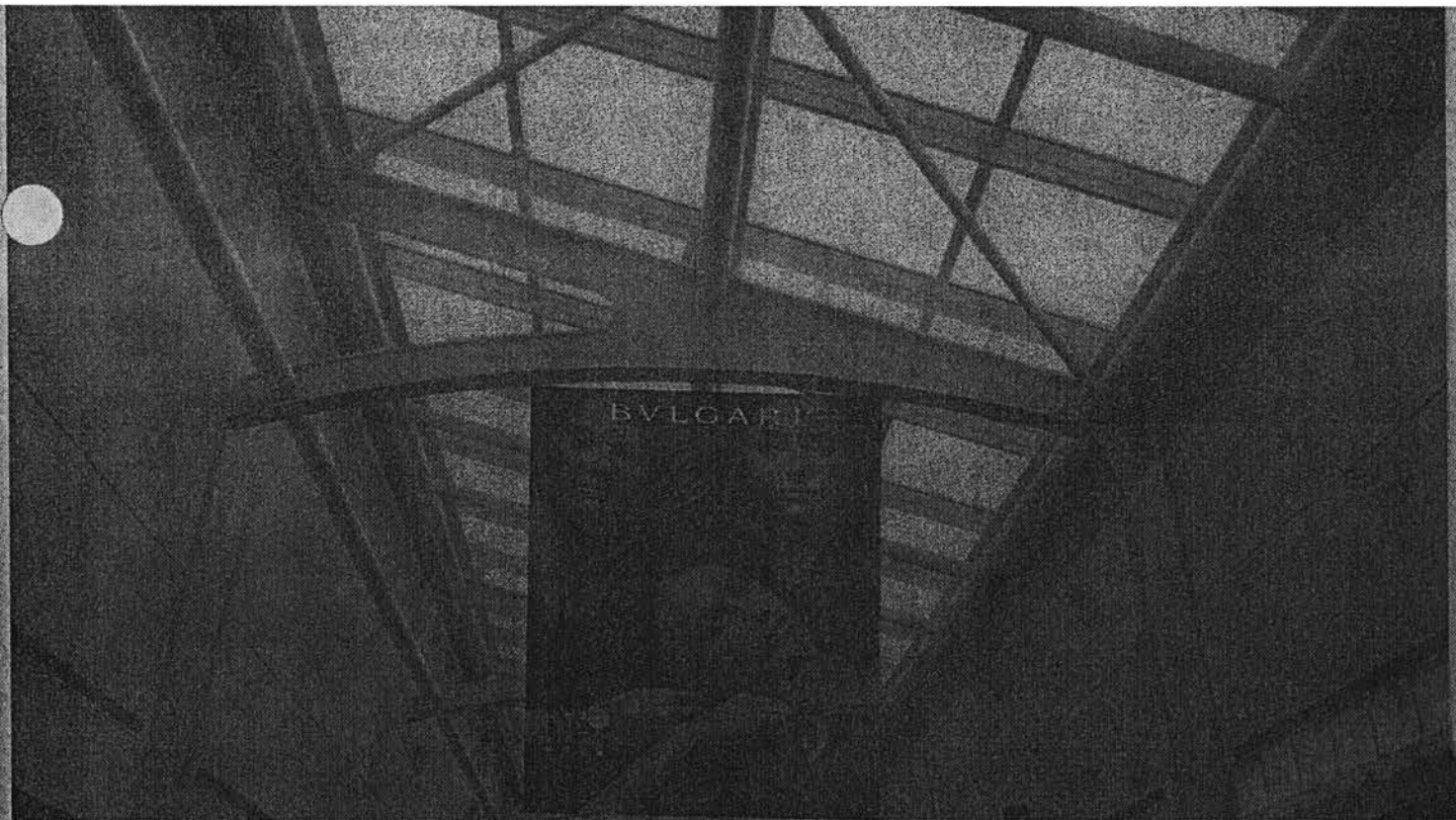
D Contractor's Integrity Provisions

D Contractor's Integrity Provisions

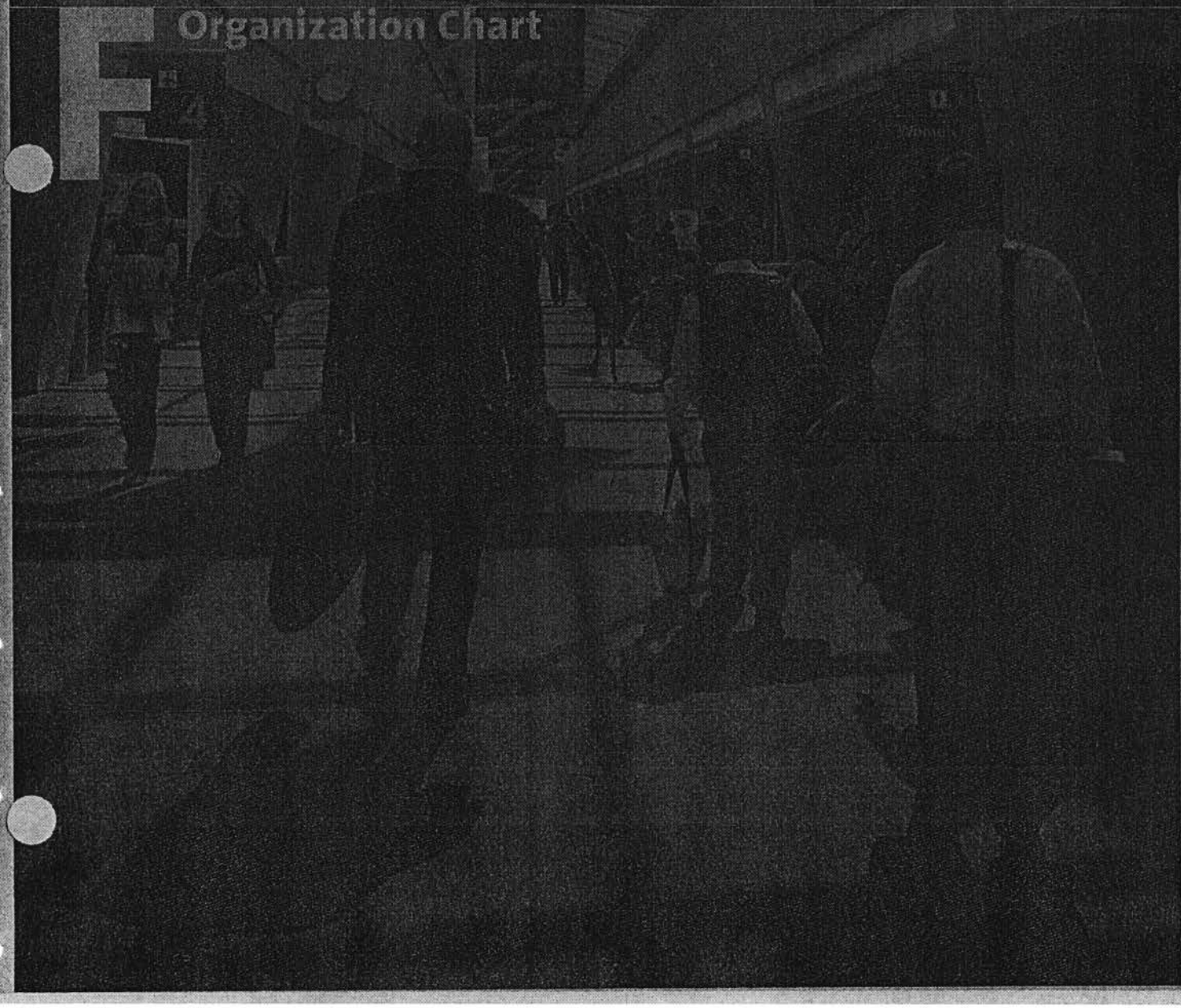
D. Contractor's Integrity Provisions

Contractor's Integrity Provisions

JCDecaux understands that by signing the Letter of Transmittal, we make the certifications in the "Contractor's Integrity Provisions."

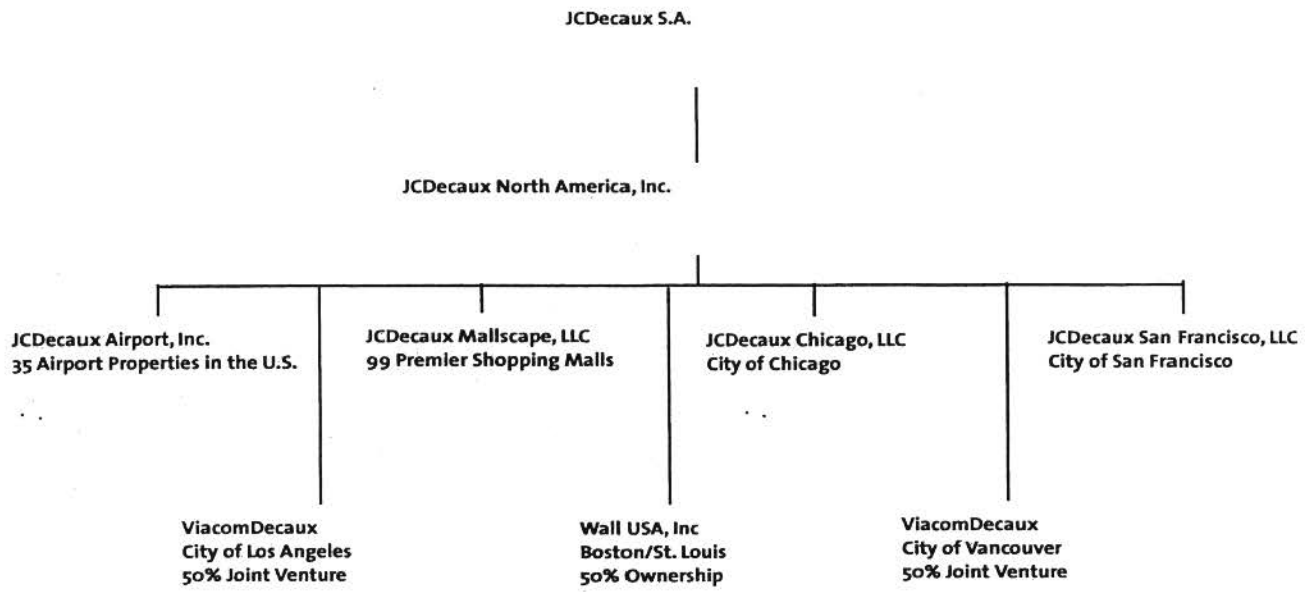


F Organization Chart



F. Organization Chart

Company Organization Chart

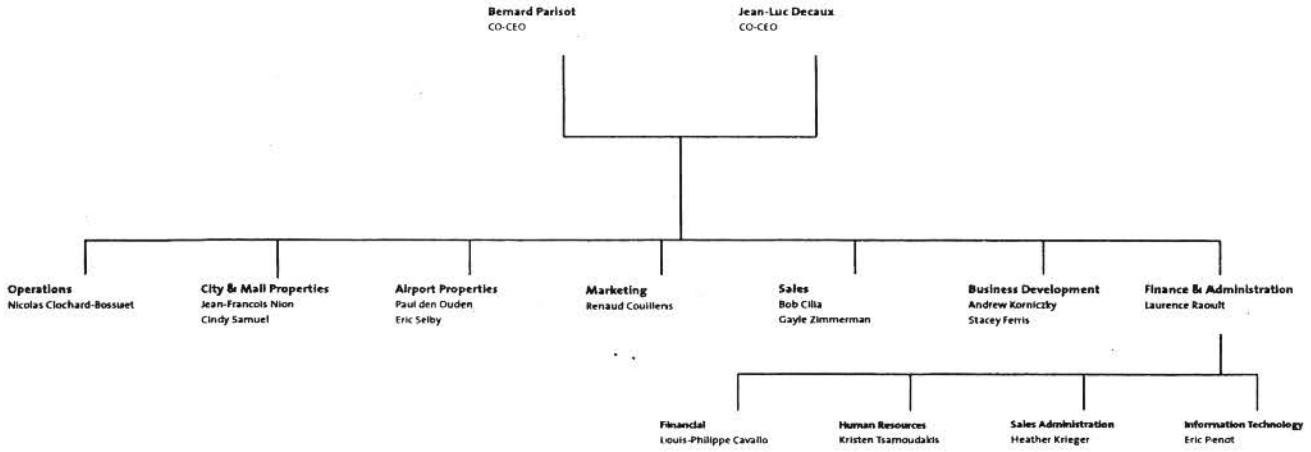


JCDecaux Airport, Inc. is a 100% owned subsidiary of JCDecaux North America. JCDecaux North America is a holding company for all of JCDecaux's activities in the United States and Canada. It is 100% owned by JCDecaux S.A..

F. Organization Chart

Corporate Management Organization

JCDecaux North America



G Business Plan

G. Business Plan

a. A Vision for Today and the Future

JCDecaux is uniquely qualified to be the Port Authority's partner for the development of a successful, innovative out-of-home and outdoor advertising program. We propose a total solution that will maximize revenue for the Port Authority while keeping the interests of the Port Authority's customers in mind and enhancing the Port Authority's image.

We have successfully developed and managed similar programs all over the world in more than 150 airports, 1500 cities and multiple train, subway and tram systems. We have also done it right here in New York, at JFK and LGA airports for 15 and 9 years respectively. This visionary RFP now offers a very unique opportunity to bring these programs one step further.

The advertising marketplace is in constant evolution: new technology, changes in lifestyle and consumer habits. Even fashion and social trends influence how advertisers communicate with their target audiences. JCDecaux continuously monitors and evaluates the marketplace. We constantly adapt our offering to best meet – even anticipate – those changing demands.

Media fragmentation is quickly increasing advertisers' demand for Out-of-Home advertising ("OOH"). With 6% growth forecasted for 2005, it is the fastest growing media in the U.S. OOH has become the last broadcast medium that can not be turned off. Unlike television with TIVO or satellite radio, consumers cannot avoid seeing a well-placed advertising display.

OOH has traditionally been a relatively low-end medium in the U.S. Hence its small share of total advertising spending: 2 to 3% compared with 6% in Europe. To increase its market share, OOH must improve its quality, bring accountability and demonstrate a return on investment for advertisers. Through the development of high-quality advertising products in airports, shopping malls and city streets throughout the U.S., JCDecaux is recognized as the undisputed leader in the advancement of the medium. We are growing Out-of-Home from a niche media into a mainstream one.

Whether it is radio, television or Out-of-Home messages, our environment is cluttered. This makes it difficult for any advertising message to really stand out. Unique or spectacular advertising is required to catch our attention long or often enough to efficiently deliver the advertiser's message. JCDecaux has built a solid reputation as the most innovative OOH company in the field. We introduced the first wall wraps in airports in 1999. We continued with high-density, top-quality networks of scrolling advertising panels in the best shopping malls. Most recently, we introduced dramatic wallscape installations and the largest backlit scrolling advertising panels ever built (400 square feet).

G. Business Plan

JCDecaux knows what it takes to deliver value to advertisers.
Advertisers demand more than just a traditional poster campaign. They design complex plans that combine several media. They want to immerse their target audience in an environment that establishes an emotional link between them and the brand. They want to create an experience. JCDecaux works with clients and agencies worldwide to do just that. In fact, we have a division dedicated to developing this type of opportunities – JCDecaux Innovate – always on the lookout for new products and ideas. We pride ourselves on being very innovative but when we see a good quality product elsewhere, we do not hesitate to enter into a partnership to benefit our clients.

As we have proven in the past, we do not want to be a mere concessionaire to the Port Authority. We want to work together in partnership with you to maximize the ever changing potential of your real assets as a medium. As you build the new spectacular World Trade Center transportation hub, as you replace the PATH cars, as you open new terminals at the airports, we will be there by your side with the most creative, profitable ideas. We will never lose sight of the fact that your primary function is to serve the public, not the advertisers.

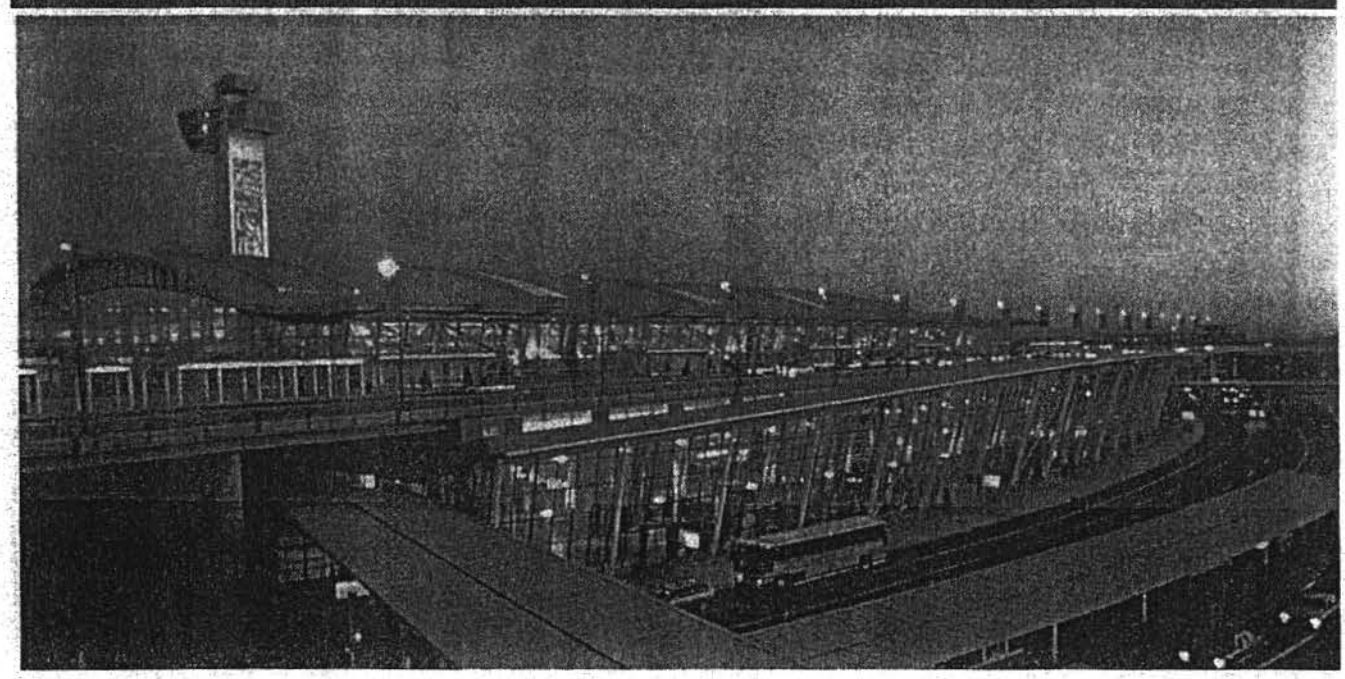
b. Maximizing the Port Authority's Assets and Media Potential

b.1 Aviation

The current airport advertising programs at JFK, LGA and to a lesser extent EWR, are well developed in terms of traditional indoor advertising displays. On the other hand, exterior opportunities are underdeveloped when compared to other international airports. At Heathrow (London) for instance, outdoor signs account for 40% of the total advertising revenues. This is to be compared with 5 to 8% at LGA and JFK, and currently none in EWR.

JCDecaux's strategy for the New York and New Jersey airports is the following:

- Increase exterior advertising signage by developing select spectacular opportunities that will command high advertising rates.
- Enhance the existing indoor programs through the addition of new, innovative products that will attract new categories of advertisers and increase spending from current clients. JCDecaux has recently developed 5 new products, some of which are proposed here for the first time ever. These advertising displays will be unique as each upgrades the passenger environment, provides traveler services, and most importantly maximizes revenues from advertisers.
- Continue to work with the Port Authority and the airlines as terminals are upgraded and new terminals open. Current plans include the soon-to-open American Airlines T8, to be followed by the new T9 next year, and the future new Jet Blue T5. We will continue to work with your teams and architects to develop solutions that complement the new buildings while delivering maximum value to advertisers, and you.



New Interior Products

Prestige Digital Network

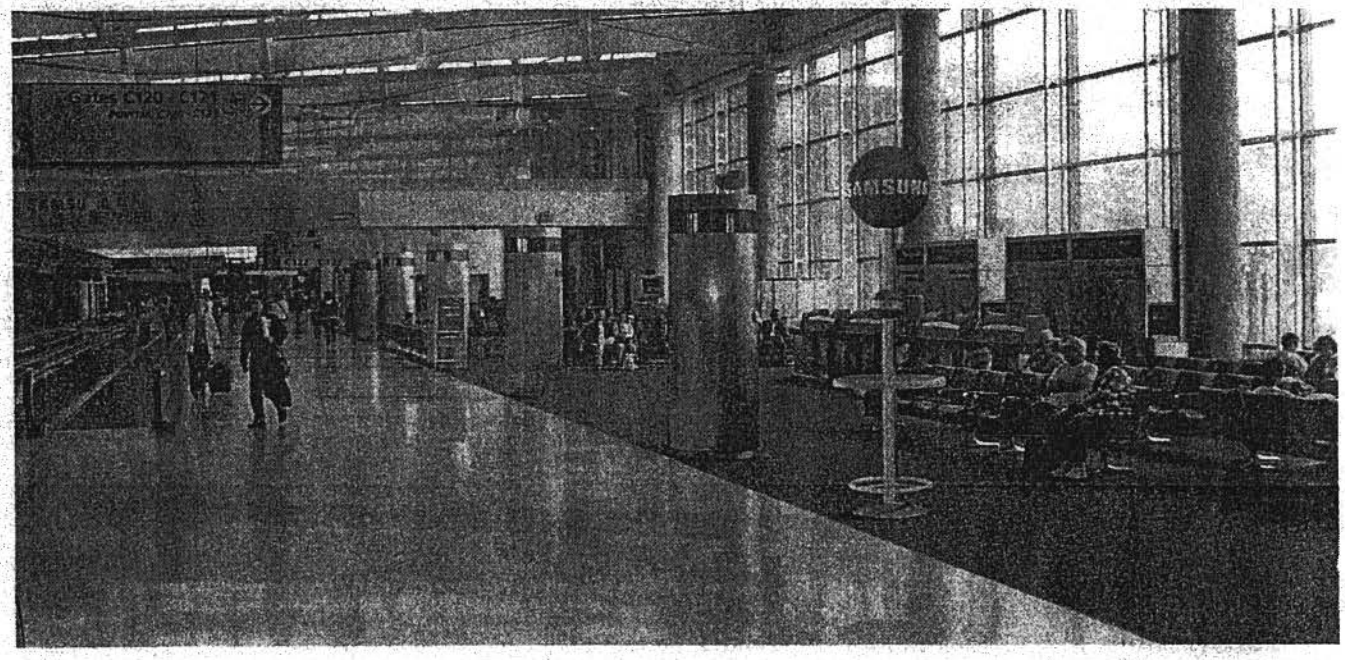
This network of state-of-the-art, 57" LCD screens will be the first digital advertising network in an airport. Placed in high-visibility locations, these screens will deliver HDTV quality images. High-end advertisers will pay top dollar to be featured on these screens that will shed a prestigious light on their brands and products.

Business First Networks

JCDecaux invented the vertical scrolling advertising unit. These units were first installed at LGA in early 2005 and have already generated significant revenue this year. We will expand this network to JFK and EWR. These scrolling ad displays will be strategically located near first class check-in and frequent flyer lounges at each airport. These units are perceived by major advertisers as delivering the highest value customer and command the biggest price. Networks of these same units installed at the two Washington, DC airports in 2003 have single handedly delivered a 50% increase in sales in 2004.

PowerPoles

JCDecaux has designed the first-ever branded recharge station for travelers. These highly attractive kiosks will be located in key dwell areas and near gate hold rooms. They are designed to help the harried traveler by providing them "easy access" to recharge their cell phones, laptops and PDAs. No more sitting on the floor next to a power outlet! Most importantly, they will be a high visibility opportunity for a major advertiser who will pay a premium to sponsor these stations. Several potential clients have already expressed strong interest for this new product.



Electronic Art System

JCDecaux, American Airlines and The New York Public Art Foundation have combined to develop the most stunning visual concept to present itself at JFK since the opening of Eero Saarinen TWA terminal in 1962.

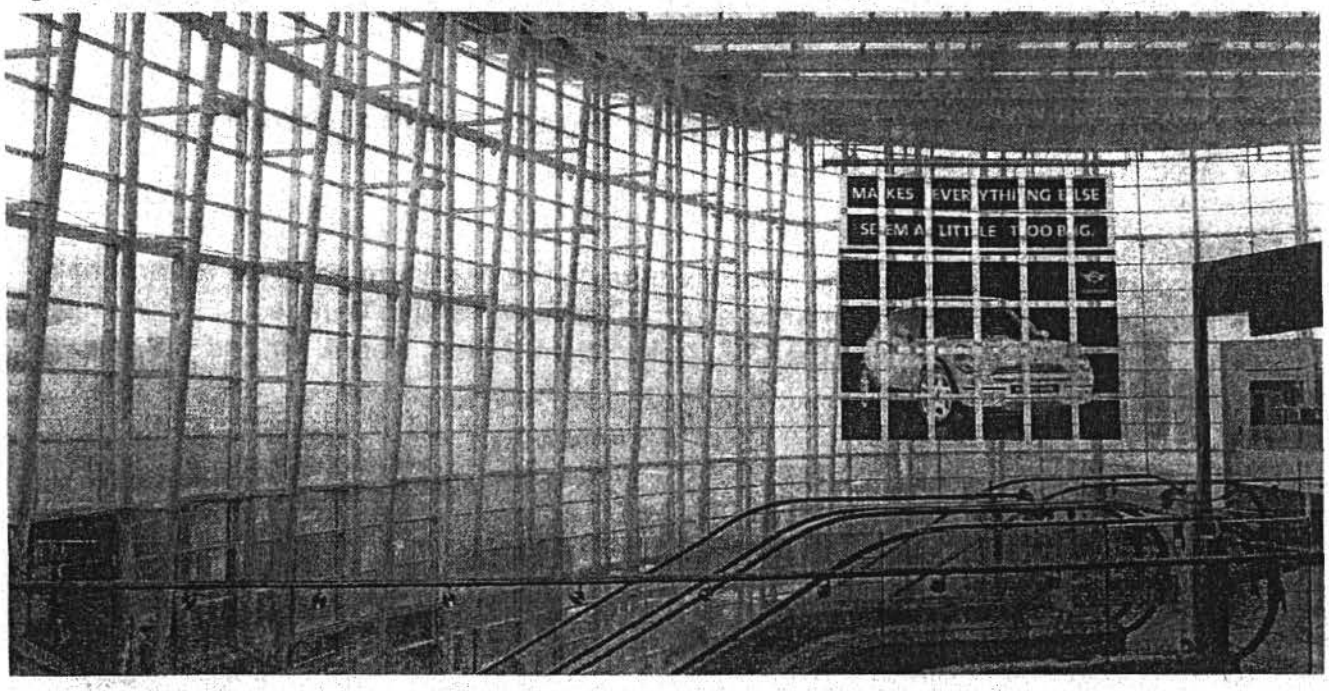
The concept is to install sixty-four digital LCD screens in the connecting corridor between the new terminal 8 and Concourse C. The screens will provide a canvass for world-renowned artists to display their work in a digital electronic format. The New York Public Art Foundation will supply the Artists and JCDecaux will be responsible for the commercial element by securing multi year sponsorship revenues from Corporations

LightBags

JCDecaux first designed this new advertising fixture for our Frankfurt, Germany Airport and has recently deployed it in Seattle-Tacoma International Airport. These innovative ad displays are designed to look like suitcases and are placed on baggage carousels. This contextual, attractive format is not only unique but also attractive to the eye. We strongly believe this unit will reinvigorate advertising sales in the bag claim areas, traditionally not favor that by advertisers in large airports.

The Wave

JCDecaux has developed a very striking concept for an undulating banner. This product has the potential to become an attraction of iconic proportions, merging art and advertising. We are proposing to install this spectacular unit in the atriums of T1 and the new T8 at JFK. These displays will be sold at a premium to companies seeking to position themselves as high-end brands.



New Exterior Products

Exterior advertising is one of the fastest growing segments of airport advertising. JCDecaux is the global leader in designing and installing these unique and high profile signs at airports around the world.

Over the last ten years, JCDecaux has been far ahead of the competition. At JFK, over $10 million has been generated from leading global brands who paid a premium to advertise on the three exterior sites that were custom designed and built by JCDecaux. There are no other signs like these at a U.S. airport.

In 2005, JFK and LGA will generate over $1.8 million from existing outdoor signs.

There are many more opportunities to generate revenues at all three NY/NJ area airports with this kind of signage. JCDecaux has surveyed each location and forecasts that there is at least $3 million more in revenue to be attained annually.

The real revenue opportunity at the airports is to develop high quality and high-value exterior sites. The displays must be tasteful and attract the select advertisers who are willing to pay a premium for this type of exposure.

The exterior advertising locations we are recommending include:

John F. Kennedy International Airport

- Departure side of the 3 existing JFK exterior sites on the Van Wyck Expressway
- AirTrain cars exterior wraps
- Sky bridges exterior wraps
- Jet bridges exterior wraps
- 3D installations on lawn
- Large 3-sided Van Wyck entrance Unipole structure in central location
- Welcoming Ionic Beacon structure

LaGuardia Airport

- Scrolling backlit signs on the sidewalk outside the departure entrance to terminals
- Two large front-lit displays on the Central Terminal Parking Garage
- Large backlit signs outside the CTB, Delta Flight Center, Marine Air and U.S. Airways terminals
- Jet bridges exterior wraps

Newark Liberty International Airport

- Large backlit signs in front of Terminals A, B and C
- AirTrain cars exterior wraps
- Jet bridges exterior wraps

A full description of these opportunities is included in Section D of the business plan.

b.2 Port Authority Trans-Hudson (PATH)

The current advertising program in the PATH stations and trains is fairly antiquated and needs revamping. The passenger demographics of the PATH are comparable to those of the airports, making them a very valuable target for the same categories of advertisers. JCDecaux proposes a multi-faceted plan to enhance the advertising program in the PATH and significantly increase revenues.

This plan draws on our extensive experience in similar transit systems around the world: London, Vienna, Hong-Kong, Santiago de Chile to name a few. In all of these cases, JCDecaux has significantly increased revenues over the previous operators with the implementation of state-of-the-art, high-quality programs.

Maximize revenue from the existing inventory of displays

- The existing inventory of displays both inside the cars and on the platforms will be fully utilized first and then gradually upgraded to respond to advertisers' demand.
- New displays will be installed inside new cars as they are put into service. The current format will be retained to insure consistency with other regional train advertising programs (LIRR, Metro North).
- Platform-advertising displays will be kept in the same format, at least for a period of time, to make it easier for advertisers to purchase full regional coverage.

Implement new Premium Networks throughout the PATH stations

- JCDecaux will create several new Premium Networks to attract more revenue from existing advertisers and provide opportunities for new clients.
- These new networks will deliver more value than the existing products:
  - All advertising panels will be located in highly visible locations and positioned perpendicular to pedestrian traffic.
  - The advertising panels will display 4'x6' backlit posters behind safety glass, rather than the current non-lit glued posters.

- Our well-tested scrolling mechanism can display several campaigns simultaneously. This way, we can maximize the return on carefully selected high-value locations.
- These are the same panels that we will install in the airports for our Business First Network. Considering the similarity of audiences, this will provide opportunities for campaigns to cover the airports and PATH at the same time.

- The panels installed in each PATH station will be selected to achieve ideal reach and frequency of the audience. Thanks to scrolling technology, 53 units located in 9 PATH stations will provide 120 advertising faces. They will be sold as 4 networks of 30 faces each, providing 100% coverage of the audience.

Develop wall wrap locations

- Back in 1999, JCDecaux pioneered the use of wall wraps in transportation facilities. We worked together with 3M to develop materials that can be easily installed on various surfaces, and removed at the end of the campaign without damaging the wall. This new technology has quickly become a major revenue source. Advertisers like the flexibility, uniqueness and spectacular aspect of these installations.

- We believe that the same technique can be used inside and outside the PATH stations. We have identified several highly visible walls in various PATH stations that will provide a great opportunity for advertisers seeking to make a spectacular statement. Like the Premium Networks, it is likely that advertisers present at the airports will be interested by these opportunities as well.

Develop other types of traditional advertising displays

- We will work with the PATH teams to identify suitable locations for other types of displays, such as medium-size cards mounted in vertical frames set on the middle section of large escalator banks.

Develop alternative media opportunities

- By working with clients and the PATH personnel we will develop specific products and services that might be of interest to PATH patrons. We will creatively use alternative media solutions that are friendly and entertaining for the public, such as floor stickers, sampling, product placement in custom booths or vending machines, etc.

Deploy digital displays inside cars and on platforms

- The replacement of the entire fleet of PATH cars provides a unique opportunity to consider deploying state-of-the-art display technology. JCDecaux will work together with the Port Authority and interested content and technology providers on the deployment of a digital screen network inside the cars. The screens would display a mix of news, weather, entertainment and other useful content funded by advertising.

G. Business Plan

The new World Trade Center Transportation Hub

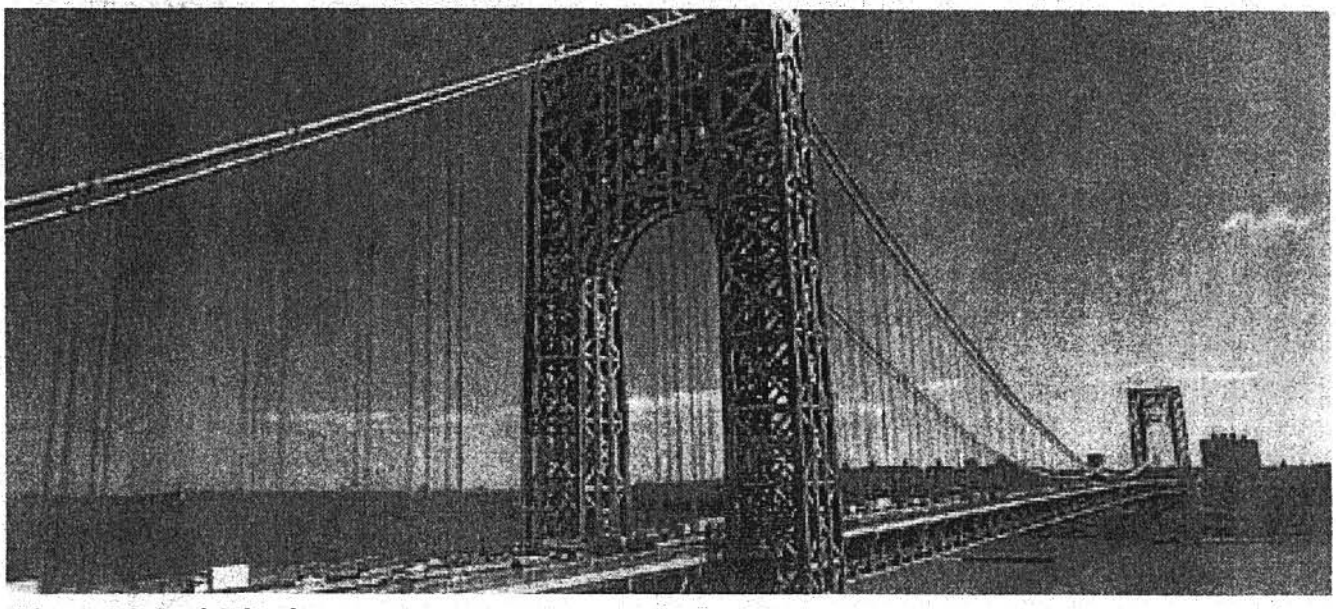
- As the new Santiago Calatrava-designed World Trade Center Transportation Hub is developed, it will become a major attraction visited by millions of commuters and tourists every year. This will make it a very attractive venue for advertisers.
- The symbolic aspect of the location makes it particularly important that advertising displayed there be presented in the most tasteful manner.
- JCDecaux has worked with architects all over the world on simliar projects. We will work with the Port Authority's teams as well as the new hub's architects to design a program that will be on par with the grand architecture and extraordinary meaning of the location.

b.3 Tunnels, Bridges, Terminals and Port Commerce

The tunnels, bridges and marine terminals owned and operated by the Port Authority offer significant opportunities for lucrative outdoor advertising signage. JCDecaux proposes to develop these opportunities in a manner that will maximize revenue while minimizing the number of signs erected – and therefore visual clutter.

Our plan comprises of various types of displays, from traditional billboards to state-of-the-art electronic signs. In all instances, our aim is to maximize the revenue opportunity offered by each specific location.

The opportunities described below are merely the ones that we have been able to identify within the brief timeframe offered during this RFP process. Upon award of the concession, JCDecaux will immediately confirm and expand this selection of opportunities.



Giant Digital Displays

- The toll-plazas at the New Jersey entrances to the Washington Bridge, Lincoln Tunnel and Holland Tunnel provide the opportunity that advertisers desperately seek: an almost captive audience. With several minutes of waiting time, the opportunity to reach the average morning commuter is particularly coveted.
- In order to maximize revenue from this opportunity, JCDecaux proposes to install bulletin-size LED panels (13'x 40') above the Washington Bridge, Lincoln Tunnel and Holland Tunnel tollbooths.
- These electronic displays will carry a loop of several advertisers. Messages can be modified in real time, allowing customization depending on time of day, specific events or weather conditions.
- Up to 10% of the display time will be offered to the Port Authority to broadcast its own

non-commercial messages. The screens can also be used by the authorities for emergency response messaging.

- Revenues from an individual sign at each location will be several times more than what would be generated from traditional static signs.

Bulletins

- We have identified 16 potential locations near and around the 4 bridges and 2 tunnels where Bulletins can be erected.
- We have assumed that at least 10 bulletins could be erected on Port Commerce Property. These sites will face freeways and other major arteries in order to reach the largest possible audience.

Wall Wraps/Stretched Banners

- We have identified several locations on existing buildings and walls that could accommodate highly visible, spectacular wall wraps and/or stretched banners of various dimensions.

Temporary Signage

- We anticipate that over the course of this advertising concession several of the Port Authority's sites will be under construction and may provide lucrative opportunities to display advertising campaigns on temporary barricades.

Alternative Media

- Some of the Port Authority's venues offer opportunities for non-traditional Out-Of-Home campaigns, such as sample/leaflet distribution at tollbooths, laser shows on a bridge, event-related banner programs, etc.
- JCDecaux's marketing department will work together with the Port Authority's staff to develop these opportunities in a way that is consistent with applicable laws and regulations as well as public safety requirements.

Bus Terminals

- JCDecaux will continue to operate the existing signage programs at the two Port Authority's bus terminals, and expand them as demand from advertisers grows.

b.4 Other Opportunities

Sponsorships

Sponsorship marketing is a vibrant and growing sector of the overall advertising business. According to the industry's trade body, the IEG, North American companies will spend over $12 billion in sponsorship marketing in 2005. This is an increase of 8.8% over 2004. The great majority of this business, almost 70%, is spent on sports marketing with the balance comprised of entertainment, the arts and specific cause marketing.

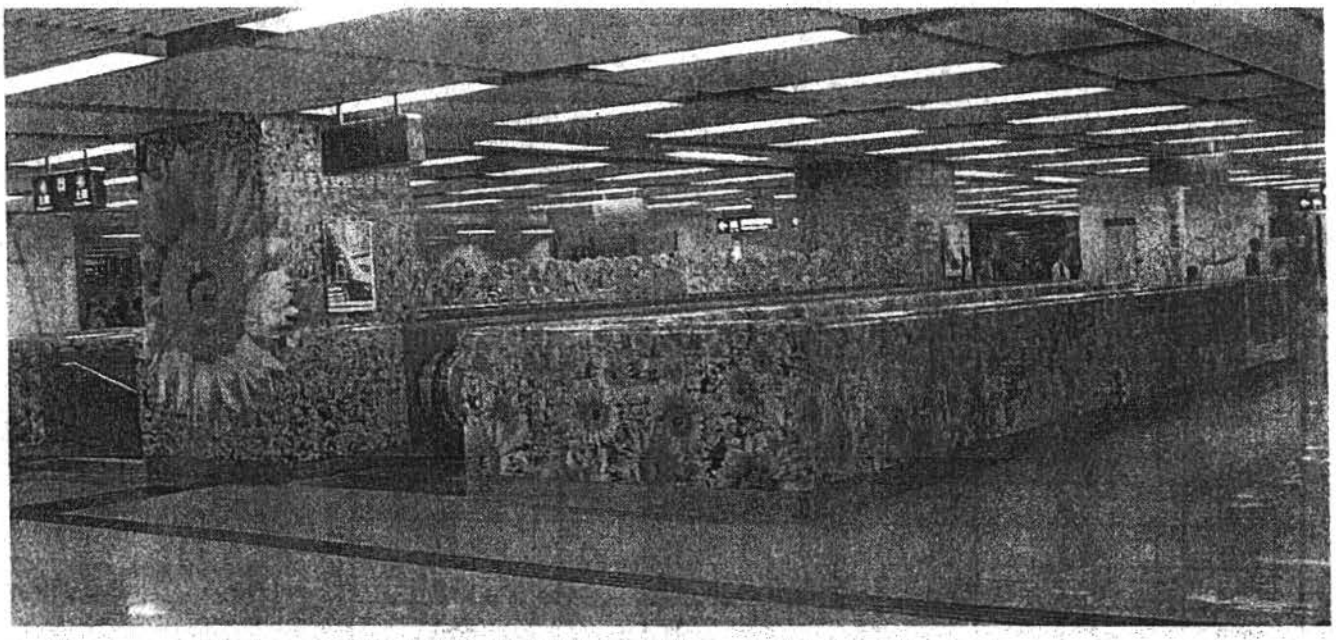
The challenge is how to leverage your assets to create a new business opportunity that maximizes revenue through sponsorship programs. To do this, one must examine the driving forces behind sponsors' decisions to enter into a contract. IEG in collaboration with Performance Research conduct an annual survey of over three thousand sponsors to ask this question. Advertising signage is ranked as the second most important reason for a sponsor to support a property. The most important factor in deciding to sponsor a property or product is category exclusivity.

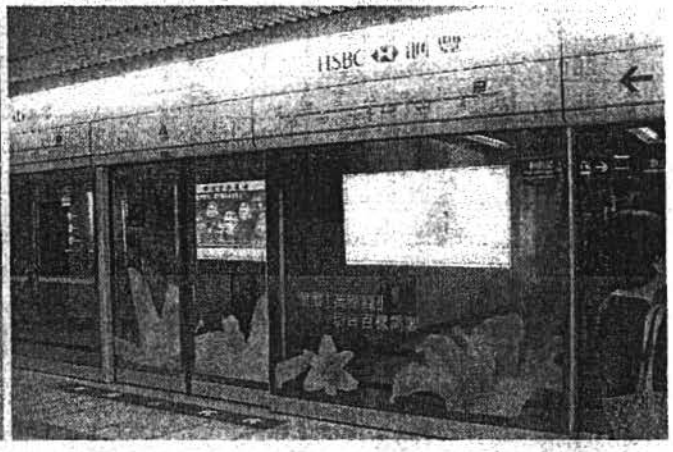
JCDecaux is the only company that has the right combination of advertising signage experience, working knowledge of your key assets, existing advertiser/sponsor relationships and the necessary resources to deliver innovative sponsorship packages.

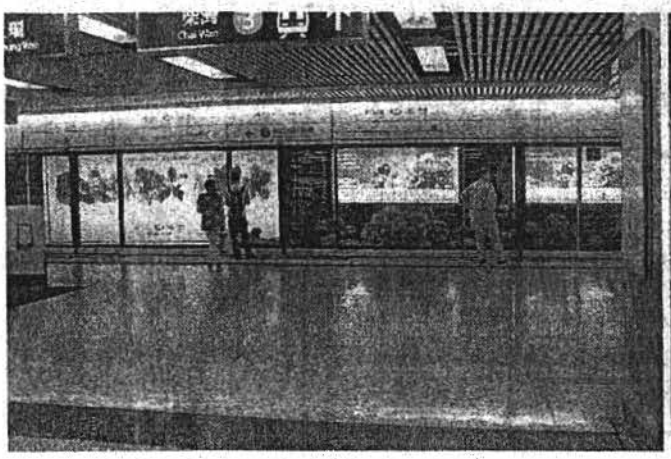
We will draw upon our experiences in sponsorship marketing campaigns throughout the world to implement your program. We have recently developed sponsorship programs at the Hong Kong Mass transit system for HSBC and for Vodaphone at Heathrow Airport.

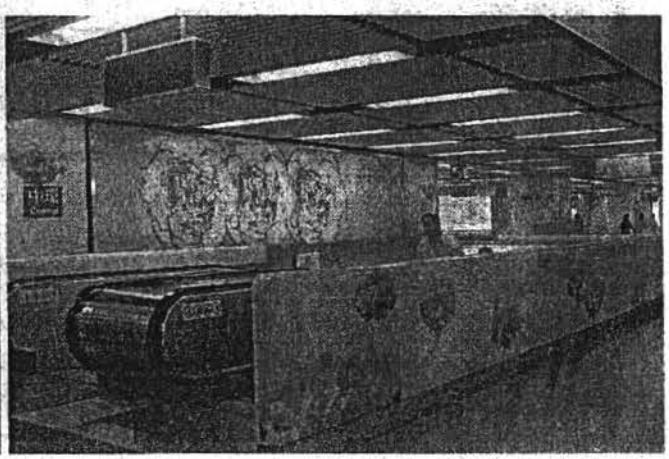
Vodaphone, Heathrow Airport

HSBC Sponsorship Campaign - Hong Kong Mass Transit System









c. Capital Investment and Projected Revenue:

Capital Investment

Airports	$14 million
Path & Bus Terminals	$1 million
Tunnels, Bridges and Marine Terminals	$5 million
Total Capital Investment	**$20 million**

Revenue Projections

(in $million)

Year	Airports	Path & Bus Terminals	Tunnels, Bridges & Marine Terminals	Total
2006	53.9	0.3	15.1	**69.3**
2007	63.3	1.1	15.9	**80.3**
2008	73.5	3.6	16.7	**93.8**
2009	77.2	4.5	17.5	**99.2**
2010	81.1	5.0	18.4	**104.5**
2011	85.1	5.4	19.3	**109.9**
2012	89.4	5.7	20.3	**115.4**
2013	93.8	6.0	21.3	**121.1**
2014	98.5	6.3	22.4	**127.2**
2015	103.5	6.6	23.5	**133.6**
10-year Total	**819.3**	**44.4**	**190.5**	**1,054.2**
2016	108.6	6.9	24.7	**140.2**
2017	114.1	7.3	25.9	**147.3**
2018	119.8	7.6	27.2	**154.6**
2019	125.8	8.0	28.6	**162.4**
2020	132.0	8.4	30.0	**170.4**
15-year Total	**1,419.6**	**82.6**	**326.9**	**1,829.1**
2021	138.7	8.8	31.5	**179.0**
2022	145.6	9.3	33.1	**188.0**
2023	152.9	9.7	34.7	**197.3**
2024	160.5	10.2	36.4	**207.1**
2025	168.5	10.7	38.3	**217.5**
20-year Total	**2,185.8**	**131.3**	**500.9**	**2,818.0**

d. Designs:

One way JCDecaux stands ahead of our competitors is by the design and engineering that goes into our advertising displays. Our program will be truly integrated and respectful of the Port Authority's properties character and primary function. JCDecaux understands the overriding importance of serving the passengers and maintaining the proper aesthetics of a public place. We have kept these issues at the forefront as we designed our advertising program and products.

JCDecaux's experience combined with our emphasis on quality design results in a beautiful collection of advertising displays for the Port Authority Facilities and Property.

Prestige Digital Units (PDU)

JCDecaux has designed and will install the first in-concourse digital advertising network ever. JFK, LGA and EWR will have these new units strategically placed in highly visible locations in the concourses. They will provide full coverage to all departing and arriving passengers.

The base of the Prestige Digital Unit is designed after our Airport Amenity Units, creating a uniform look throughout our new product lines. This elegant, silver-metallic base will be outfitted with two state-of-the-art 57" LCD screens mounted back to back. All of the screens in each terminal will be synchronized to display the same content at the same time. The content will consist of an advertising loop of up to 6 semi-animated advertising spots lasting about 10 seconds each. These video spots will be HDTV-quality to make the very most of the high screen resolution.

JCDecaux will work with our advertising clients and use our extensive technical experience to create tasteful, high-impact graphic messages.

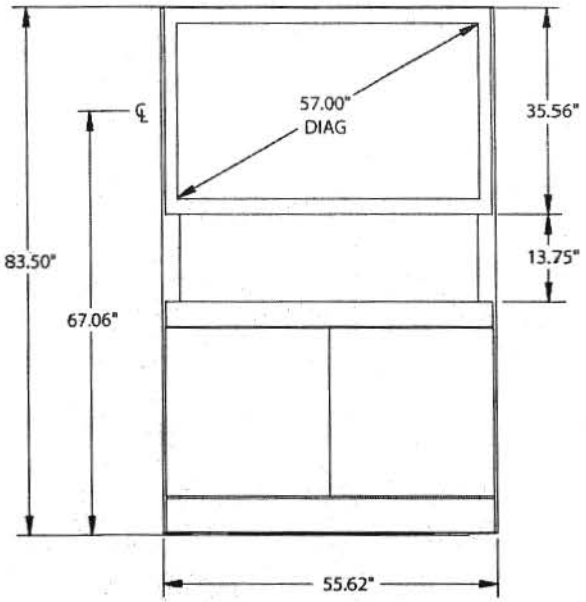
To manage this content, JCDecaux has developed SAMS, a proprietary narrowcasting application. It is a full-blown content creation, scheduling, distribution and playback system including advanced control and monitoring functionalities. SAMS is currently used at JFK T1, John Wayne Airport in Orange County, as well as many airports in Europe and Asia.

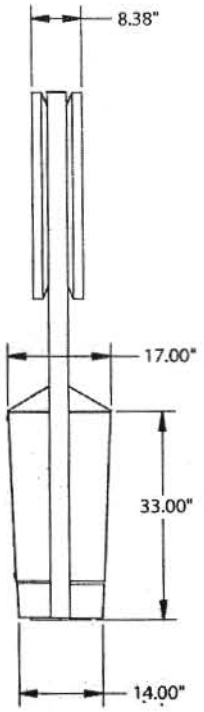
An industrial PC, housed within the structure, controls both screens and the content playback. The system is protected from power surges and short power outages by an uninterruptible power supply.

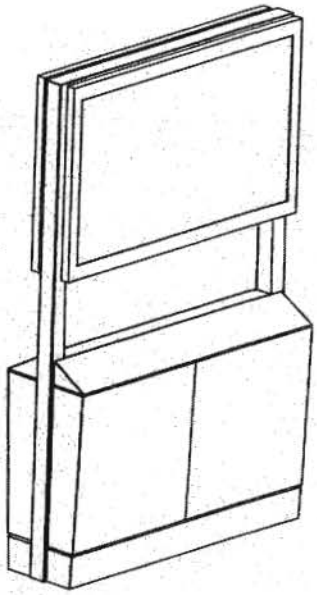
G. Business Plan

All PDUs within a terminal will be networked together and connected to the JCDecaux system via a secured Internet VPN connection. JCDecaux will work with the Port Authority to define the best way to network the screens: existing airport backbone, WiFi, dedicated cat5 or fiber.

Our Network Operating Center (NOC) is hosted in our state-of-the-art data center in Manhattan. All content programming, scheduling and monitoring operations will be done there. Communication between the NOC and the local playback system is encrypted in the standard secured SSL protocol and all servers are protected by several layers of firewalls, isolating them from malicious attacks and viruses.







APPROXIMATE MAX. WEIGHT - 650 LBS

ELECTRICAL - 120 VAC 15 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

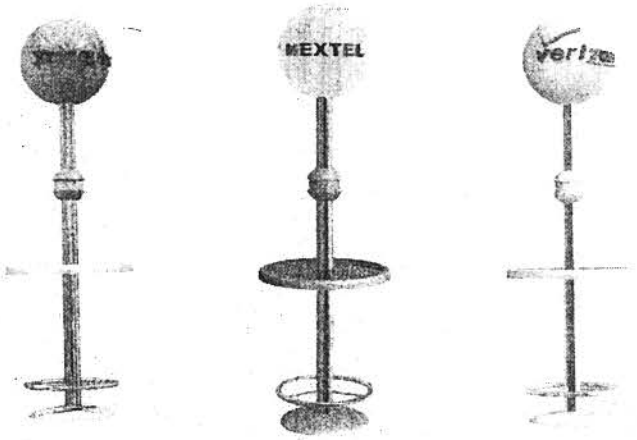
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux PDN-13

PDN - DIGITAL 57" DIAG DOUBLE SIDED DESIGN - PRESTIGE DIGITAL UNIT

REV. 06/01/05

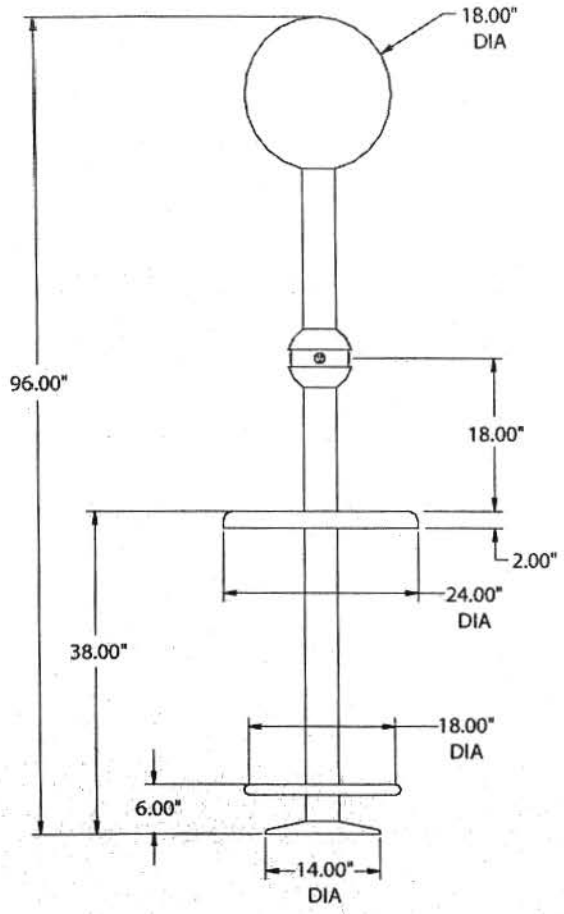
PowerPole Network

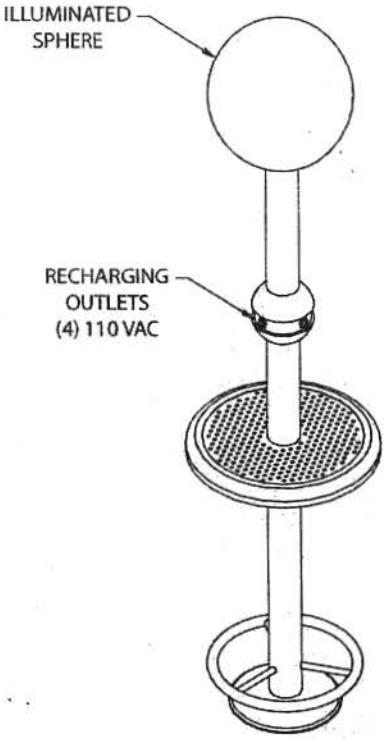


JFK, LaGuardia and Newark will be the first airports in the country to receive this new, innovative product designed with both passengers and advertisers in mind. Most airline passengers have experienced the frustration of being stuck in an airport with their cell phone, laptop or PDA out of power. The current solution is to sit on the floor next to a power outlet when one can be found. The PowerPole solves this issue by providing power outlets at standing level, close to passenger dwell areas such as gate hold rooms and food courts.

The illuminated sphere at the top of the pole will be sold as part of the sponsorship package associated with the service. The structure combines elegance and functionality. Its compact size and footprint ensures that multiple structures can be installed without creating additional clutter in the gate hold areas.

Each unit will be equipped with four grounded 110V power outlets and a surge protector.





APPROXIMATE MAX. WEIGHT - 150 LBS

ELECTRICAL - 120 VAC 5 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF STEEL COLUMN WITH
ALUMINUM AND CARBON STEEL ACCENTS.

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-03

POWER POLE - RECHARGING STATION
DESIGN - CUSTOM

REV. 06/01/05

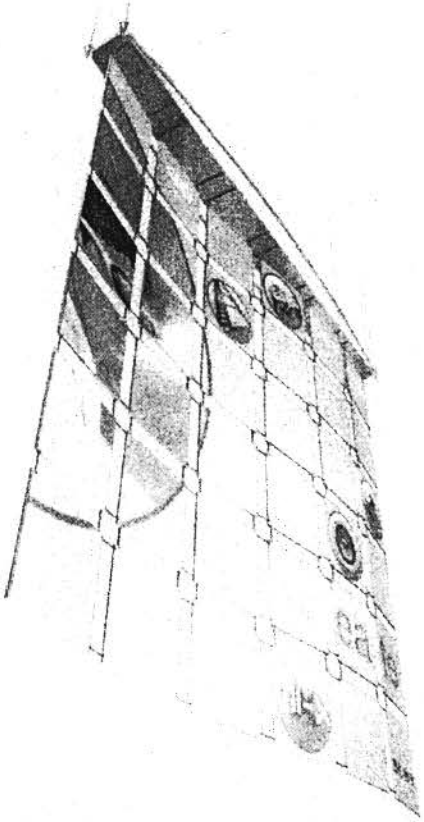
G. Business Plan

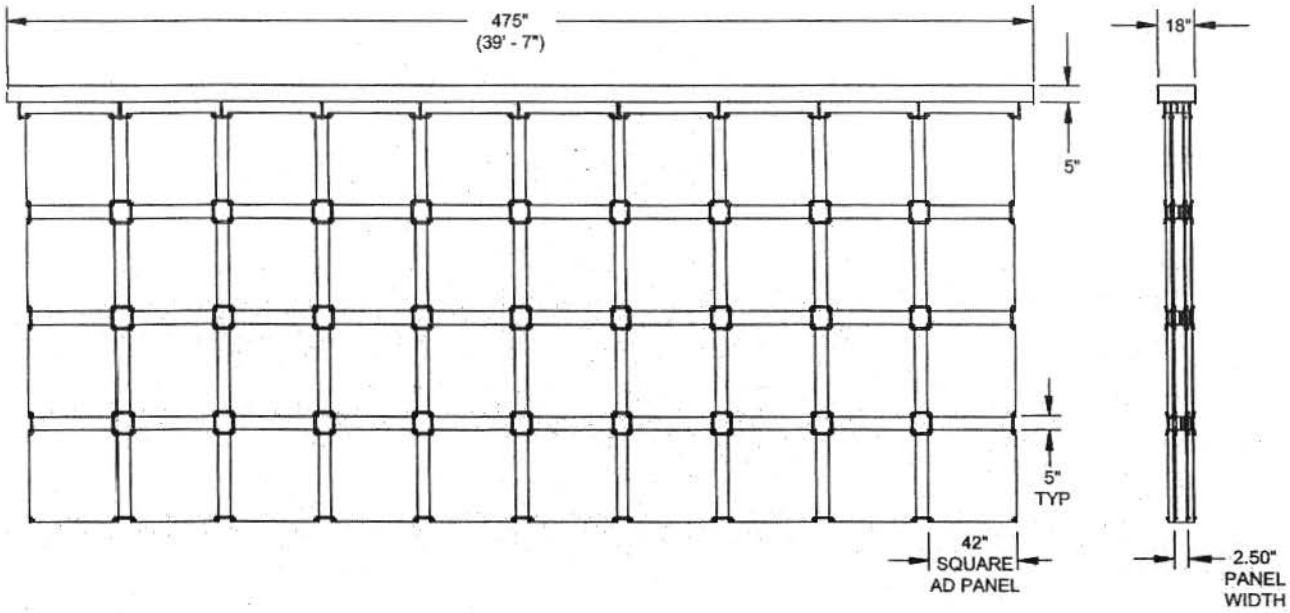
The Wave

JCDecaux has developed a unique concept for an undulating banner that will become an attraction of iconic proportions. It consists of up to 40 individual squares that combine to form a single large image. A mechanical drive integrated into the suspension system on top of the unit activates the display. The whole movement can be described as a sinuous wave, precisely driven by the motorized mechanism. Please see the animated 3D rendering in the enclosed CD-Rom.

The distance between the squares makes the whole display almost transparent, allowing it to perfectly integrate within the terminal without interfering with the architectural integrity. We believe it will quickly establish itself as a unique architectural feature in its own right.

We are proposing to install two of these units in JFK, in the ticketing areas of Terminal 1 and the new Terminal 8.





APPROXIMATE MAX. WEIGHT - 3000 LBS

ELECTRICAL - 120 VAC 20 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL, ALUMINUM EXTRUDED PROFILES AND STAINLESS STEEL.

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-01

WAVE - 42" SQ AD SIZE 4 X 10 GRID
DESIGN - CUSTOM

REV. 06/01/05

Electronic Art System

JCDecaux and our proud partners at American Airlines have developed a concept that will become the centerpiece attraction at the new Terminal 8 due to open in summer 2005.

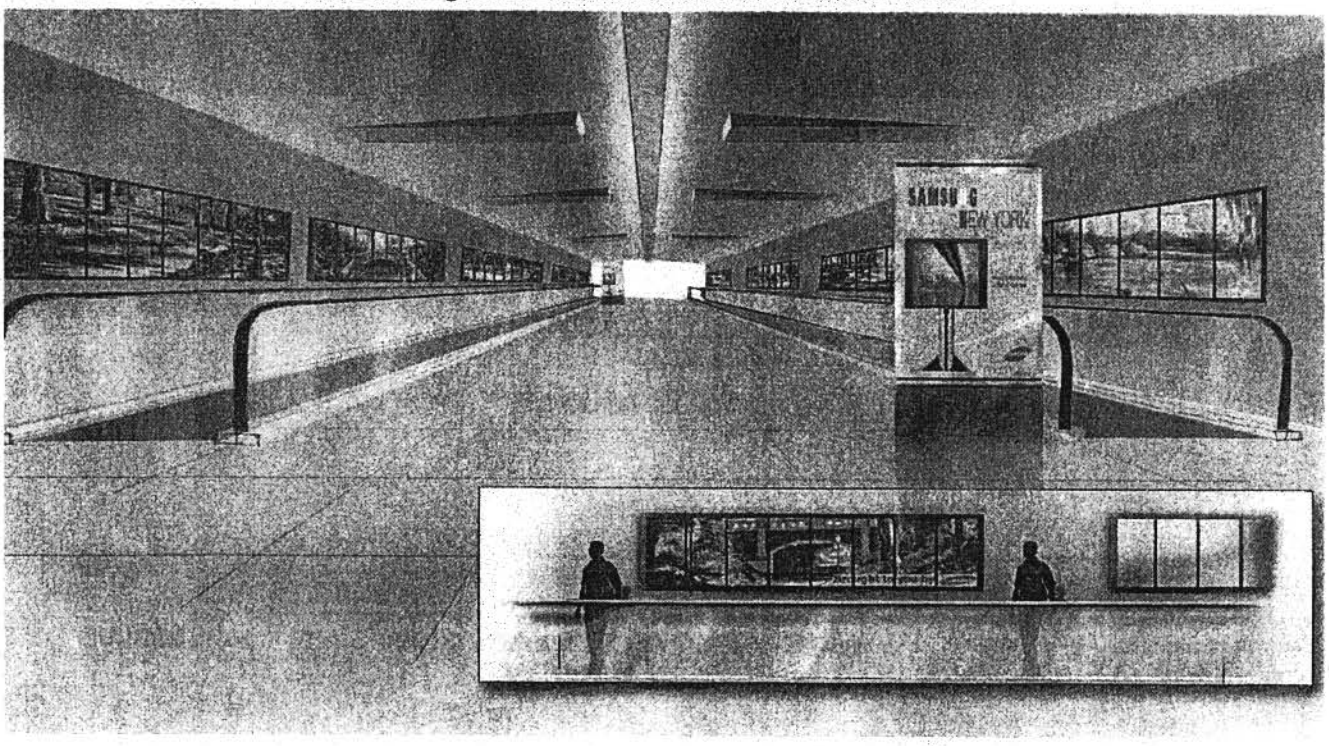
The "Electronic Art System" will combine the latest digital screen technology, cutting edge art and commercial content in a highly stylized groundbreaking combination.

Located in the connecting corridor between the main Terminal and Concourse C, the inspiration was Helmut Jahn's colorful neon light experience at Chicago O'Hare. Our concept was to replicate this visual display with a far more dynamic and entertaining experience for the passenger that resonated with the vibrancy and energy of New York City and the region. Thirty two 40" LCD digital displays tiled together in a portrait configuration on each side of terminal will project a series of eye-catching moving images that will be seen by passengers as they make their way through the walkway.

The system will allow for one unique sound source to be played in synchronization with the video content.

JCDecaux has partnered with The New York Public Art Foundation who will be responsible for commissioning world-renowned artists for the project on a regular basis. This will ensure the art display remain "fresh" and vibrant to travelers.

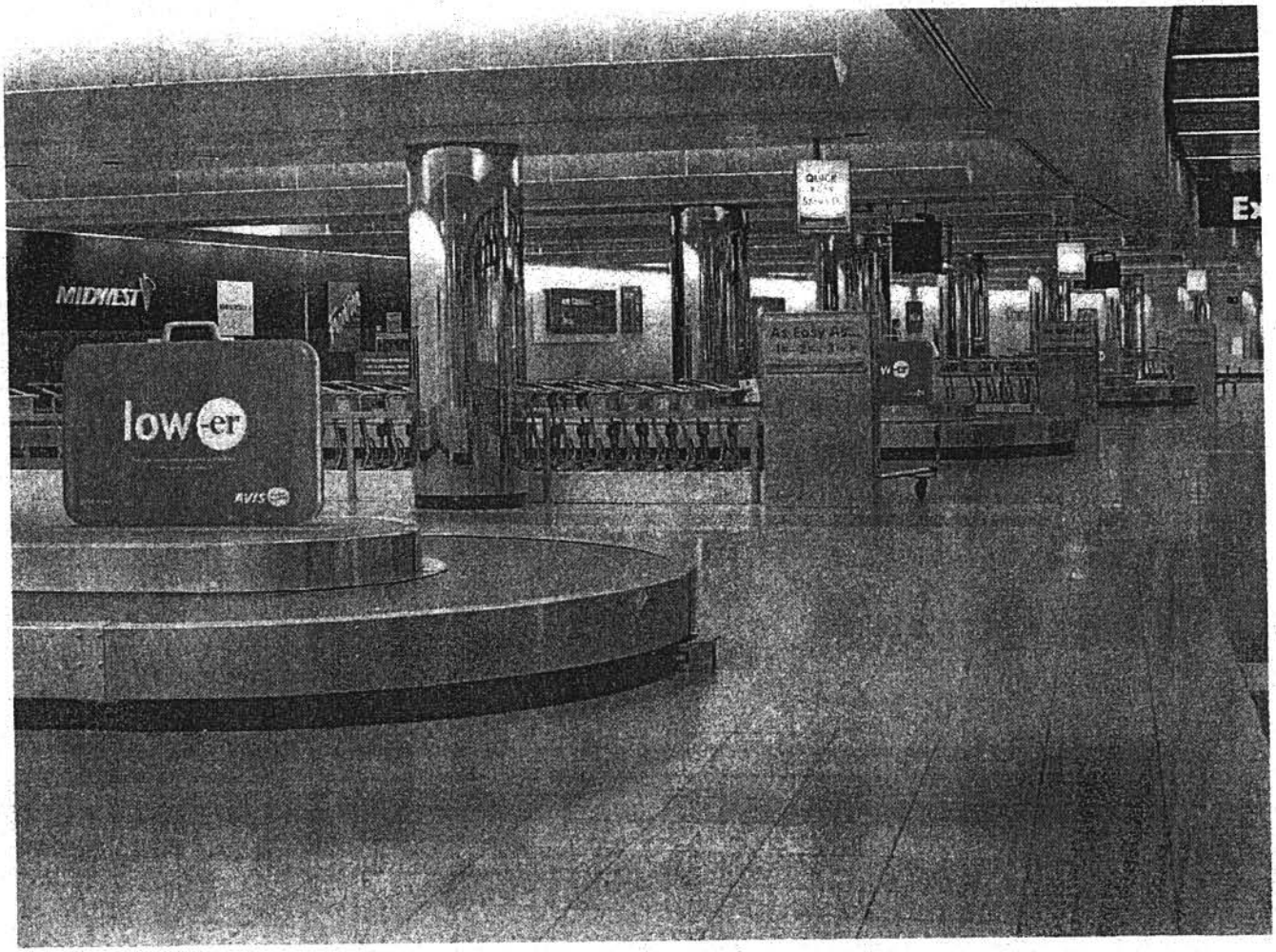
Several major corporations have already expressed interest in sponsoring the "Electronic Art System" thereby ensuring that the operation will not only benefit passengers and staff with beautiful works of art but also generate substantial revenue streams.

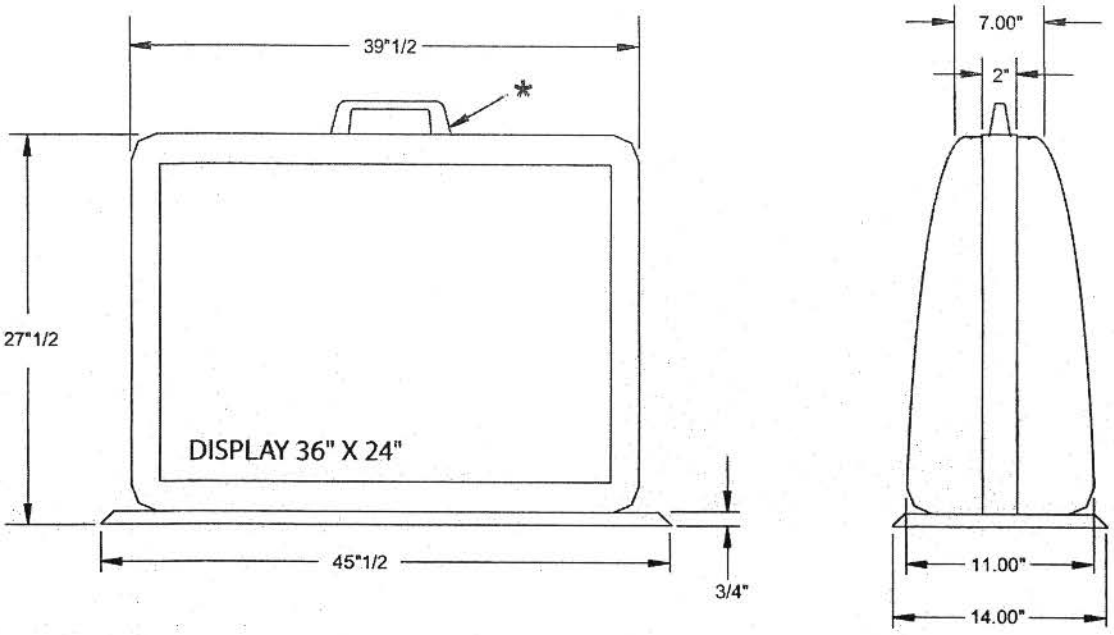


G. Business Plan

LightBag Displays

The LightBag is an internally lit translucent suitcase that can be placed on baggage carousels in airport arrivals areas. The advertising copy is printed on 3M vinyl mounted on both sides. The translucent shell can be painted to match the advertising copy's color for a stunning effect. This fun new format is both contextual and aesthetically pleasing. We strongly believe that the introduction of this new display will boost baggage claim revenues.





APPROXIMATE MAX. WEIGHT - 80 LBS

ELECTRICAL - 120 VAC 1 AMP DRAW

MATERIAL - UNIT CONSTRUCTED OF STAINLESS STEEL BASE
WITH ALUMINUM FRAME AND POLYCARBONATE PANELS

* HANDLE IS NOT FOR LIFTING

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-04

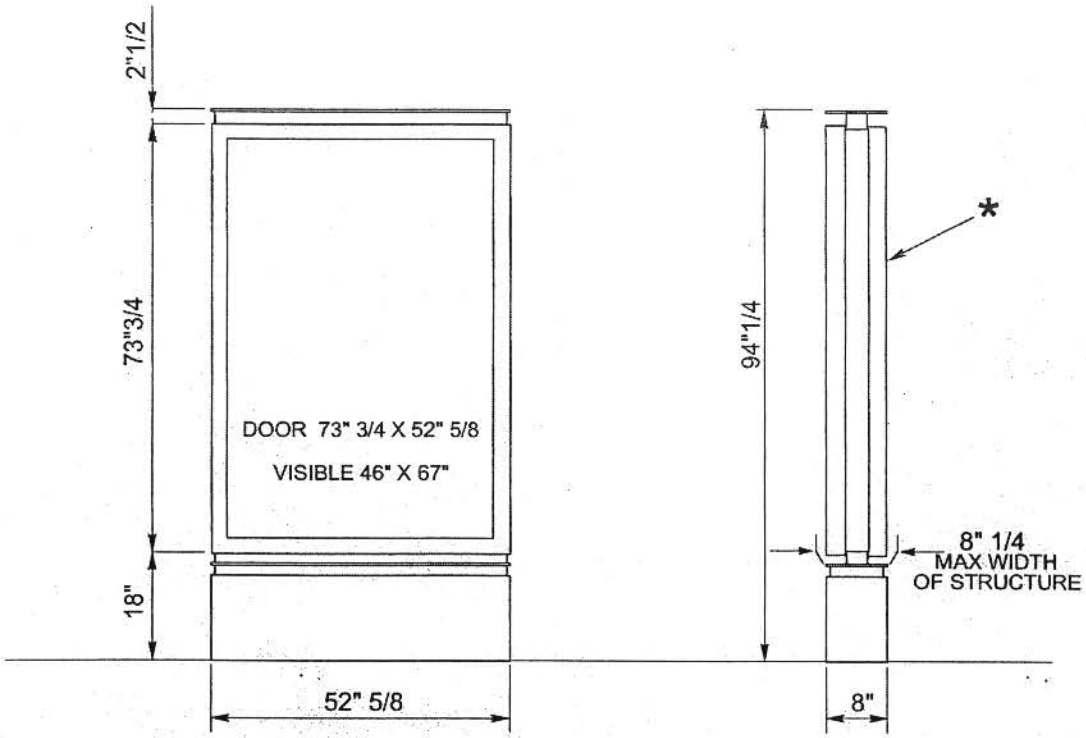
LIGHT BAG - 24" X 36" AD SIZE DOUBLE SIDED DESIGN - CUSTOM

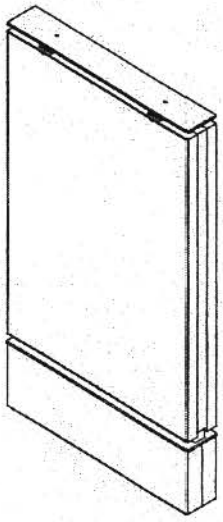
REV. 06/01/05

Vertical Scrolling Displays

JCDecaux invented the eye-catching Scrolling Advertising Display Unit, one of our most popular displays. The unit displays 2 or 3 standard-size posters on a scrolling loop. The movement of the creative adds visual excitement, enhancing the traveler's experience and delivering more value to the advertisers. With thousands of scrolling units already in operation in the U.S. and worldwide, JCDecaux has perfected this technology and made it totally reliable.

The structure comes in a variety of configurations – a free-standing, double-sided unit, and a wall-mounted unit. We plan to install these units at the PATH stations and all three Airport facilities at key locations in order to maximize the potential revenue per location.





APPROXIMATE MAX. WEIGHT - 725 LBS

ELECTRICAL - 120 VAC 4 AMP DRAW (FIXED)
120 VAC 8 AMP DRAW (SCROLLING)

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

SEE FA-01 FOR BASIC ANCHORING.

* - BLANK ON SINGLE SIDED PANEL (SSP)

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-01

SSP AND DSP FLAT
DESIGN - CLASSIC

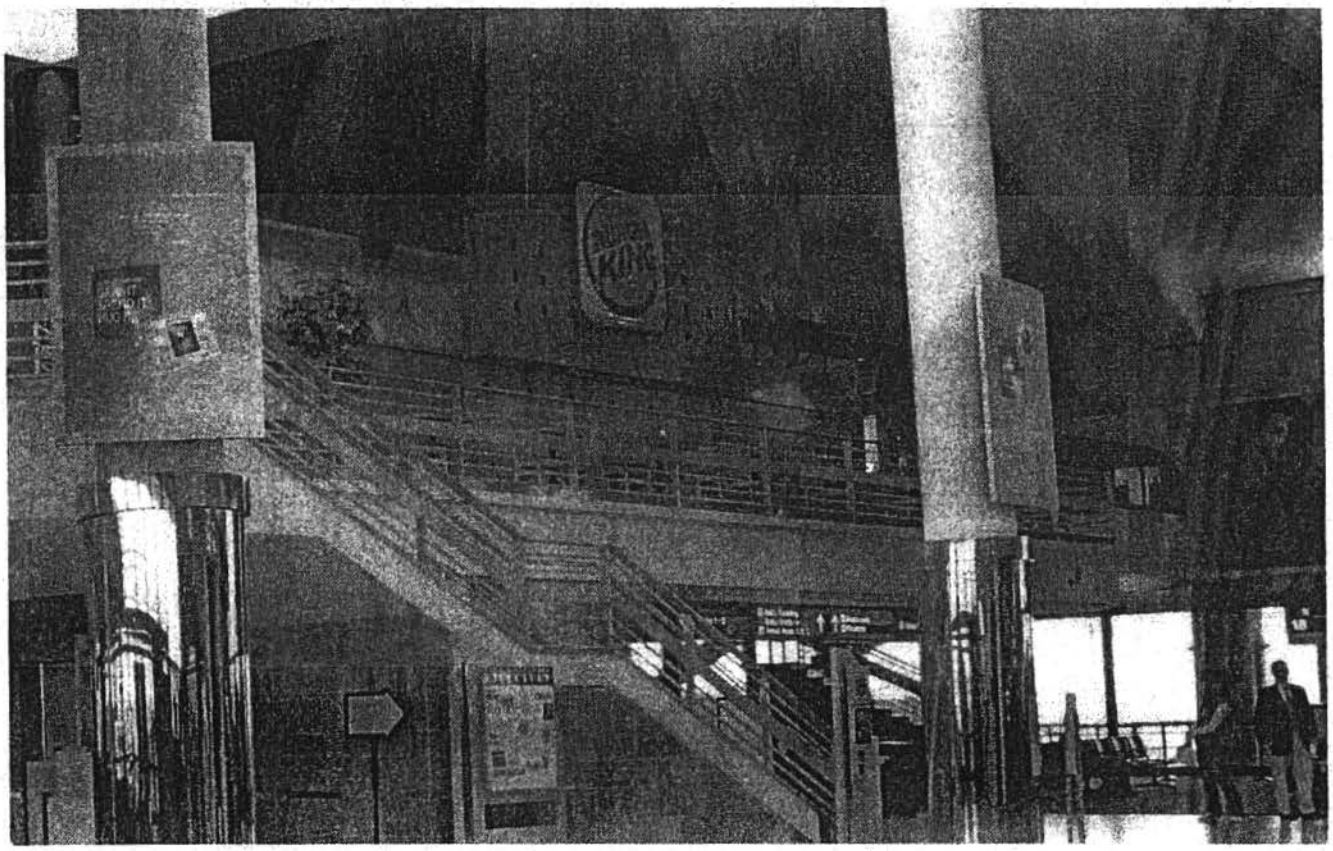
REV. 06/01/05

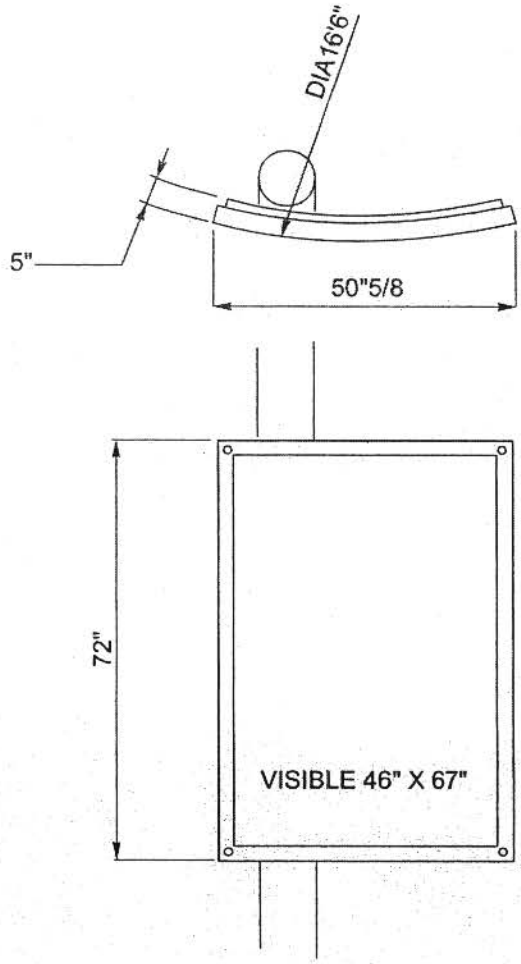
Curved Column Unit

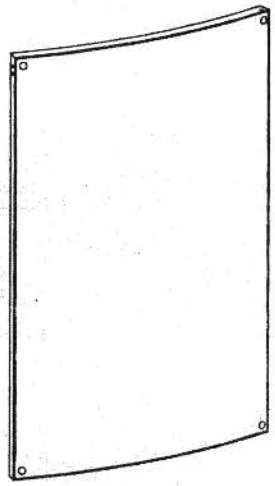
The Curved Column Unit was initially developed by JCDecaux for its mall advertising division. It has proven highly successful both in revenue-producing and aesthetic terms. The display allows placing signs in locations where a freestanding unit might not fit.

Measuring 6' x 4', this curved sign is mounted on a column. These structures are mounted no less than eight feet from the ground to ensure good visibility, as well as to prevent any hindrance or obstacle for passengers.

We have already installed these displays in JFK and we plan to introduce them to LGA.







APPROXIMATE MAX. WEIGHT - 300 LBS
(MOUNTING BRACKET NOT INCLUDED)

ELECTRICAL - 120 VAC 4 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

SEE FA-10 FOR BASIC ANCHORING.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

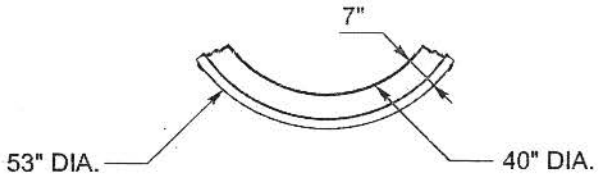
JCDecaux F-10

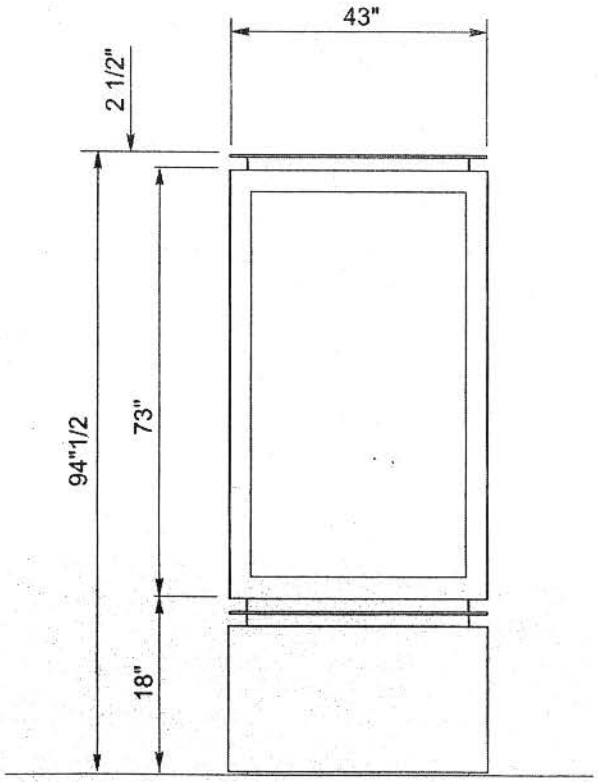
SINGLE SIDED CURVED
DESIGN - CLASSIC

REV. 06/01/05

1/3 and 3/3 Kiosk

A variation on the Curved Column Unit, these freestanding, curved units can be placed in front of columns where a flat panel, such as our vertical scrolling displays, might not fit as precisely. Three of these units placed together form an elegant cylindrical kiosk. These displays, a staple of our advertising programs, have recently been installed in the British Airways ticketing area in Terminal 7 at JFK.





APPROXIMATE MAX. WEIGHT - 575 LBS

ELECTRICAL - 120 VAC 4 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

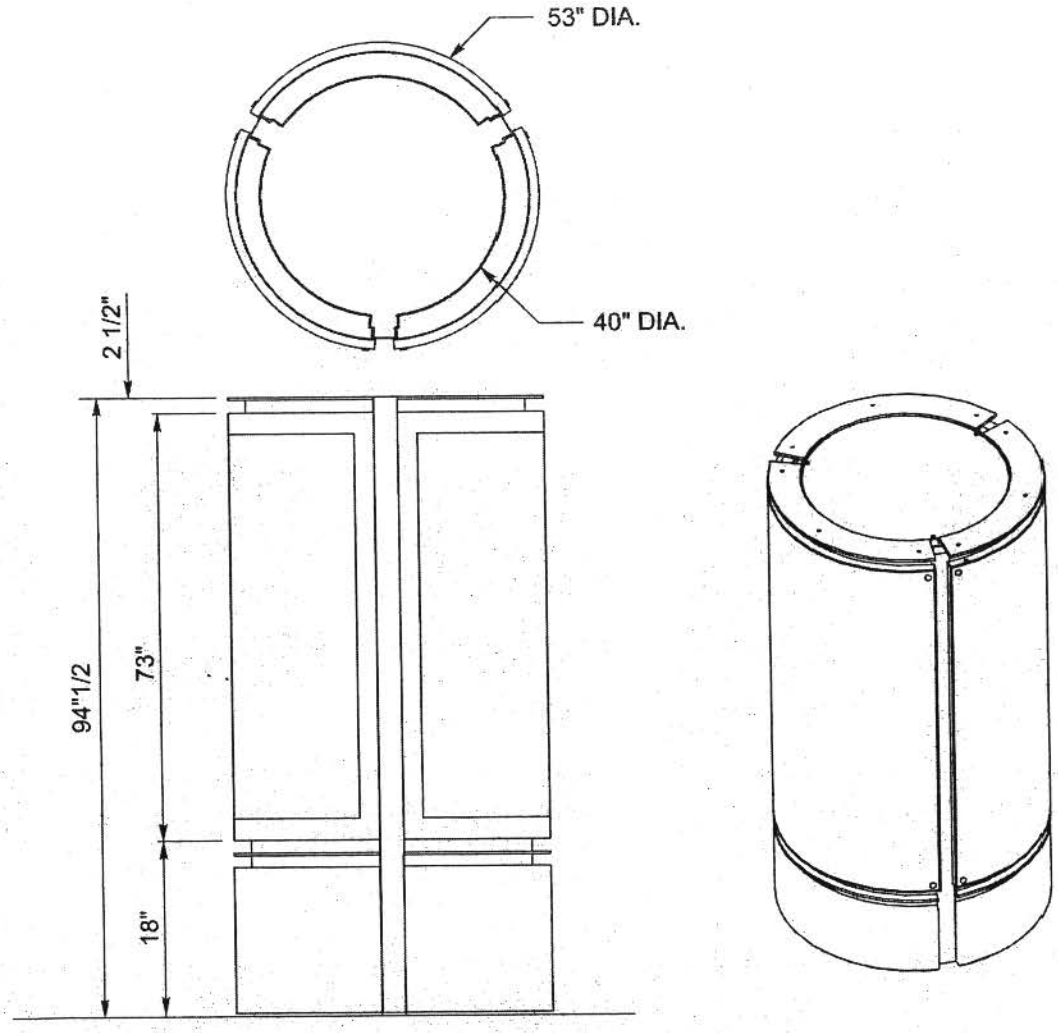
SEE FA-32 FOR BASIC ANCHORING.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-32

ONE THIRD KIOSK
DESIGN - CLASSIC

REV. 06/01/05



APPROXIMATE MAX. WEIGHT - 1700 LBS

ELECTRICAL - 120 VAC 4 AMP DRAW EACH, 12 AMP DRAW TOTAL

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

SEE FA-30 FOR BASIC ANCHORING.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-30

THREE THIRD CYLINDRICAL KIOSK
DESIGN - CLASSIC

REV. 06/01/05

G. Business Plan

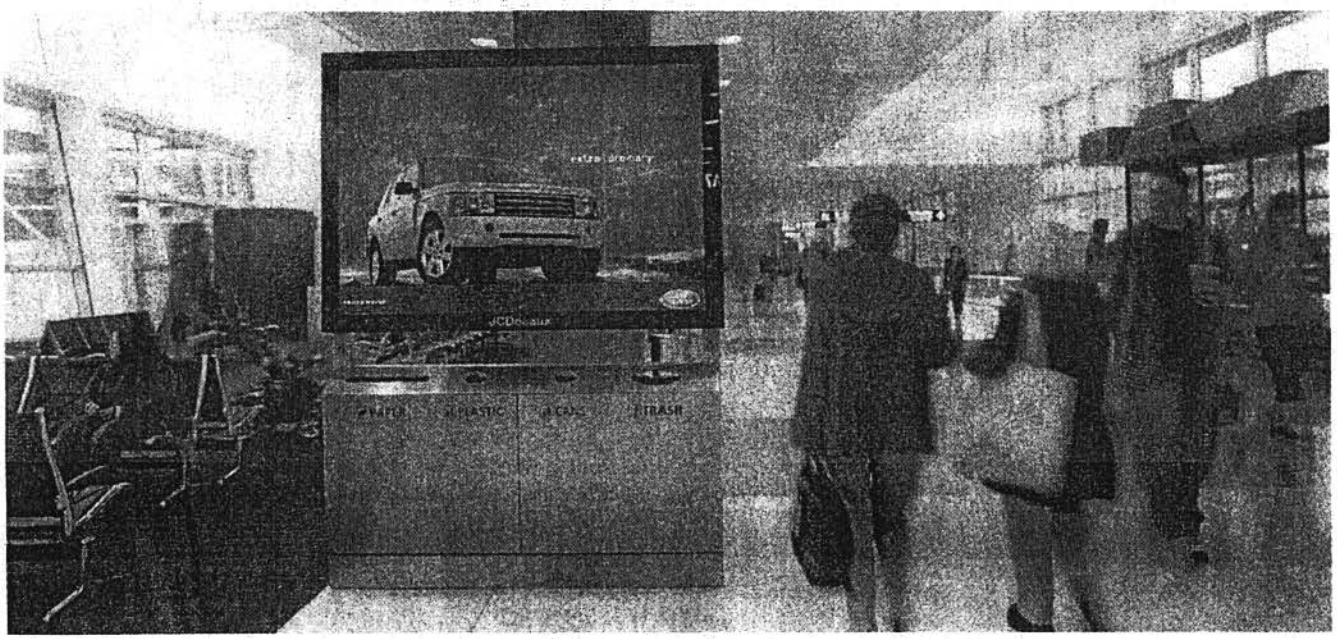
Airport Amenity Units

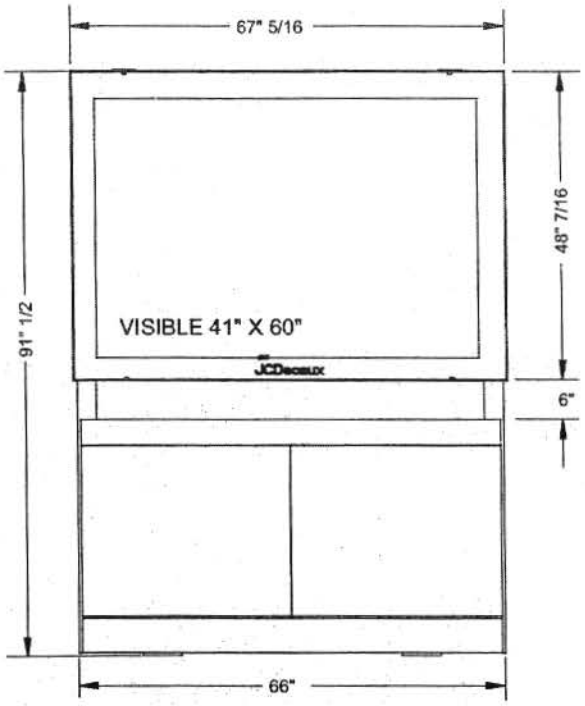
We have developed the Airport Amenity Unit (AAU) with two goals in mind:

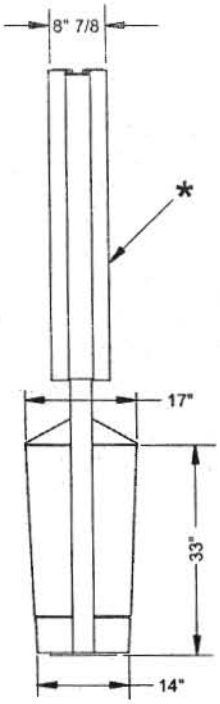
- Provide useful service to passengers where needed
- Position diorama-size advertising panels in high-traffic locations, head-on to the viewing public

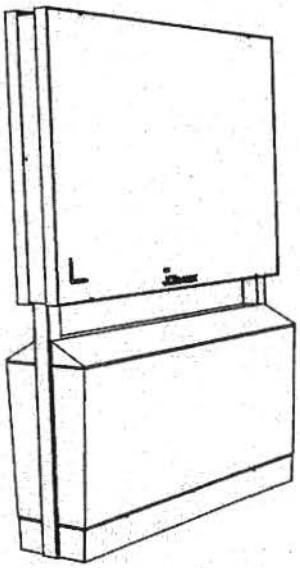
Our AAU's have many functional base alternatives with double sided backlit dioramas mounted on top. One side has a scrolling face that can accommodate up to three advertisers at the same time. The other side is a traditional static poster. Versatile bases can be fitted as desktops with electric plug-ins for laptops and cell phones; newspaper dispensers; recycling containers; coffee tables with integrated litter bins; or even an "iPod station" that would allow users to download the latest hits while waiting to board the plane.

This summer we are installing AAU's in the new American Terminal 8 at JFK. Our new design plans include the introduction of this unit throughout JFK and LGA, and Newark. We have already installed these units in Seattle, Orange County and Des Moines.









APPROXIMATE MAX. WEIGHT - 700 LBS

ELECTRICAL - 120 VAC 4 AMP DRAW (FIXED)
- 120 VAC 8 AMP DRAW (SCROLLING)

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES. STAINLESS STEEL ACCENTS AND TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT AND BRUSHED FINISHES WHERE APPLICABLE.

*BLANK PANEL ON SINGLE SIDED UNIT.

SEE AAU-A-01 FOR BASIC ANCHORING.

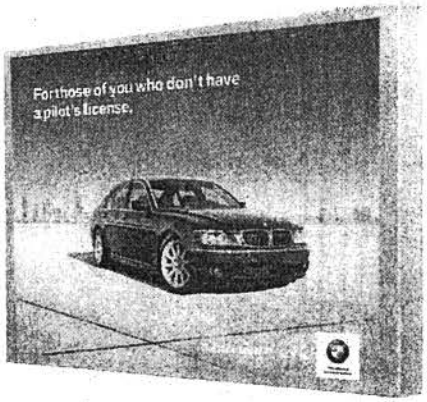
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux AAU-02

AAU - BASIC
DESIGN - AIRPORT AMENITY UNIT

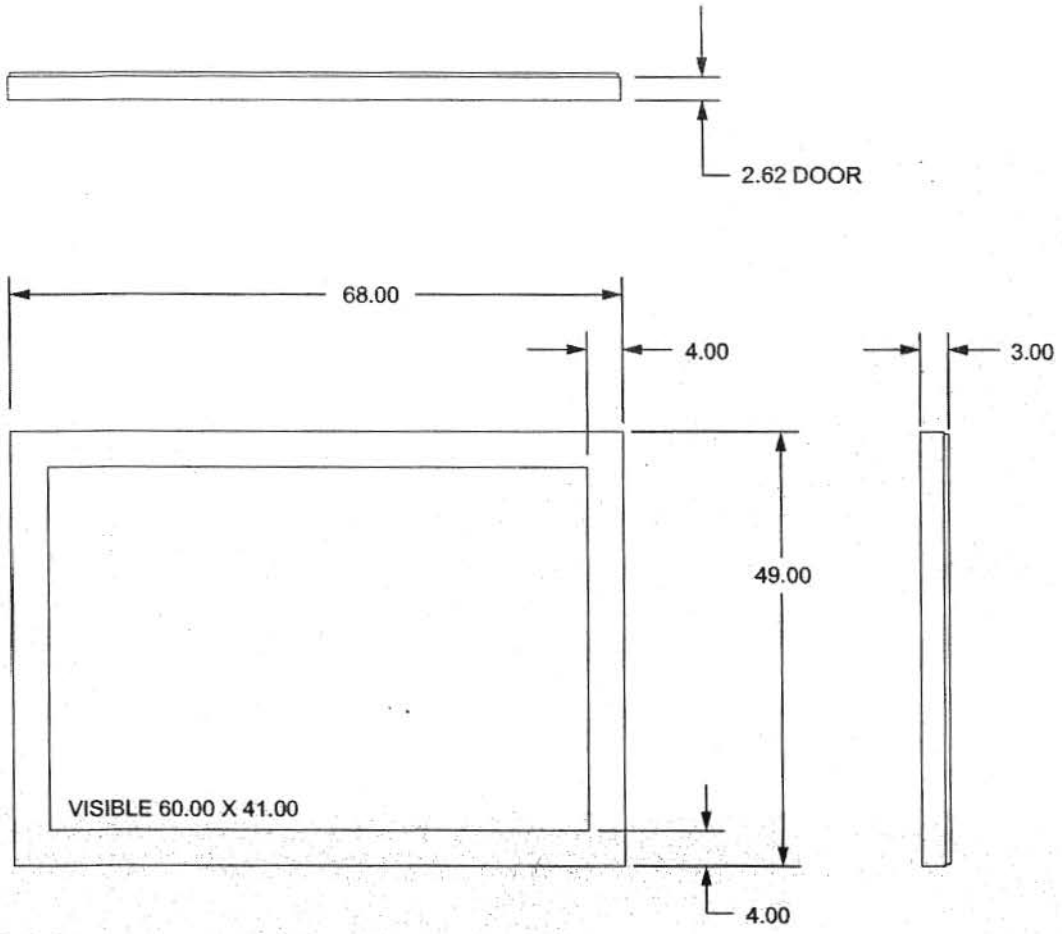
REV. 06/01/05

Diorama



For all new Diorama installations we are introducing a new state-of-the-art slim line Diorama unit measuring only two and a quarter inches deep. Contrary to the standard units currently found throughout North American airports, our new diorama features safety glass in front of the poster instead of Plexiglas. The result is a much crisper look for the ads, and a much more durable product for you.

Dioramas will be wall-mounted, and only placed where they can be seen head-on by the traveling public.



APPROXIMATE MAX. WEIGHT - 250 LBS
ELECTRICAL 120 VAC 4 AMP DRAW
SEE SSA02 FOR BASIC ANCHORING

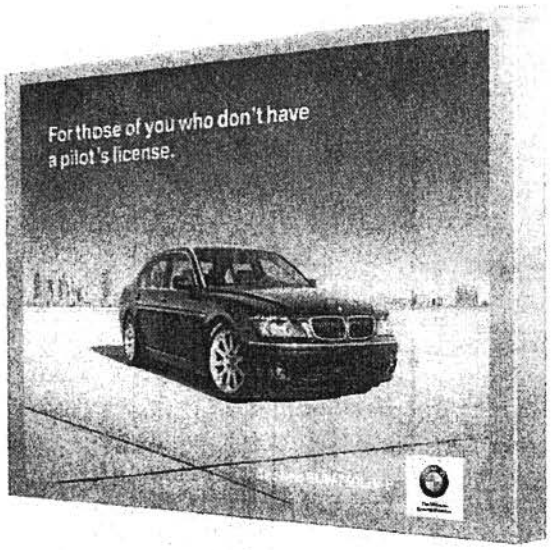
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux SS02

DIORAMA - SINGLE
DESIGN - DIORAMA STANDARD

REV. 06/01/05

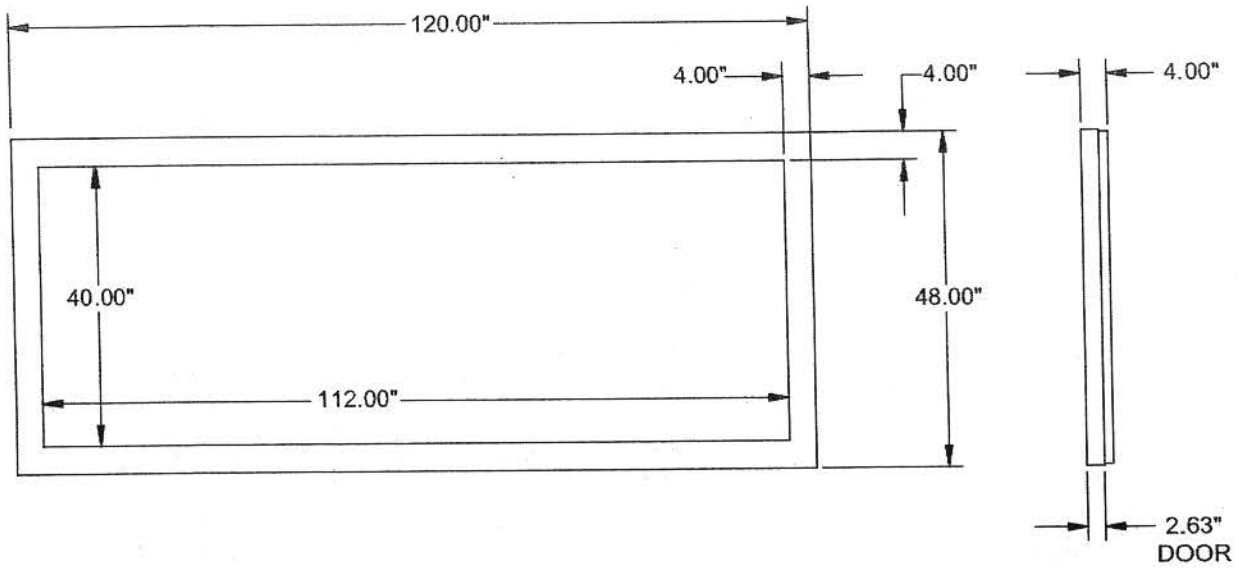
Spectacular Displays



These large, back-illuminated units can be wall mounted or free standing. Each is strategically placed to deliver mass audience reach while providing creative impact.

As with the dioramas, JCDecaux is developing its own line of spectacular displays. These units are thin, only 4" deep, and most of them use safety glass instead of Plexiglas to protect the poster.

We will place these displays in prominent locations in main passenger arteries, concourse heads, next to VIP lounges and baggage claim carousels throughout JFK, LGA and EWR. The structure comes in a variety of configurations including: 4' x 10', 6 x 6' and 6' x 12'.



APPROXIMATE MAX. WEIGHT - 350 LBS

ELECTRICAL - 120 VAC 10 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES WITH CLEAR POLYCARBONATE.

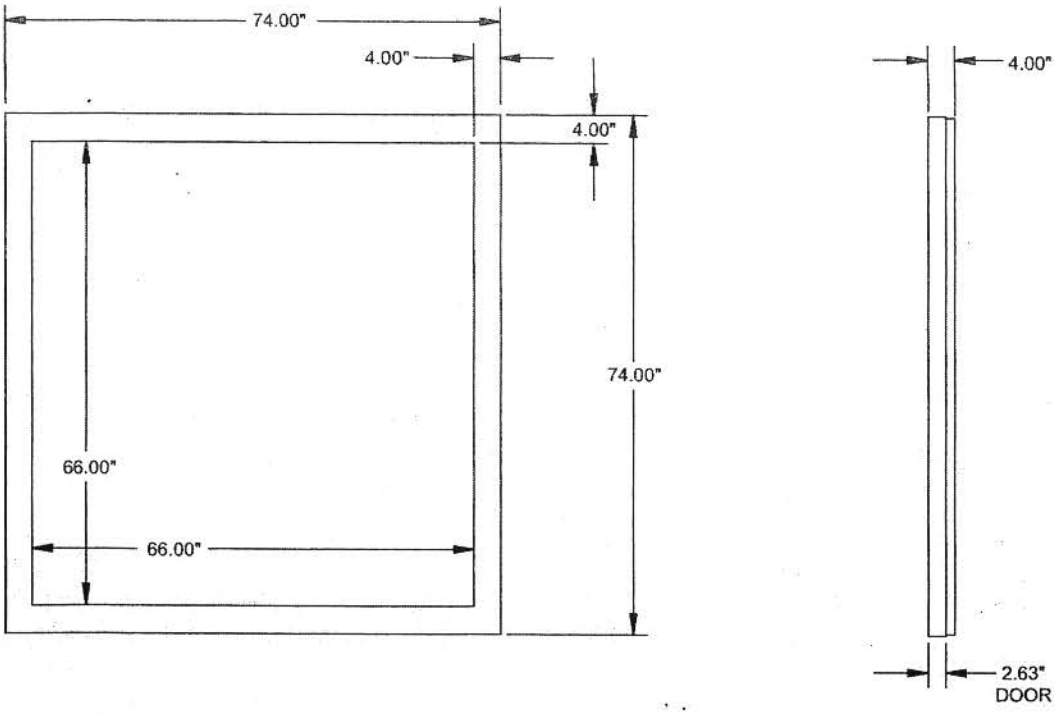
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux SS-19

DIORAMA - 4' X 10' SPECTACULAR
DESIGN - DIORAMA STANDARD

REV. 06/01/05



APPROXIMATE MAX. WEIGHT - 450 LBS
ELECTRICAL - 120 VAC 6 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES WITH TEMPERED SAFETY GLASS.

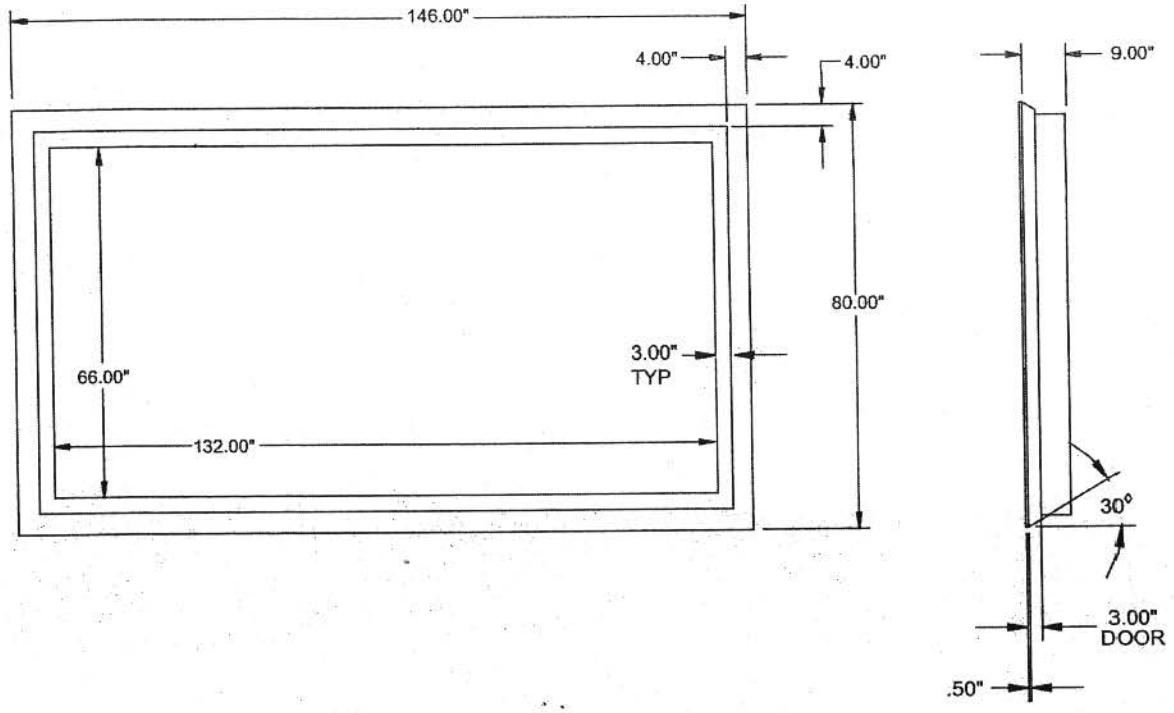
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux SS-15

DIORAMA - 6' X 6' SPECTACULAR
DESIGN - DIORAMA STANDARD

REV. 06/01/05



APPROXIMATE MAX. WEIGHT - 850 LBS

ELECTRICAL - 120 VAC 20 AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES WITH TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux SS-26

DIORAMA - 6' X 12' REV. 06/01/05

DESIGN - DIORAMA PICTURE FRAME

Wraps

JCDecaux pioneered the first use of vinyl wall treatments in U.S. airports at JFK through a partnership with 3M. Large, head-on wall wraps are highly coveted by advertisers who view them as perfect opportunities to separate themselves from the general visual clutter that tends to prevail in transit facilities. As such, they command very high prices.

Wall wraps have two additional benefits: they do not create any impediment to traffic, and when the location is not under contract, the wall can be left clean. Exact measurements and advanced posting techniques ensure that the wall facades are free of any "bubbling", to further assure a quality visual experience.

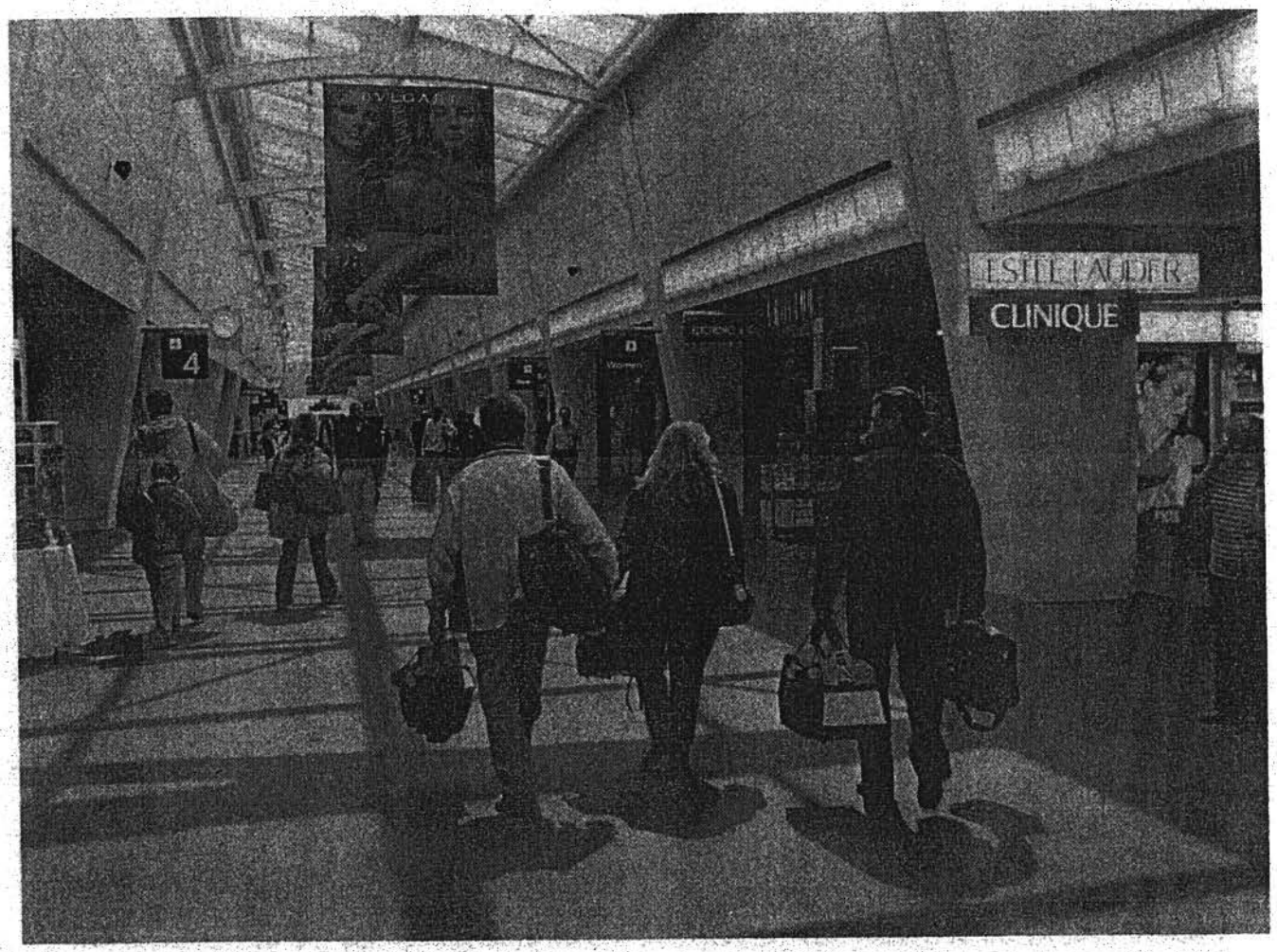
We plan to install these displays in all 3 of the Port Authority's airports as well as PATH stations.

G. Business Plan

Banners

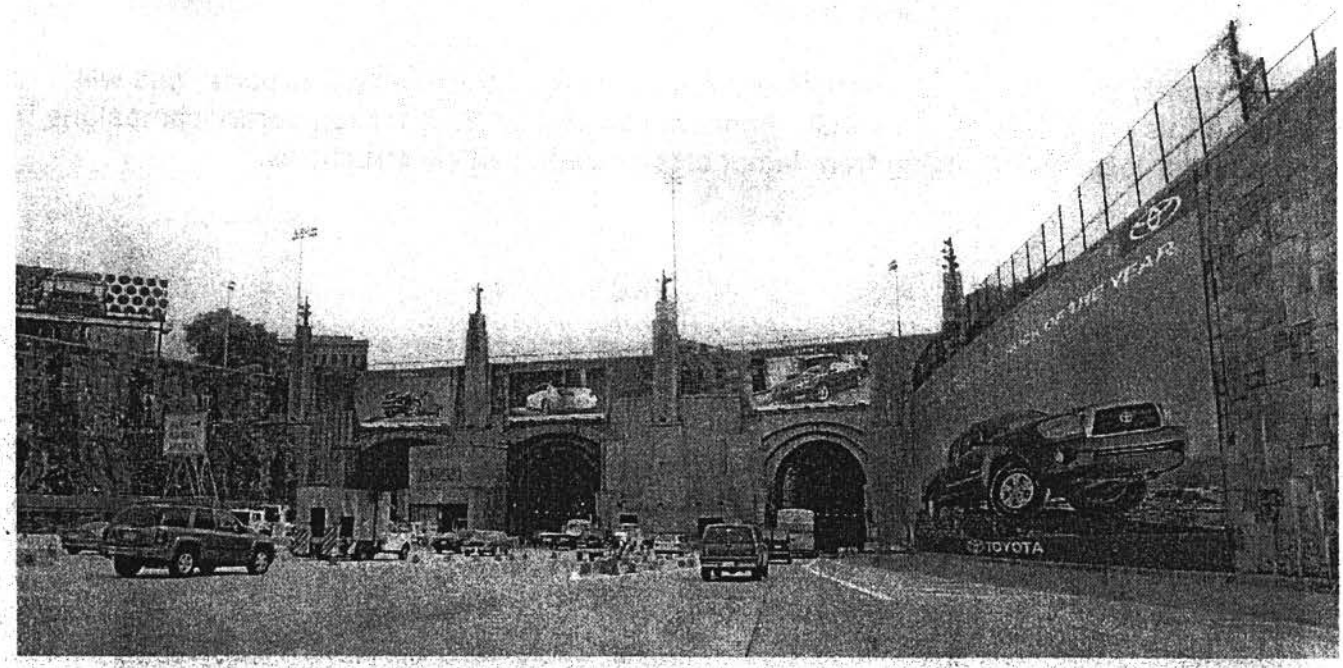
These large format canvases can be placed in high-ceiling atriums and concourses where they provide high-impact without creating an impediment to traffic. Depending on the physical location, they can be installed as one, spectacular unit, or several smaller banners side-by-side or in a row creating a domination effect.

We currently install banners throughout the terminals at JFK and LGA airports, and will expand this product to EWR as well. Banners can also be used for temporary campaigns, on outdoor locations, hanging from lampposts or other vertical structures.



Stretched banners

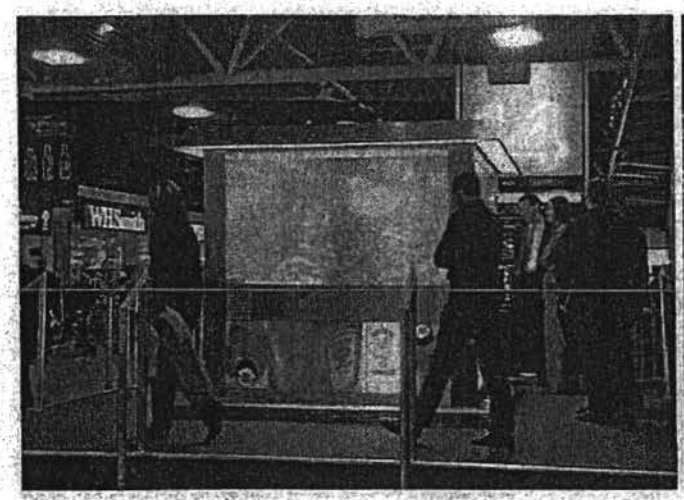
Stretched banners can be placed on outdoor walls, allowing wrapping of any vertical surface for a spectacular effect. We propose to use this technique in particular at the New Jersey entrance of the Lincoln Tunnel.

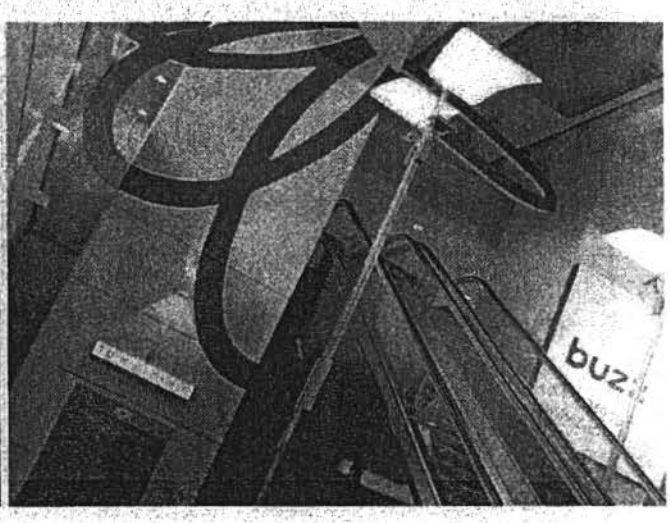


Exhibits

We will offer exhibit opportunities throughout JFK, LGA and EWR Airports, as well as major PATH stations such as 33th street, Hoboken, and the World Trade Center. We will work with the Port Authority and the airlines to identify acceptable locations for temporary or permanent exhibits. These exhibits can be simple kiosk displays or more elaborate installations including sitting areas with services sponsored by the advertisers.

Exhibits are highly coveted by advertisers because they allow communication and interaction with the affluent airport and PATH audience. Below are examples of what has been done in JCDecaux's airports.

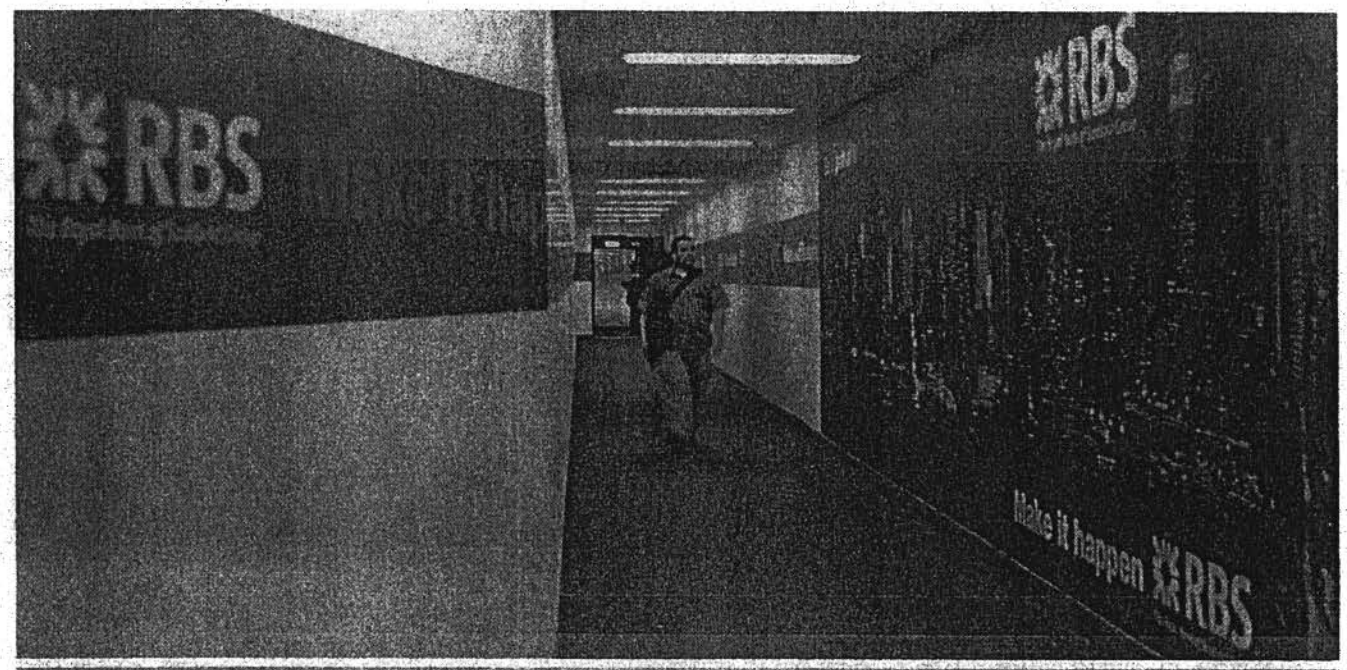




JetBridges

Jetbridges are the newest form of airport advertising and have tremendous visual impact. Wall Wraps located in the Jetbridges from the terminal to/from the airplane allow advertisers to be the first and last messages travelers see. These powerful ads are available in different sizes and formats.

We plan to install these in all 3 of the Port Authority's Airports.



HSBC Sponsorship Campaign - Hong Kong Airport

Daktronics Pro Star Video Display Plus

JCDecaux will install the most dynamic, eye-catching and technologically advanced LED Video display units available in the market today. Three Daktronics ProStar Video Plus Displays will be placed above the tollbooths at the George Washington Bridge, Lincoln Tunnel and Holland Tunnel. These spectacular digital displays measure 12' x 38.5' and guarantee excellent visibility and image quality from up to 300 feet away.

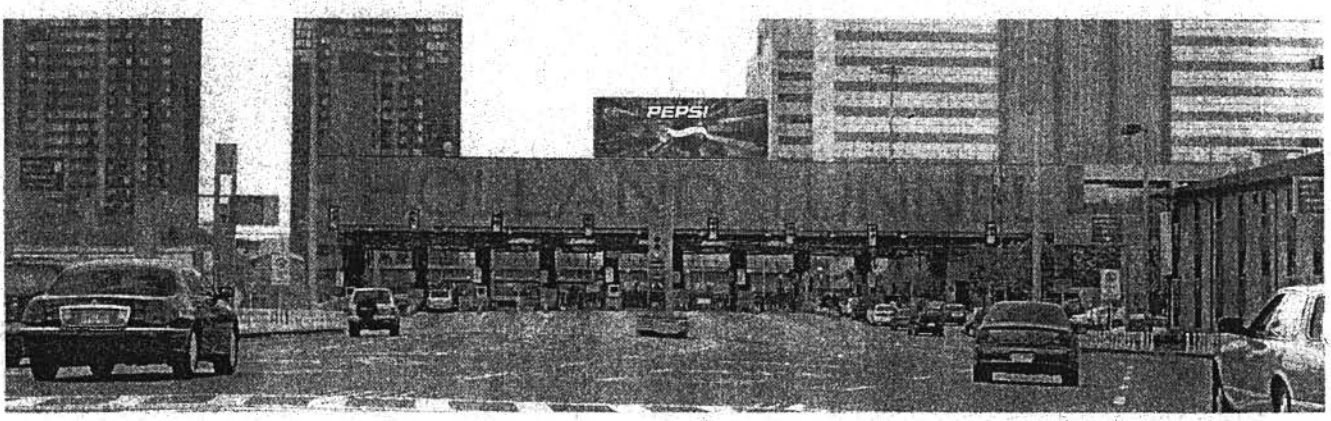
With trillions of different colors to dazzle audiences, outdoor ProStar technology creates unsurpassed crisp, clear imagery at wide viewing angles. Daktronics unique calibration process further enhances displays by adjusting the intensity of individual modules. The module design includes louvers that add contrast to the display face, reducing glare and keeping the display bright even in direct sunlight. Screen intensity automatically adjusts with outside luminosity.

Control systems give the ability to adjust color, gamma and brightness settings, guaranteeing that a display looks like new throughout its lifetime.

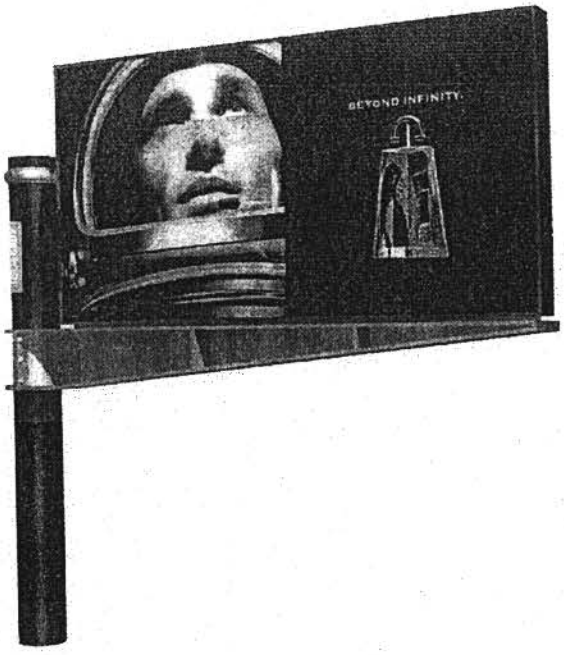
JCDecaux will work with each advertiser to design the most effective creative and make the most of the LED screen characteristics. We will also work with KeyFrame, a division of Daktronics that specializes in video graphic creation.

To manage the video content, JCDecaux will use its proprietary narrowcasting application called SAMS. It is a full-blown content creation, scheduling, distribution and playback system including advanced control and monitoring functionalities.

Our Network Operating Center (NOC) is hosted at the state-of-the art JCDecaux data center. All content programming, scheduling and monitoring operations will be done there. All components (electrical, networks, servers, etc.) are highly redundant in order to ensure high availability of the systems. Communication between the NOC and the local playback system is encrypted in the standard secured SSL protocol and all servers are protected by several layers of firewalls, isolating them from malicious attacks and viruses.

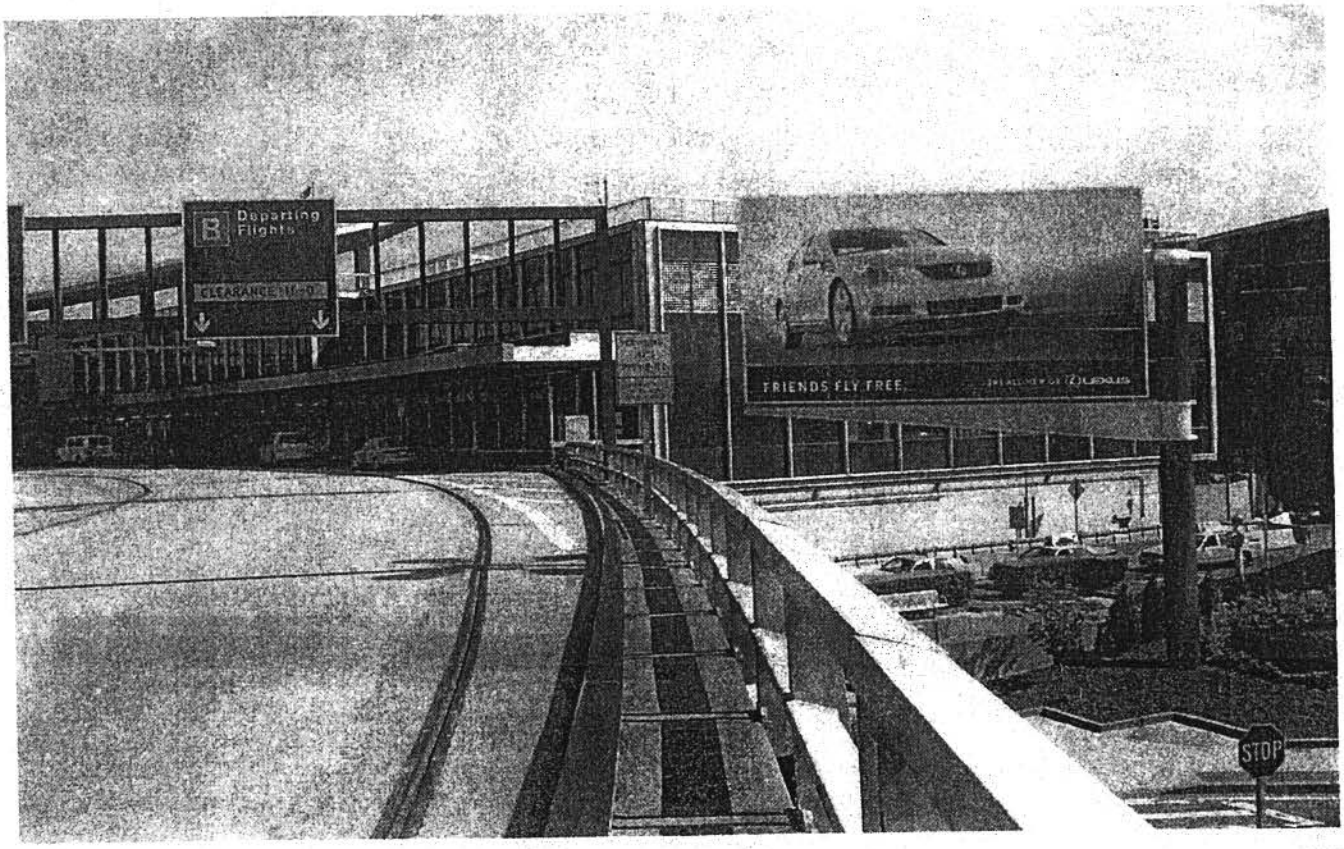


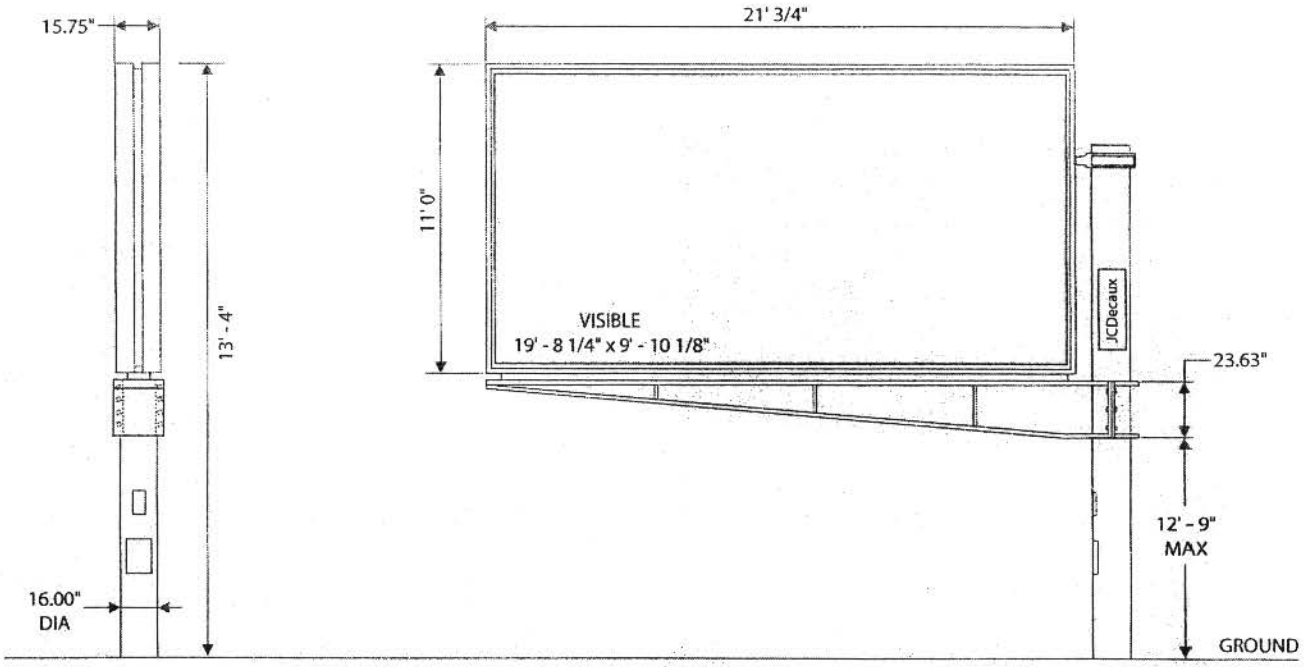
Backlit Wilmotte Display



Jean-Michel Wilmotte designed this world famous structure. Mr. Wilmotte's portfolio of accomplishments includes work for the Louvre, Paris, design for the interior layout for the new Inchon Airport in Seoul Korea (award winner) and designs for Cartier Jewelers.

This unit measures approximately 10' x 20' excluding the base which is custom built. It is a back illuminated sign finished in brushed aluminum with a glazed door.





APPROXIMATE MAX. WEIGHT - TBD LBS

ELECTRICAL - 120 VAC XX AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES WITH TEMPERED SAFETY GLASS.

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-05

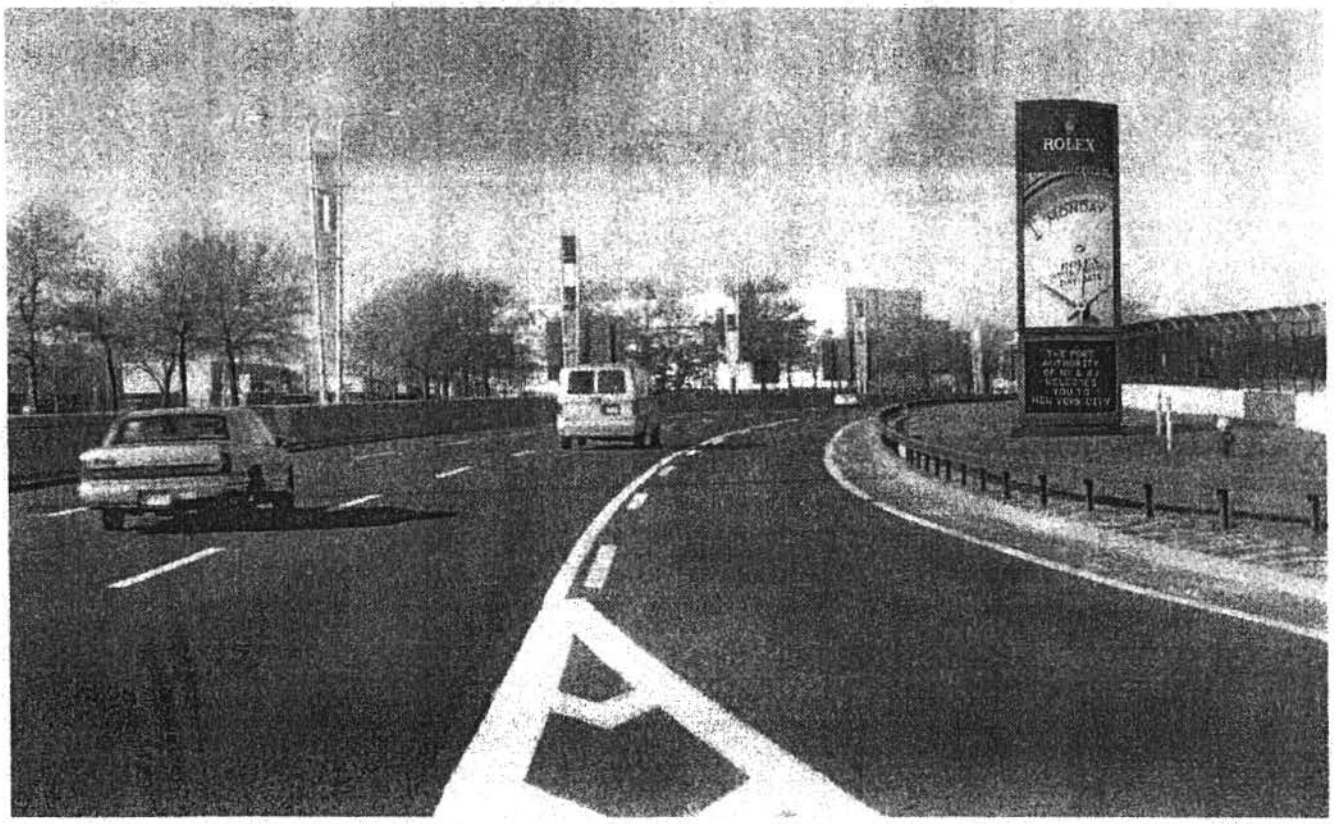
BILLBOARD - 10' X 20'
DESIGN - WILMOTTE

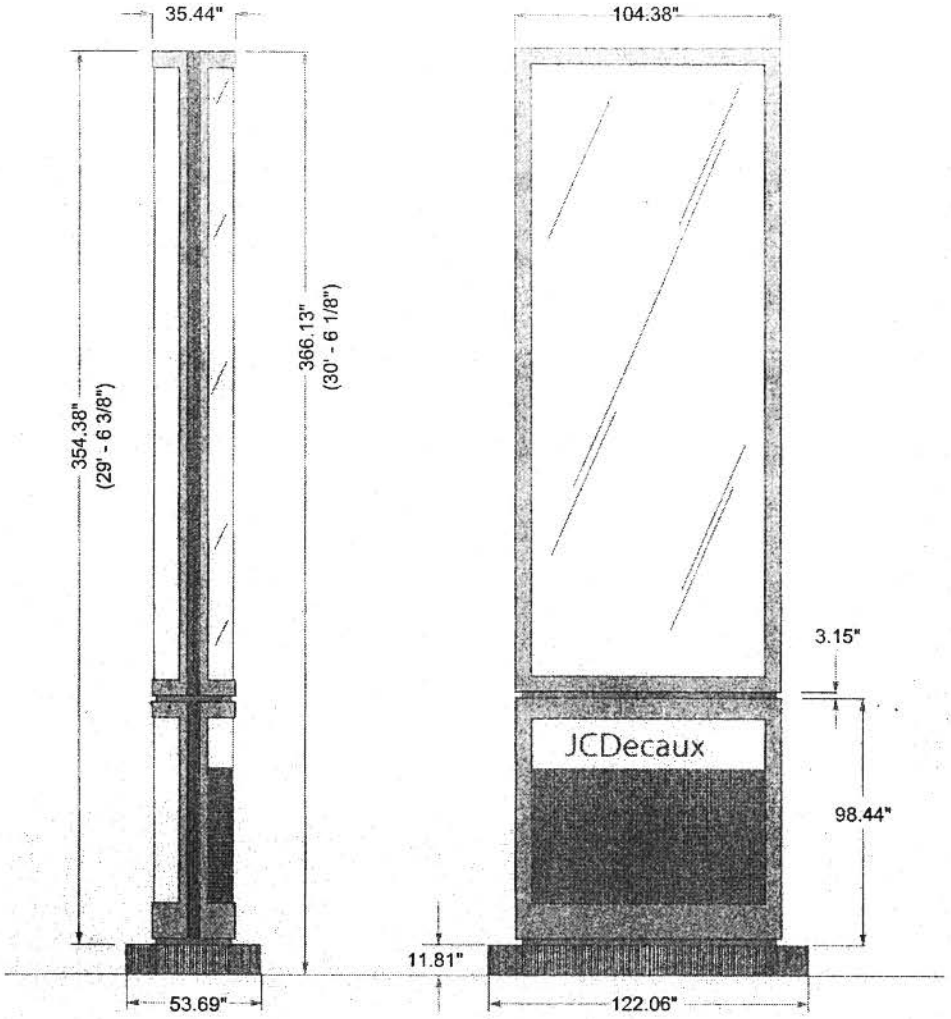
REV. 06/01/05

Foster Ambassadorial Beacon

At JFK, JCDecaux will install one of the most elegant and striking exterior advertising displays of any airport in the world.
World-renowned architect, Sir Norman Foster, designed the unit. Its sleek lines and curved advertising facade sit on top of a custom built base that, with a large integrated LED sign, can display the time and any message the Port desires.

JCDecaux commissioned the unit. Its vertical size (30'x10') would complement the specific location chosen to ensure esthetic integrity is maintained and directional signage messaging is not compromised.





APPROXIMATE MAX. WEIGHT - TBD LBS

ELECTRICAL - 120 VAC XX AMP DRAW

MATERIALS - UNIT CONSTRUCTED OF CARBON STEEL AND ALUMINUM EXTRUDED PROFILES WITH TEMPERED SAFETY GLASS.

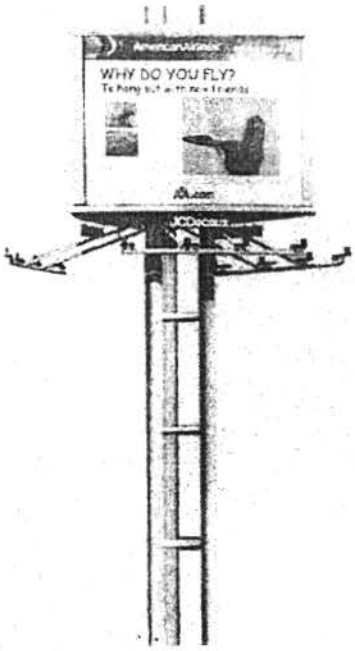
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE

DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-06

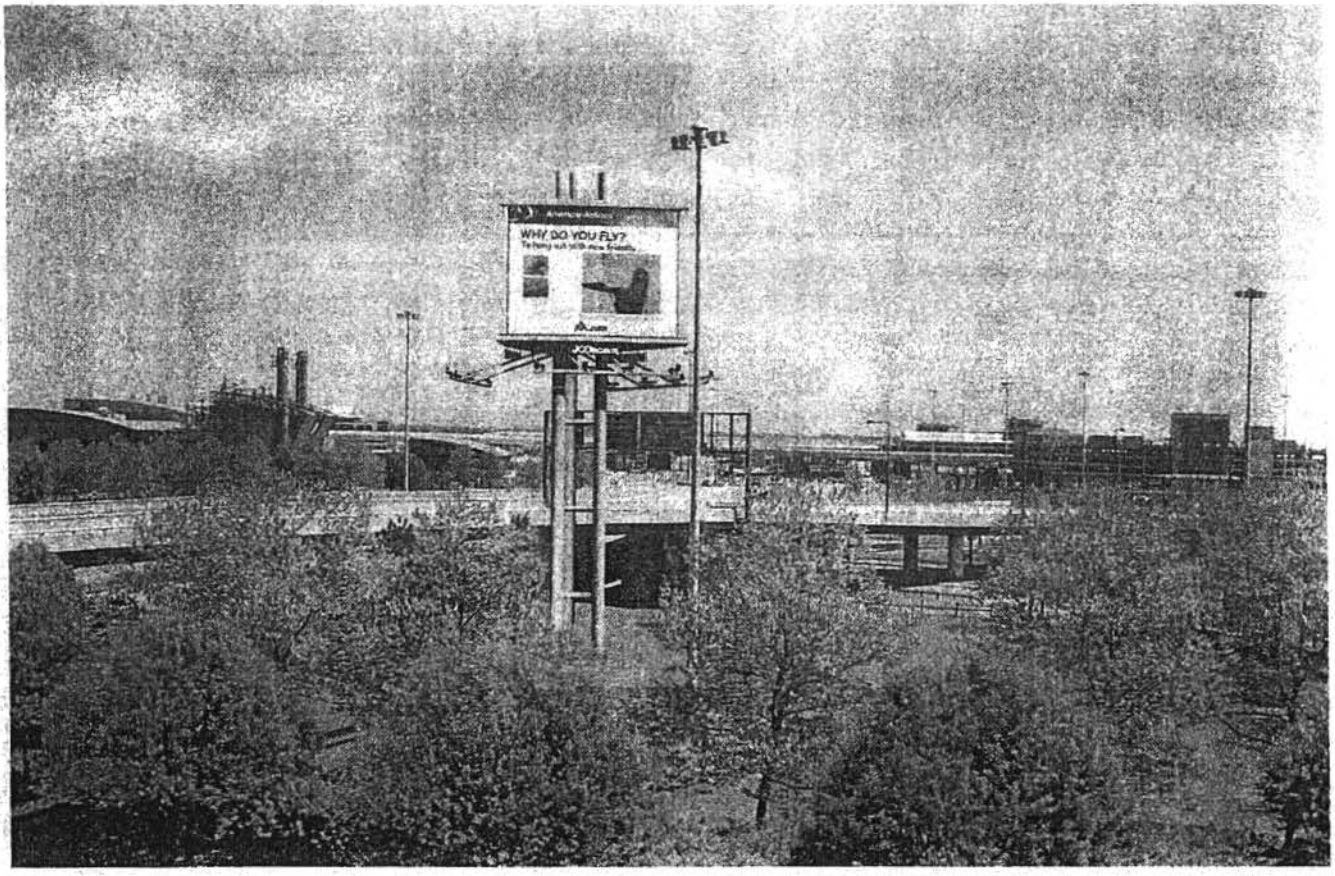
COLUMN - FOSTER AMBASSADORIAL BEACON REV. 06/01/05

Unipole – 3-sided (27'x 36')



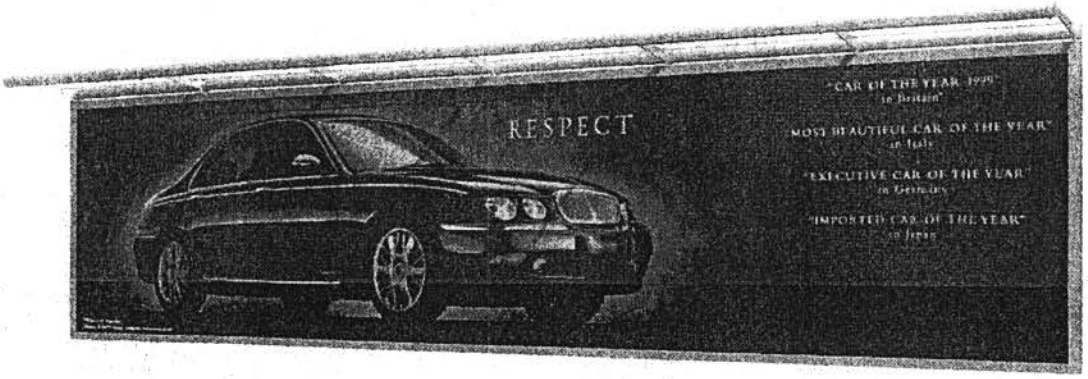
Designed and installed by our offices in Amsterdam, Holland, this unit will be another first in U.S. airports. The unit is a three sided display mounted on a centered pole structure. Illumination is provided by a network of elegant lamps mounted at the bottom of the display.

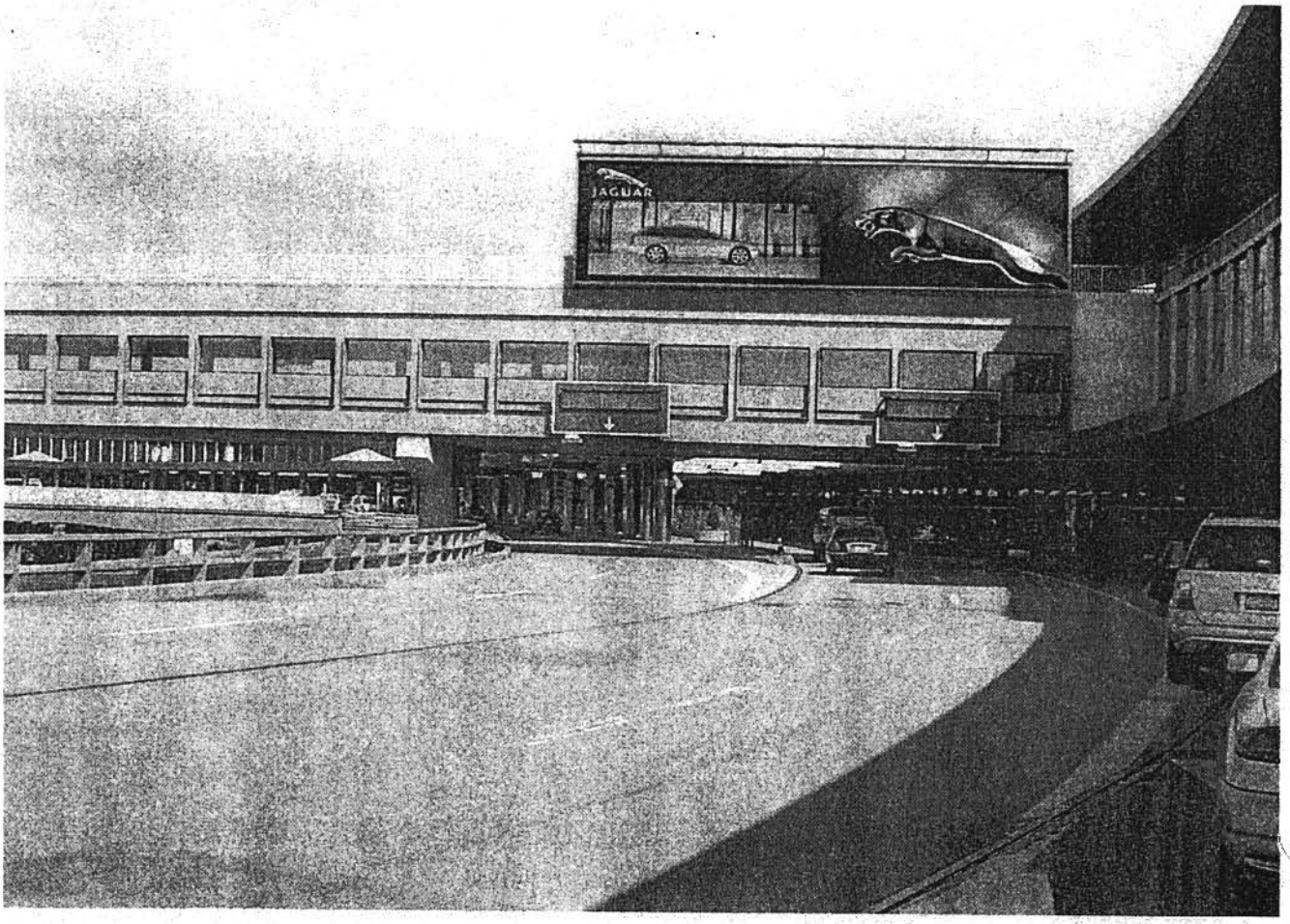
The location of this unit was specifically identified at JFK to ensure 360-degree visibility and therefore enable us to command a high rate policy for the location.



Foster Spectacular (20' x 60')

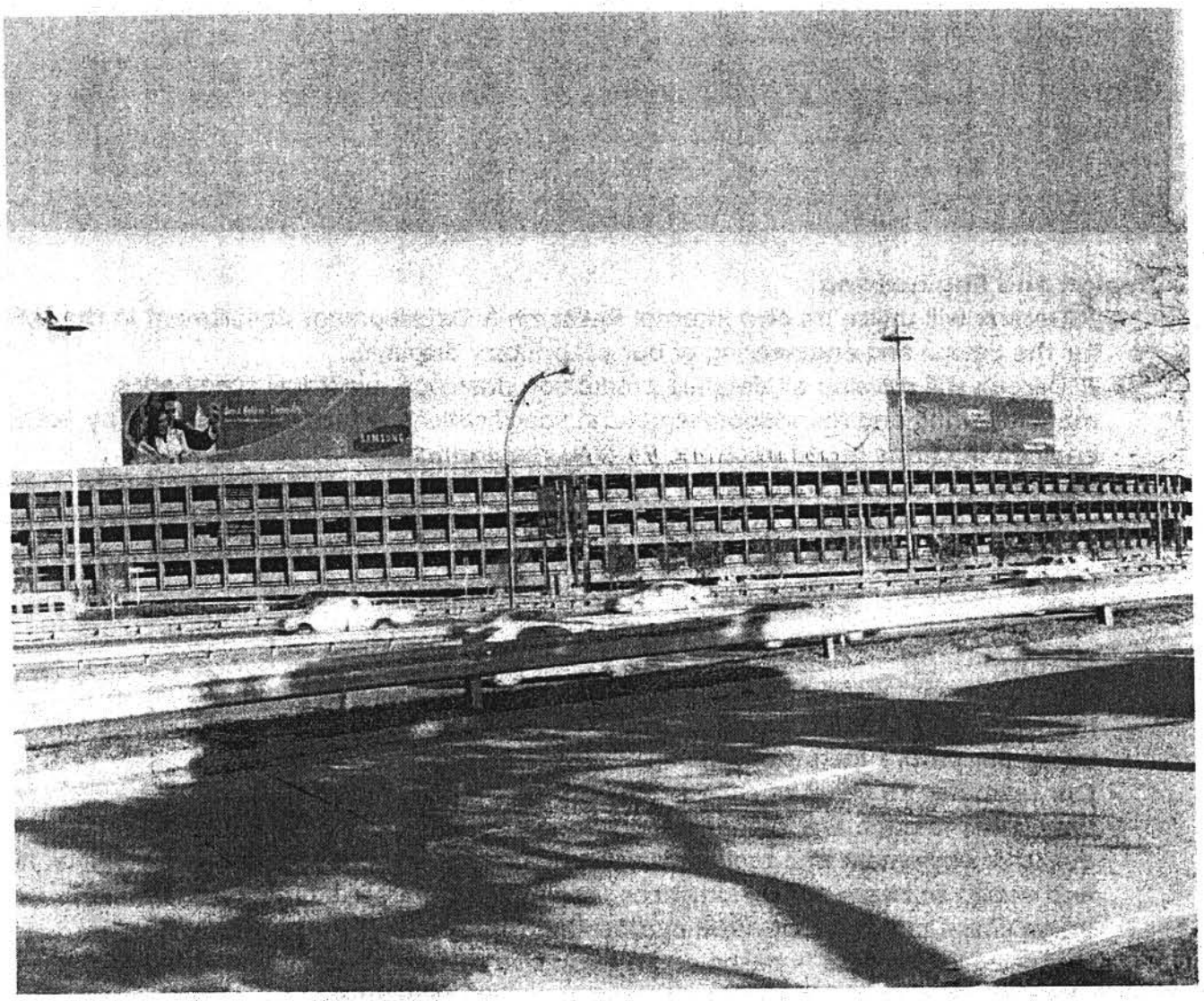
Designed by world-renowned British architect Sir Norman Foster, these elegant structures give a whole new meaning to the word "billboard". Combined with the quality of computer-painted vinyl images, they will beautifully complement rather than take away from the buildings and other locations where they will be placed.





Giant Front-lit Display (20' x 90')

These premier billboards will be located on top of the garage at LaGuardia, highly visible from the expressway, as well as passengers arriving and departing the airport.



e. Implementation Plan: Engineering, Production & Installation

JCDecaux is the only Out-of-Home advertising company in the United States with its own design, engineering, procurement and quality assurance organization.

This talented team of seasoned professionals routinely designs, produces and installs high-quality, innovative advertising displays for our airport, street furniture and mall advertising programs throughout North America.

We will set that team into motion immediately upon award of the Port Authority's advertising concession. They will finalize designs, obtain necessary permits and approvals, and procure components and assemblies for our custom displays from U.S., preferably New Jersey and New York-based, vendors. The first new structures will be installed within months of the award.

Design and Engineering

- JCDecaux will utilize its own internal Research & Development department in the U.S. for the design and engineering of our proprietary displays.
- JCDecaux will develop all detailed production drawings, electrical schematics, manufacturing and foundation/structural specifications, which will be sealed by licensed engineering firms based upon the PANYNJ requirements.
- All of our advertising fixtures are made of high quality materials and capable to withstand the harshness of "public life" for many years both indoor and outdoor. They are also designed for easy maintenance and repair, ensuring that they will always be kept in "as new" condition by our trained maintenance teams.

Supplier Sourcing

- Our very experienced procurement team will source qualified vendors that can fabricate and install our designs, based on JCDecaux's stringent specifications and under our strict supervision.
- Our team has 15 years of experience utilizing the NYC metro supplier base.
- We apply thorough and stringent selection criteria for our vendors and suppliers: available equipment and tooling, staff structure and experience, financial viability, MRP and design software, safety practices, quality assurance systems, trade license. union affiliations and MBE/WBE certification from the Port Authority.
- Our selection process is based on an extensive review, analysis and stringent rating system, to select the best overall qualified companies.
- Second and third tier suppliers providing custom commodities and services will be sourced and screened by JCDecaux as well.
- Continuous and systematic coordination with all selected vendors will be a priority on production and installation planning, material selections, finishing, quality inspections, product handling and logistics.

G. Business Plan

Quality Assurance

- Based upon the globally recognized ISO 9001:2000 Standard, a systematic and comprehensive quality program will be developed and applied to the entire project implementation process: design, supplier selection, manufacturing, installation and maintenance.

Installation

- On-staff JCDecaux supervisors and project managers will oversee the installation of our advertising fixtures.
- We will work directly with local unions, including IBEW Local 3 (Electrical), IBEW Local 137 (Sheet Metal & Poster Hangers) and IBEW Local 164 (Electrical).
- We will utilize PANYNJ-certified M/WBE contractors to exceed the Port's participation requirements.
- We will work within PANYNJ and TSA's security requirements to ensure safety for our teams and the public at all times.
- We will endeavor to minimize impact on the public by working during off-peak hours.
- We will ensure that all Port procedures are followed from the TAA submittal to final punch lists.
- We will keep our contact person at the Port Authority informed at all times of the progress and completion of the work.

f. MBE/WBE Participation Plan

Selection of Certified Contractors for Construction and Installation
JCDecaux has the most stringent supplier and contractor selection criteria in the industry. Potential suppliers are selected based upon their capability in regards to staff structure, available equipment, project management systems, safety practices, and quality assurance methods. Our Procurement, Operations, and Quality Assurance Team is very familiar with local electrical, construction, and installation firms that will be required to meet the full range of services for the installation phase of this project. For this program we have conducted a comprehensive review of the Port Authority MBE/WBE certified contractor listing to determine the best-qualified subcontractors. We have analyzed the capabilities of more than 100 specialty contractors and we have met directly with 15 companies.

MBE/WBE Program Experience
As we do with many of our public works contracts in North America, we promote the use of qualified MBE/WBE partners. We work closely with these companies to ensure that manufacturing, construction, and installations are all synchronized. For our Chicago Street Furniture Program we exclusively used MBE/WBE firms for electrical, concrete, and installation work for more than 1725 advertising structures that have been installed to date. The Chicago RFP required hiring 25% MBE firms and 5% WBE. We have exceeded that threshold, achieving a minority firm participation rate of over 31% and women firm participation greater than 6%.

JCDecaux is a corporate member of the Airport Minority Advisory Council (AMAC). As a long-term executive committee member, JCDecaux is actively involved in ongoing Airport Business Diversity Conferences that are organized by the FAA and AMAC. We have also entered into MBE relationships with local companies to handle facilities management. JCDecaux and its MBE/WBE partners work together in the direct operation of each project and we share in the revenue potential of the advertising concession.

Local Contractor Participation
As part of our plan we have already identified 3 potential MBE/WBE certified companies in NY and NJ for this project. These capable companies can coordinate the construction, electrical work, installation, and testing of the structures.

For the construction, installation, and maintenance phases of this program only union affiliated subcontractors and personnel will be utilized. For this project we plan to use members from IBEW Local 3 (Electrical), Local 137 (Sheet Metal & Poster Hangers) and IBEW Local 164 (Electrical).

G. Business Plan

For The Port Authority of NY & NJ Advertising Program JCDecaux is fully committed to exceeding the MBE goal of 12% and the WBE goal of 5%. We look forward to working with our MBE/WBE partners in the operation of the Port Authority of NY & NJ advertising program.

See letters and information regarding potential MBE/WBE subcontracting firms for installation that we have qualified so far. These profiles include established companies in New York City and New Jersey that can install the advertising fixtures that are required in fulfilling the contract. We will make our final selection of companies based upon the specific task and expertise required for each installation.

May 25, 2005

JCDecaux North America
Attn: Bill Haddock
Director of Materials Management
440 Route 17 North
Suite 10
Hasbrouck Heights, NJ 07064

Dear Bill,

Kleinberg Electric is a Woman's Business Enterprise electrical contracting corporation, with offices at 437 West 16th Street, New York. Kleinberg Electric has been in existence since 1979 and performs electrical contracting work for, public works projects. The continued vitality of Kleinberg Electric as an ongoing entity is dependent upon continued close management of the corporation by Carol Kleinberg as assisted by Paul Kleinberg.

Kleinberg Electric, Inc. is presently working on various Port Authority projects. We are a union shop employing over 150 Local No. 3, I.B.E.W. members familiar with all the rules and regulations required when working at the Port Authority of NY & NJ.

Based upon our meetings with Eric Selby and yourself. I feel confident that Kleinberg Electric, Inc. as part of your team will make this project a success. We would be proud to work with JCDecaux in their efforts to significantly improve the appearance of the Port Authority facilities.

Thank you for including Kleinberg Electric, Inc. as part of your Port Authority of NY & NJ Advertising Program proposal. If you need any additional information regarding our company we would be glad to provide it.

Sincerely Yours,

Carol Kleinberg

Carol Kleinberg
President

May 25, 2005

JCDecaux North America
Attn: Bill Haddock
Director of Materials Management
440 Route 17 North
Suite 10
Hasbrouck Heights, NJ 07064

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Thank you for including Kleinberg Electric, Inc. as part of your Port Authority of NY & NJ Advertising Program proposal. If you need any additional information regarding our company we would be glad to provide it.

Sincerely Yours,

Carol Kleinberg
President

Lic. # 7114

ELECTRICAL CONTRACTORS, INC.
Commercial * Industrial * Communications
34 Ravenswood Lane * Scotch Plains, NJ 07076

Main Office
908-322-1121
908-322-4709 Fax

Newark Office
973-242-4284
Fax 973-242-5738

May 25, 2005

JCDecaux North America
Attn: Bill Haddock
Director of Materials Management
440 Route 17 North, Suite 10
Hasbrouck Heights, NJ 07604

Dear Bill,

Thank you for including S&J Electrical Contractors, Inc. as a potential contractor for the Port Authority of NY & NJ Advertising Program. We would be proud to work with JCDecaux to significantly improve the appearance of our airport as well as the experience of people from all over the world who pass through Newark Liberty International Airport.

In our meeting with you and Eric Buchman, you asked S&J Electrical Contractors, Inc. to consider the complete installation of advertising signs. Based on these discussions, I feel confident in offering S&J Electrical Contractors, Inc., services to execute this project. I am sure that we can exceed your production and quality expectations, as well as meet your demanding schedule.

If awarded this project, S&J Electrical Contractors, Inc., will dedicate a portion of our 6,000 square foot Roselle Warehouse and 60 plus staff to the successful installation of the advertising signs. Our experienced personnel can fully supervise and implement the process from initial prototype work through installation. Our significant supplier base, most of which are located in New Jersey, further bolsters this.

S&J Electrical Contractors, Inc. is a union shop employing Locals 102 and 164 members who have multi-jurisdictional experience in all aspects of Electrical, Communications, and Fiber Optics. Our expertise is particularly well suited for this program based on our ability to fully manage virtually any size project so it can be readily installed. As part of our comprehensive approach, each advertising sign will be fully inspected and tested. Among the many companies that have benefited from this "turn key" approach are Continental Airlines, The Haskell Company, and Air Canada Airlines.

We look forward to working with you on the development of this project.

Sincerely yours,

Eduardo Irigaray
President

Lic. # 7114

ELECTRICAL CONTRACTORS, INC.
Commercial * Industrial * Communications
34 Ravenswood Lane * Scotch Plains, NJ 07076

Main Office
908-322-1121
908-322-4709 Fax

Newark Office
973-242-4284
Fax 973-242-5738

May 25, 2005

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Director of Materials Management
440 Route 17 North, Suite 10
Hasbrouck Heights, NJ 07604

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Sincerely yours,

Eduardo Irigaray
President

QUANTUM
ELECTRIC CORPORATION

May 25, 2005

JC Decaux North America
Mr. William Haddock
Director of Materials Management
440 Route 17 North
Suite 10
Hasbrouck Heights, NJ 07604

Re Port Authority of NY & NJ Advertising Project

Dear Bill:

Thank you for including Quantum Electric Corp. as part of the Port Authority of NY &NJ Advertising proposal. After meeting with you at our office to review the scope, scheduling, and expectations required for a job of this magnitude we feel confident in our ability and look forward to partnering with JC Decaux in New York City.

Quantum Electric Corp. is an IBEW Local #3 union shop and a NYC certified MBE. We currently employ between sixty and one hundred highly qualified field personnel with the support of one of New York City's most experienced management teams.

If awarded the project, Quantum Electric Corp. would provide a dedicated team consisting of a project executive, field supervisor, and 3-5 man crew who would work on the New York City project. It has been our experience that by maintaining a set crew, the learning curve and subsequent efficiency in which a particular project is performed is greatly increased.

We are proud to be considered for the Port Authority of NY & NJ Advertising project and welcome the opportunity to work together in the future.

Should you require any additional information, please do not hesitate to contact the undersigned.

Very truly yours,

Richard Sobel, PE

Gary J. Glass

30-30 Northern Blvd, Long Island City, NY 11101 • 718-784-9010 • FAX 718-784-9015 • www.quantumec.com

QUANTUM
ELECTRIC CORPORATION

May 25, 2005

JC Decaux North America
Mr. William Haddock
Director of Materials Management
440 Route 17 North
Suite 10
Hasbrouck Heights, NJ 07604

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Very truly yours,

Richard Sobel, Pl

Gary J. Glass

30-30 Northern Blvd. Long Island City, NY 11101 • 718-784-9010 • fax 718-784-9015 • www.quantumec.com

Sheet Metal Workers' International Association

SIGN MANUFACTURERS AND ERECTORS

LOCAL UNION No. 137

ANTHONY MASTANDUNO
Vice President

RICHARD QUARESIMA
Financial
Secretary-Treasurer

21-42 44th Drive

Long Island City, N.Y. 11101

Phone (718) 937-4514

Fax (718) 937-4113

STEVE DODD
Business Representative
New Jersey

DANTE DANO, JR.
Business Representative
New York

PAUL COLLINS JR.
President &
Business Manager

May 26, 2005

The Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

ATTN: T. J. Storch

REF: Advertising Opportunities RFP number 0000007920

Dear Mr. Storch:

We are pleased to submit this letter to confirm our long-term relationship with JCDecaux.

Sheet Metal Workers' International Association Local Union 137 represents the employees that perform the function of the changing of advertising media and the cleaning and maintaining of the advertising structures for JCDecaux at JFK and LGA airports.

We have worked with the management representatives of the company to fairly provide good salaries, healthcare benefits and pensions for our membership through difficult times including the Gulf War and 911, which have had significant impact on airport advertising. We have worked with JCDecaux through the many physical changes that have taken place to secure our New York airports since 1990.

We have found them to be reasonable and fair employers that have taken an interest in the wellbeing of their employees and their families and have demonstrated their civic corporate responsibility.

We are pleased to support JCDecaux's efforts to secure a new contract for advertising on behalf of the PANY&NJ which would be of benefit to our membership.

As always, if you should have any questions, please feel free to contact my office.

Sincerely,

Paul Collins, Jr.
President/Business Manager

PCJ:jc

Sheet Metal Workers' International Association

SIGN MANUFACTURERS AND ERECTORS

LOCAL UNION No. 137

ANTHONY MASTANDUNO
Vice President

RICHARD QUARESIMA
Financial
Secretary-Treasurer

21-42 44th Drive
Long Island City, N.Y. 11101

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STEVE DODD
Business Representative
New Jersey

DANTE DANDI, JR.
Business Representative
New York

PAUL COLLINS JR.
President &
Business Manager

May 26, 2005

The Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
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As always, if you should have any questions, please feel free to contact my office.

Sincerely,

Paul Collins, Jr.
President/Business Manager

PCJr

-2-

H.1 Proposal - Revenue

H.1 Revenue to the Port Authority

JCDecaux is pleased to offer a $400 million guaranteed payment plus a revenue sharing formula that will yield unprecedented financial benefits for the Port Authority, which we believe will exceed $680 million over 10 years. We will pay $50 million on the day we sign the contract as an advance against MAG.

Contractual Term

Consistent with the Port Authority's Vision for the Region, our plan is based on a ten-year base term, with two 5-year extension options. This long-term approach allows for major capital investments into spectacular displays and technology that could not be made under a short-term contract. Overall, JCDecaux is planning to invest $20 million into this concession.

Minimum Annual Guarantee -- $400 Million

JCDecaux is offering Minimum Annual Guarantees that will total $400 million over the initial 10-year term, $601 million over 15 years and $802 million over 20 years:

(in $million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-Year TOTAL
Airports	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	350.0
Path & Bus Terminal	0.2	0.6	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2	10.0
Tunnels, Bridges and Marine Terminals	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	40.0
Total MAG	**39.2**	**39.6**	**39.8**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**400.0**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	20-Year TOTAL
Airports	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	700.0
Path & Bus Terminal	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	22.0
Tunnels, Bridges and Marine Terminals	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	80.0
Total MAG	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**802.0**

Gross Receipts Percentage Fee

JCDecaux will pay Percentage Fees on Gross Receipts against the Minimum Annual Guarantee, at the following rates:

Airports	**70% ***
Path & Bus Terminal	**65%**
Tunnels, Bridges and Marine Terminals	**50%**

* Except the "Electronic Art System" and "Prestige Digital Network" for which the Percentage Fee shall be 25% of Gross Receipts

H.1 Revenue to the Port Authority

Projected Percentage Fee Payments to the Port Authority

Based on our projected revenues, JCDecaux expects paying the following amounts to the Port Authority

(in $million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-Year TOTAL
Airports	37.7	44.3	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4	559.5
Path & Bus Terminal	0.2	0.7	2.4	2.9	3.3	3.5	3.7	3.9	4.1	4.3	28.9
Tunnels, Bridges and Marine Terminals	7.6	7.9	8.3	8.8	9.2	9.7	10.1	10.7	11.2	11.7	95.2
Total Percentage Fee	**45.5**	**52.9**	**60.7**	**64.2**	**67.6**	**71.1**	**74.6**	**78.4**	**82.3**	**86.4**	**683.6**

(in $million)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	20-Year TOTAL
Airports	73.9	77.6	81.4	85.5	89.8	94.3	99.0	103.9	109.1	114.6	1,488.7
Path & Bus Terminal	4.5	4.7	5.0	5.2	5.5	5.7	6.0	6.3	6.7	7.0	85.5
Tunnels, Bridges and Marine Terminals	12.3	12.9	13.6	14.3	15.0	15.7	16.5	17.4	18.2	19.1	250.3
Total Percentage Fee	**90.7**	**95.2**	**100.0**	**105.0**	**110.3**	**115.8**	**121.6**	**127.6**	**134.0**	**140.7**	**1,824.5**

Upfront Payment

JCDecaux will pay $50 million to the Port Authority upon execution of a contract for the full program offered here. This amount shall be recouped from initial MAG payments due to the Port in the first two years of the concession.

Assumptions

JCDecaux's proposal is based on the following assumptions:

1. The advertising displays listed in the charts following this section are authorized and permitted (including airline approvals where required) at the locations shown or described in this proposal, by January 1st, 2006 (except for the PATH: July 1, 2007).
2. The Port Authority will cooperate in good faith with JCDecaux to facilitate the grant of federal, state or municipal permits where needed.
3. For each display installation, the Port Authority will cooperate in good faith with JCDecaux to provide access to the nearest electrical power connection point.
4. The Port Authority will authorize JCDecaux to install the different types of advertising structures proposed, including ad panels with scrolling poster mechanisms, PowerPoles, LCD screens and giant Daktronics LED screens.
5. The Port Authority will not grant rights similar to those granted under this concession to another company for the same properties, nor will the Port Authority compete with JCDecaux by offering competing products or services directly to advertisers.
6. Gross Receipts are assumed to be net of Agency Commissions (which typically are never actually paid but are withheld by the ad agency) and "pass through" production and other ancillary costs which are borne by the advertisers but sometimes billed to the advertisers by the concessionaire.

H.1 Revenue to the Port Authority

7. JCDecaux will pay on a monthly basis the larger of one-twelfth of the MAG or the Percentage Fee calculated by applying the relevant percentage figure to Gross Receipts for each category of properties for the preceding month.
8. There will be an annual true up of payments made so that total payments for the year will be the larger of the MAG or the Percentage Fee calculated by applying the relevant percentage figure to total annual Gross Receipts for each category of properties.
9. Current laws and regulations affecting advertising (permits, taxes, etc.) remain in effect.
10. All amounts shown in this proposal are in nominal U.S. dollars

H.1 Revenue to the Port Authority

John F. Kennedy International Airport

Interior Displays
(Please refer to maps on pages 113 to 133 for locations)

Type of Display	T1	T2	T3	T4	T6	T7	Old T8	New T8	Total
Diorama	23	2	15	9	12	29	13	0	**103**
Airport Amenity Unit	0	4	1	0	1	0	1	7	**14**
Vertical Displays	5	2	8	9	4	17	3	11	**59**
Business First scroller	2	1	3	2	0	3	1	2	**14**
Prestige Digital Network Unit	4	3	3	3	4	3	2	2	**24**
4' x 10' backlit display	13	2	12	0	0	1	7	0	**35**
6' x 6' backlit display	3	5	0	0	0	4	0	6	**18**
6' x 12' backlit display	0	0	0	6	0	2	0	0	**8**
Custom Spectacular backlit	10	0	0	6	1	0	3	3	**23**
Wall Wrap	49	8	18	41	34	46	38	7	**241**
Banner	15	0	0	25	4	3	0	0	**47**
The Wave	1	0	0	0	0	0	0	1	**2**
PowerPole	7	6	8	8	8	5	6	6	**54**
Exhibit	3	1	2	1	2	3	0	2	**14**
Bag Deck Diorama	0	0	0	7	0	0	0	0	**7**
LightBag	5	2	14	7	9	8	9	0	**54**
Jet Bridges interior wrapping	11	10	16	17	20	12	11	17	**114**
Total	**151**	**46**	**100**	**141**	**99**	**136**	**94**	**64**	**831**

H.1 Revenue to the Port Authority

John F. Kennedy International Airport

Exterior Displays

(Please refer to map on page 110 for locations)

Unit #	Location	Display Type	Ad Size
1	Van Wyck expressway	New backlit display	90'W x 20'H
2	Van Wyck expressway	New backlit display	103'W x 6'H
3	Van Wyck expressway	New backlit display	103'W x 6'H
4	T1 exterior glass wall	Cling wrap on glass	
5	T1 AirTrain connector	Cling wrap on glass	
6	Delta AirTrain connector	Cling wrap on glass	
7	T7 BA AirTrain connector	Cling wrap on glass	
8	T4 Garage	Stretched banner	
9	Roadway inner loop	Unipole 3-sided spectacular	36'W x 27'H
10	Van Wyck - arrivals	Foster Ambassadorial Beacon	10'W x 30'H
11	Van Wyck - arrivals	Foster Spectacular	60'W x 20'H
12	Van Wyck - arrivals	Existing backlit display	103'W x 6'H
13	Van Wyck - arrivals	Existing backlit display	103'W x 6'H
14	Van Wyck - arrivals	Existing backlit display	90'W x 20'H
15	Van Wyck - Lawn	3D Installation	
16	114 Jet Bridges	Exterior branding	
17	AirTrain cars	Exterior wraping	

H.1 Revenue to the Port Authority

Newark Liberty International Airport

Interior Displays

(Please refer to maps on pages 136 to 147 for locations)

Type of Display	Terminal A	Terminal B	Terminal C	AirTrain	Total Airport
Diorama	29	57	51	60	197
Double diorama	0	4	0	0	4
Vertical Diorama	0	14	0	0	14
2-sided pedestal Diorama	14	3	0	0	17
Small vestibule diorama	0	0	26	0	26
6 x 6	15	18	55	10	98
7 x 11	3	0	1	0	4
Overhead spectacular	0	0	22	0	22
Wall wraps	3	11	3	0	17
Sofit wraps	9	1	11	2	23
Window cling	7	4	0	0	11
Floor Exhibit	3	3	3	0	9
Interior Banners	0	6	0	0	6
Exterior Banners	0	0	0	1	1
Visitor Information Center	3	3	2	0	8
Interior Banners	3	3	3	0	9
PowerPoles	12	12	16	0	40
PDNU	6	6	11	0	23
Vertical scroller	3	6	3	0	12
Business First	3	3	5	0	11
Light Bags	9	15	13	0	37
Jet Bridges Interior wrapping	26	25	48	n/a	99
Total Displays	**119**	**166**	**222**	**87**	**594**

H.1 Revenue to the Port Authority

Newark Liberty International Airport

Exterior Displays

(Please refer to map on page 134 for locations)

Unit #	Location	Display Type	Ad Size
1	Front of Terminal A building	Backlit Wilmotte Display	20'W x 10'H
2	Front of Terminal B building	Backlit Wilmotte Display	20'W x 10'H
3	Front of Terminal C building	Backlit Wilmotte Display	20'W x 10'H
4	Exit Booth	Banner	
5	All Jet Bridges	Exterior branding	
6	AirTrain cars	Exterior wrapping	

H.1 Revenue to the Port Authority

PATH

32nd Street Station

Unit #	Location	Display Type	Ad Size
1	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
2	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
3	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
4	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
5	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
6	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
7	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
8	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
9	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
10	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

23nd Street Station

Unit #	Location	Display Type	Ad Size
11	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
12	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

14th Street Station

Unit #	Location	Display Type	Ad Size
13	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
14	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

9th Street Station

Unit #	Location	Display Type	Ad Size
15	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
16	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

Christopher Station

Unit #	Location	Display Type	Ad Size
17	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
18	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

Hoboken Station

Unit #	Location	Display Type	Ad Size
19	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
20	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
21	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
22	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
23	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
24	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
25	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
26	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
27	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
28	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
29	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
30	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

H.1 Revenue to the Port Authority

PATH

Pavonia / Newport

Unit #	Location	Display Type	Ad Size
31	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
32	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
33	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
34	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
35	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
36	Escalator soffit	Wrap	
37	Corridor	Wrap	
38	Corridor	Wrap	
39	Corridor	Wrap	
40	Corridor	Wrap	

Journal Square

Unit #	Location	Display Type	Ad Size
41	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
42	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
43	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
44	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
45	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
46	Escalator soffit	Wrap	

Exchange Place

Unit #	Location	Display Type	Ad Size
47	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
48	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
49	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
50	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
51	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
52	Escalator soffit	Wrap	
53	Escalator soffit	Wrap	
54	Station wall	Wrap	
55	Station wall	Wrap	
56	Exterior soffit	Wrap	

World Trade Center

Unit #	Location	Display Type	Ad Size
57	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
58	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
59	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
60	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
61	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
62	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
63	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
64	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
65	Escalator soffit	Wrap	
66	Escalator soffit	Wrap	
67	Station wall	Wrap	
68	Station wall	Wrap	
69	Station wall	Wrap	
70	Station wall	Wrap	
71	Station wall	Wrap	

H.1 Revenue to the Port Authority

Holland Tunnel

(Please refer to page 167 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
1	Above tollbooth	Daktronics Pro Star Video Display	38.5'W x 12'H

Lincoln Tunnel

(Please refer to maps on pages 168-169 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
2	Above tollbooth, facing west	Daktronics Pro Star Video Display	38.5'W x 12'H
3	Above tollbooth	Bulletin	40'W x 13'H
4	Above tunnel entrance	Stretched banner	30'W x 20'H
5	Above tunnel entrance	Stretched banner	30'W x 20'H
6	Above tunnel entrance	Stretched banner	30'W x 20'H
7	Wall on right side before tunnel entrance	Stretched banner	60'W x 20'H

Washington Bridge

(Please refer to map on page 170 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
8	Above tollbooth, facing west	Daktronics Pro Star Video Display	38.5'W x 12'H
9	Above tollbooth, facing east	Bulletin	40'W x 13'H
10	On PA technical area between lanes	V-shaped bulletin structure (2 faces)	48'W x 14'H
11	Above lower-level too plaza	2-sided bulletin on pylon	48'W x 14'H

Goethals Bridge

(Please refer to map on page 171 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
12	Interchange north of toll booth	V-shaped bulletin structure (2 faces)	48'W x 14'H
13	Interchange north of toll booth	3-sided bulletin structure	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
14	Administration building facing NJ	Wrap	40'W x 13'H
15	Administration building facing NY	Wrap	40'W x 13'H
16	Central island west of train tracks	2-sided bulletin	48'W x 14'H
17	North side of highway, west of toll	V-shaped bulletin structure (2 faces)	48'W x 14'H
18	South side of highway, west of toll	V-shaped bulletin structure (2 faces)	48'W x 14'H

H.1 Revenue to the Port Authority

Outerbridge
(Please refer to map on page 172 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
19	North side of highway	V-shaped bulletin structure (2 faces)	48'W x 14'H
20	North side of highway	V-shaped bulletin structure (2 faces)	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
21	Above tollbooth	2-sided bulletin	48'W x 14'H
22	North of highway between tollbooth and bridge	V-shaped bulletin structure (2 faces)	48'W x 14'H

Bayonne Bridge
(Please refer to map on page 173 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
23	North of highway east of Margareth St. abutement	V-shaped bulletin structure (2 faces)	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
24	Above tollbooth	2-sided bulletin	48'W x 14'H
25	South of highway east of tollbooth	V-shaped bulletin structure (2 faces)	48'W x 14'H

Marine Terminals

New Jersey Side

Unit #	Location	Display Type	Ad Size
26 - 35	Locations to be determined	2-sided or V-shaped bulletins	48'W x 14'H

H.1 Revenue to the Port Authority

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The High Flyer Program

H.2 Proposal - Marketing

H.2

DESIGNING THE ADVERTISING PLAN

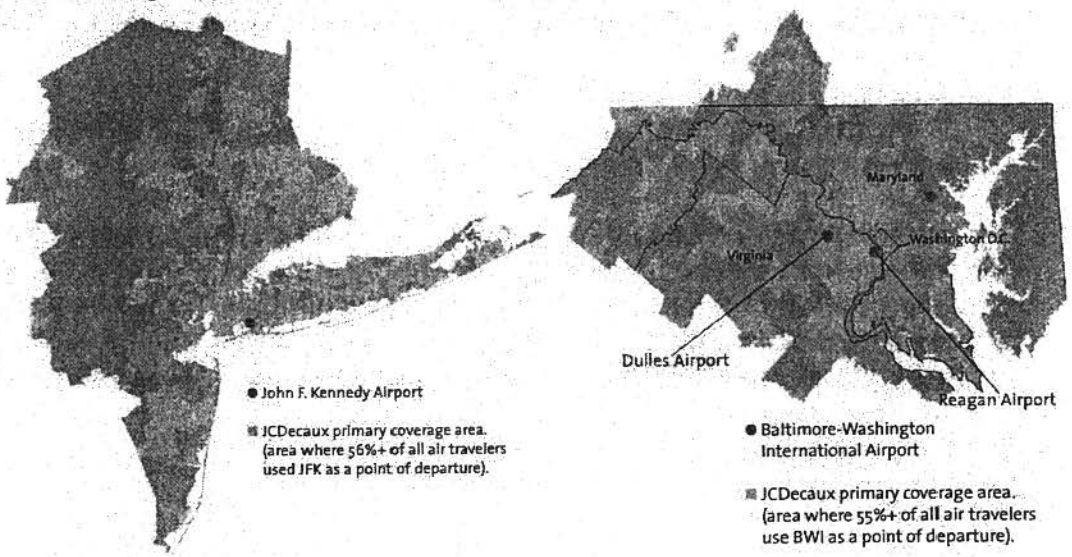
Evaluating the Market
Different advertisers target different demographics: business or leisure, domestic or international, consumer or professional, gender and ethnicity, are a few examples of the parameters that matter. JCDecaux analizes the data to match the right advertisers to the right audience, with the right product.

The portfolio of assets that the Port Authority is offering for advertising opportunities through this RFP is very diverse from this stand point. In order to maximize revenues from their advertising potential, it is important to properly analyze and evaluate each venue.

JCDecaux does not only rely on our extensive experience with airports, transit systems and cities worldwide to design our programs and evaluate each facilties potential. We conduct very specific research, using sophisticated market research tools and services that provide us with precise information on the demographics of each facility's patrons:

Arbitron's Scarborough™ Demographic Data describes the travelers in terms of demographic profiles, lifestyle characteristics, and purchase intentions. This data is updated quarterly.

MapInfo™ is a census-based research tool analyzing local market consumer demographics down to the zip code/block group level.



H.2 Marketing Strategy and Approach

Identifying Potential Advertisers

Once we have established the facility's demographics, we then identify the potential advertisers that target those audiences, using additional sophisticated tools:

ProCD/Select Business is a database containing every business in the U.S. and is used to target specific local business locations, and categories.

Pro CD

Advertising Database is a comprehensive national database of advertising clients, their key decision makers, and their advertising agencies.

Advertising Database

Ad Sales-Fax is a weekly update of the latest news concerning advertisers and their marketing plans. It provides information on new ad campaigns, the media types being considered, and specific contact information for proposals.

ALE - FAX ™

Designing the Advertising Program

The next step is to design an advertising program that will deliver maximum value to the advertisers, convey their message efficiently to their target audience, enhancing the public's experience without interfering with the primary function of the location. In order to analyze the asset opportunities at each facility, we follow these three simple steps:

1. Look at each venue individually
2. Study the environment, physical structure, passengers movement and demographics
3. Create custom advertising products that fit

This methodology results in plans that can be quite different from one venue to the other. The plan we have devised for the Port Authority's assets is a reflection of this. The products we are proposing to deploy inside the airport terminals are not the same as the ones we propose to implement on outdoor locations. On the other hand, because of the similarities in demographics, the PATH will receive certain products that are the same as in the airports.

H.2 Marketing Strategy and Approach

DETAILED PLAN BY FACILITY

AIRPORTS

JCDecaux has been successfully working at JFK and LGA airports for many years and already know the passenger demographics at these airports quite well. Nevertheless, we constantly monitor their evolution, as new trends may appear that could attract new categories of advertisers. New technology and a constant search for new ideas that can stir advertisers' interests has lead to the development of new products that produce more revenue. Our plan for the New York/New Jersey airports is a good example of our approach.

Demographics

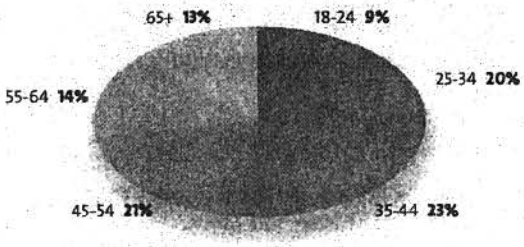
LaGuardia

Traveler Characteristics

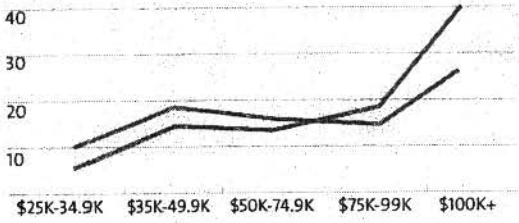
NY DMA adults departing from LaGuardia Airport

Travelers' demographics at LaGuardia are very desirable. They are highly educated, affluent with active lifestyles, and they influence major purchase decisions for the home and business.

Percent of Travelers by Age



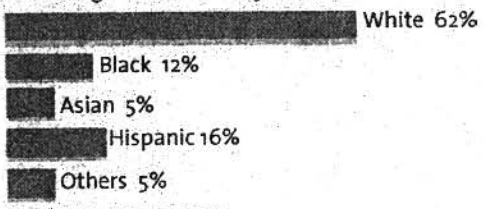
Household Income
All LaGuardia Travelers —
NY DMA —



Employment Characteristics
% of professionals flying in the NY DMA who depart from LaGuardia

Attorneys/Lawyers/Judges	48%
Healthcare Practitioners	44%
Financial Specialists	41%
IT professionals	40%

Percentage of Travelers by Race*



*Race as defined by 2000 Census.

Education	Index
Post Graduate degree	186
College Graduate +	155

H.2 Marketing Strategy and Approach

John F. Kennedy International Airport

Traveler Purchasing and Lifestyle Highlights

JFK reaches top managers and business decision makers.

Corporate Purchasing	Index
Business travel or convention arrangements	408
Telephone and communications equipment	275
Health care programs	272
Information Technology	240
Office equipment	232

Financial	Index
Individual employment income $100K+	262
Market value of owned home is $1,000,000+	237
Value of household's investment exceeds $500,000	224
Household has real estate property	173
Household has money market funds	149
Household has mutual funds	146
Household has stocks or stock options	143

Technology	Index
Household spent $3,000+ on computer hardware (yr)	323
Household spent $2,500+ on internet purchases (yr)	250
Household spent $100+ on long distance phone bill (mo)	214
Household spent $150+ on cellular phone bill (mo)	122

Credit Cards

- 90% regularly charge their credit cards.
- The number one choice of credit payment among business travelers in the NY DMA departing from JFK is VISA Gold/Platinum with 41% share, followed by MasterCard Gold/Platinum-38%, American Express Gold/Platinum-25%, and Discover-20%.
- They are two times more likely to use their American Express Gold/Platinum card than the average adult in the NY DMA.

Leisure/Activity	Index
Participates in sail boating	221
Participates in snow skiing	215
Stayed at an upscale hotel (yr)	199
Participates in power boating	179
Plays tennis	178
Belongs to a health club	169

Vacation	Index
Spent $5,000+ on last vacation (yr)	235
Plan to travel outside the U.S. next year	218
Plan to take a golf or tennis vacation next year	165
Plan to take an all-inclusive resort trip next year	164

Source: 2004 The Arbitron Company/Scarbourgh Research Corp./VNU.

Newark International Airport

Traveler Purchasing and Lifestyle Highlights

Newark travelers buy more luxury items and spend more on entertainment, jewelry and cosmetic products than most adults in the New York DMA.

Automotive

- They account for 47% of all the households in the NY DMA who plan to pay $45,000+ for a new vehicle next year.
- They are 76% more likely to buy a new luxury vehicle next year than the average adult in the NY DMA.
- They also represent 60% of all new Audi owners in the NY DMA.

Apparel	Index
Spent $500+ on men's casual sportswear (yr)	193
Spent $500+ on women's shoes (yr)	191
Spent $500+ on men's business clothing (yr)	175
Spent $500+ on men's shoes (yr)	164
Spent $500+ on men's women's casual sportswear (yr)	155
Spent $500+ on women's business clothing (yr)	152

Jewelry

- 49% of EWR female travelers have purchased jewelry last year.
- EWR travelers represent 29% of all the adults in the NY DMA who bought over $500 worth of fine jewelry last year.

Cosmetics

- 81% of EWR female travelers bought perfumes, cosmetic and skin care products last year.
- EWR travelers are 72% more likely to spend over $500 on cosmetic products than the average adult in the NY DMA.

Recreation/Entertainment	Index
Visited Disneyland (yr)	264
Visited Universal Studios–Los Angeles (yr)	188
Attended U.S. Open tennis (yr)	178
Attended Symphony Concert (yr)	177
Visited Atlantic City Casinos 5+ times (yr)	154

- They are 53% more likely to go to the movies three times a month than most adults in the New York DMA.

Top Travel Destinations

Domestic (yr)	Index	Foreign (3 yrs)	Index
Las Vegas	231	Japan, China	226
Los Angeles	227	Hawaii	226
San Francisco	215	Israel	217
Florida Keys	181	UK	214
Philadelphia	174	France	209
		Italy	231

H.2 Marketing Strategy and Approach

The statistics you just read, show that the average travelers are highly educated, affluent, have active lifestyles and influence major purchase decisions for the home and business. As such, they are prime targets for specific categories of advertisers, **as demonstrated by the following charts showing our current client base at JFK and LGA.**

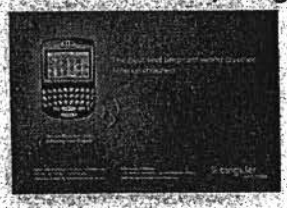
Top 10 National Airport Advertising Categories	
Financial	18%
Business-to-Business	18%
Telecommunications	16%
Computers, Software & Internet	13%
Public Transportation & Travel	10%
Electronic & Appliances	5%
Cosmetics, Beauty Care & Medical	4%
Automotive	2%
Insurance, Real Estate, Home improvements	2%
Media & Movies	2%

Top 10 Airport Advertisers:

Accenture

Avis Rent a Car

AT&T Wireless/Cingular



Verizon Wireless

Samsung Electronics

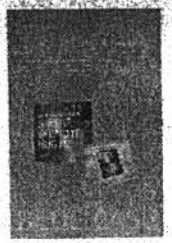
Royal Bank of Scotland

SAP

IBM

Cap Gemini

American Express

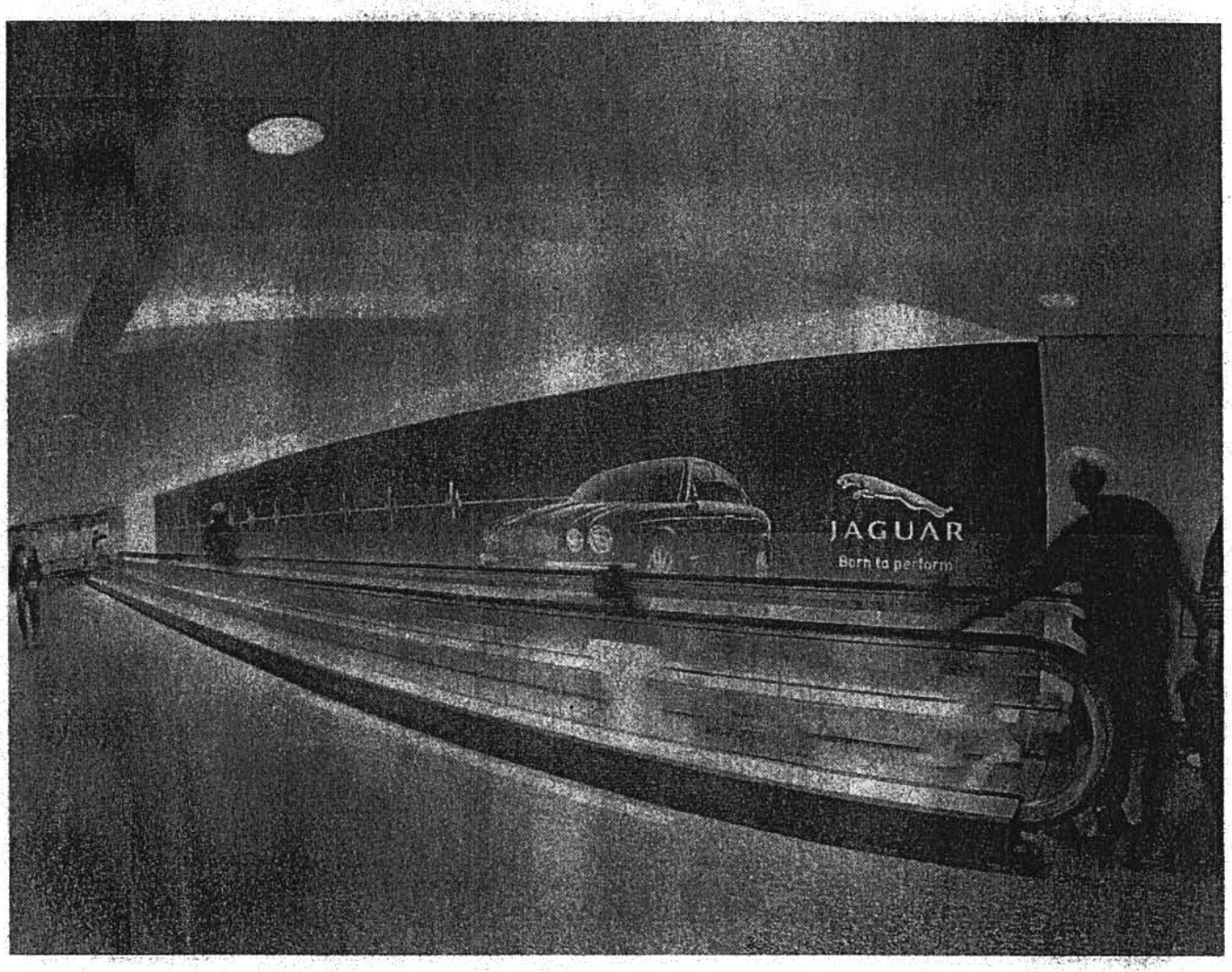


H.2 Marketing Strategy and Approach

Further analysis of the buying trends, lifestyle and personal priorities of this particular audience shows that some categories of advertisers could be further developed in the future. Our choice of new advertising display types and locations is guided by these findings. Here are some examples:

1. Automotive

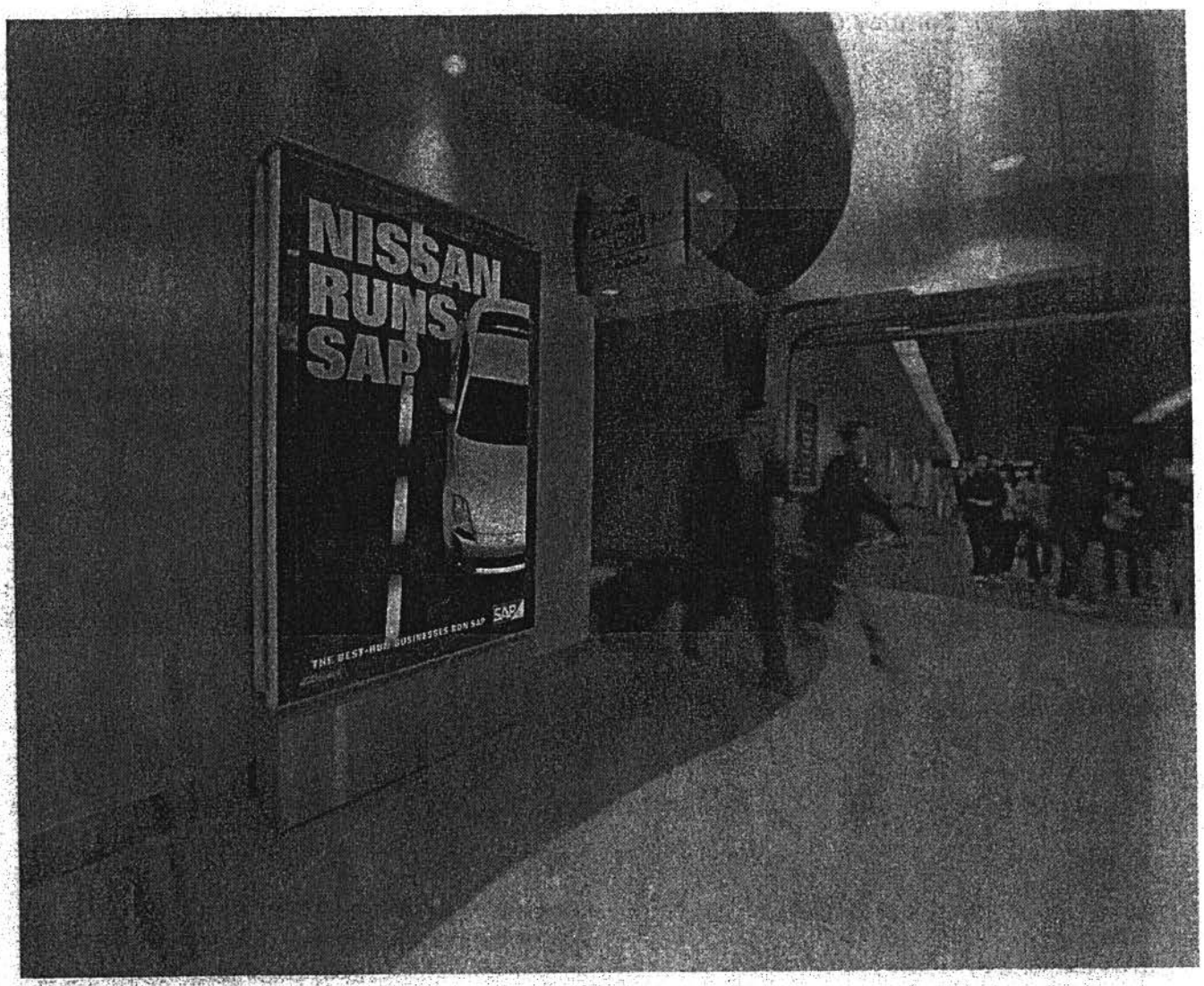
Automotive is the largest category nationwide for OOH with $282 million in expenditures in 2004. JCDecaux has recently broken the luxury car category for airports. BMW, Jaguar, Lexus, Range Rover are all JCDecaux airport advertisers. To further develop this category, we need to provide large format horizontal displays (indoor and outdoor) that allow them to showcase their product most effectively.



H.2 Marketing Strategy and Approach

2. Financial

Personal finance companies are eager to reach the most elusive but also most sought after of all target audiences: business executives. Our "Business First" network is aimed at efficiently delivering that specific audience. These elegant vertical backlit displays will be located near business lounges and first class check-in counters, attracting the attention of the most affluent flyers.



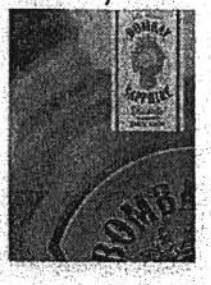
3. Duty Free

Advertising displays located near Duty Free stores generated more than a million dollars at JFK in 2004. These advertisers are specifically targeting international travelers. As a growing international hub, this program will be installed at Newark Liberty International Airport.

Top Duty Free advertisers

L'Oreal

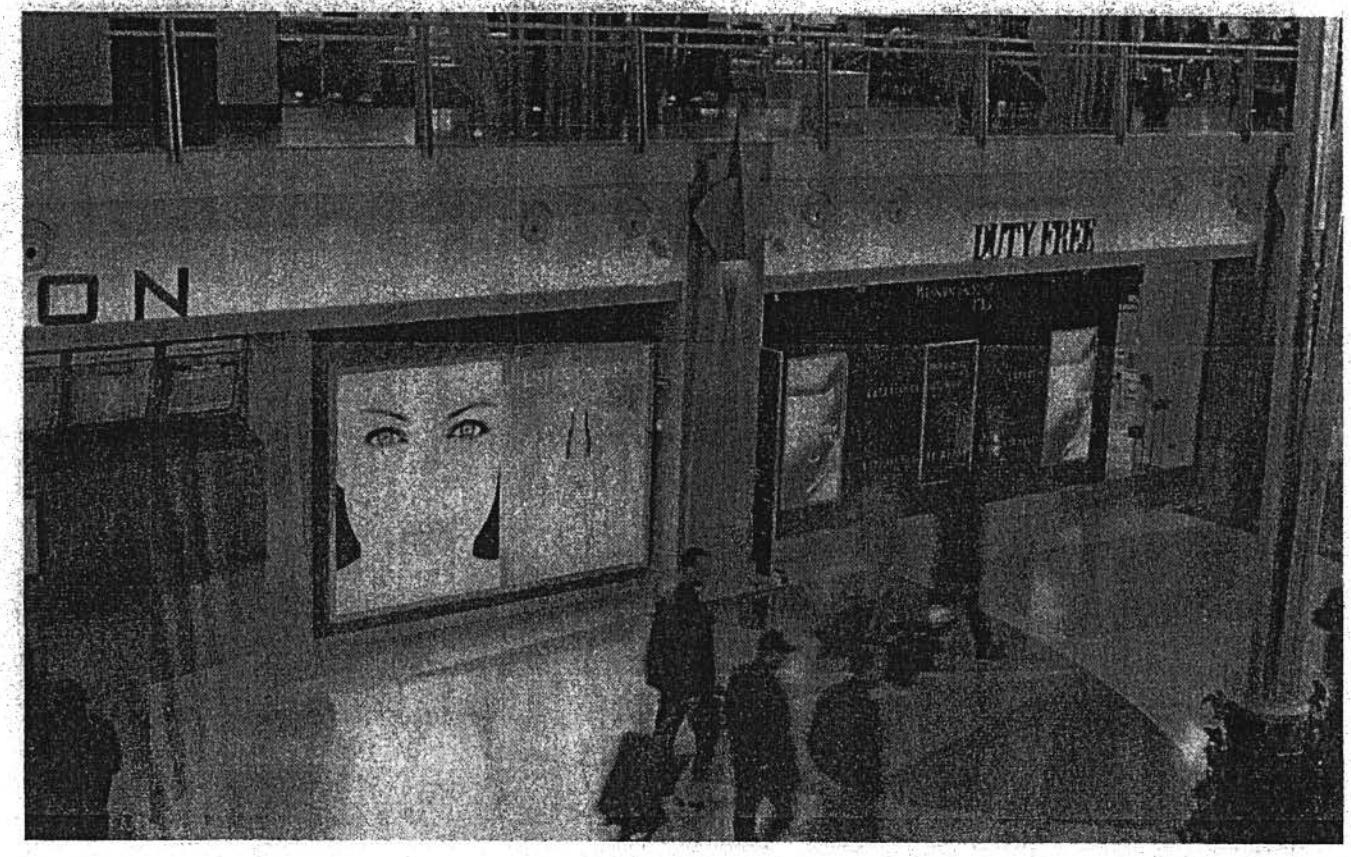
Bombay Gin



Bulgari

Chivas Royal

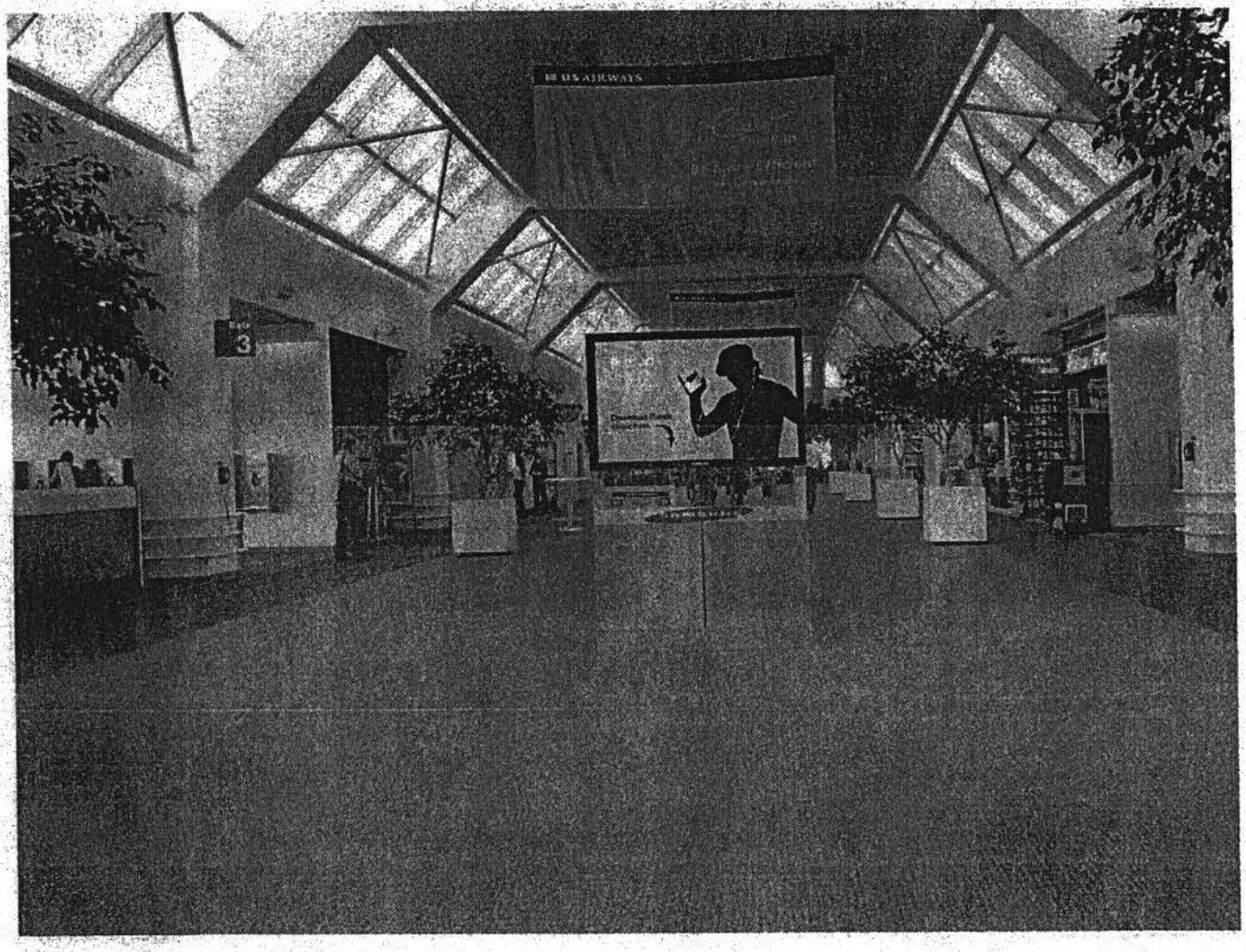
Estee Lauder



4. Technology

Technology companies – electronics, IT, telecommunication products and services – like to showcase themselves in a way that reflects the perception they want their target audience to have of their brand. We have created several new products that will achieve this goal:

- Our new PowerPole Network concept will allow a brand to associate themselves with a service that is technology related, i.e. recharging your laptop, cell phone or PDA. This will generate a positive feel for the brand that sponsors this "life-saving" service.
- Our Prestige Digital Network will provide a screen manufacturer the opportunity to showcase their latest screen "live" in front of an audience known to be early new technology adopters.
- Our ipod/MP3 docking station Airport Amenity Unit will provide an MP3 manufacturer an opportunity for interactive advertising with the same tech-oriented audience.



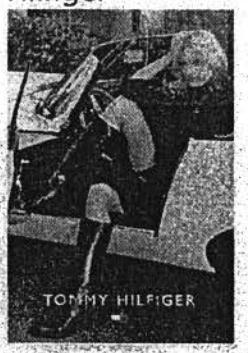
5. Fashion

Fashion advertising is one of the top category revenue generators across asian and european airports. This is not currently the case in the U.S.. One reason is the lack of high-quality displays in most U.S. airport advertising programs. Luxury fashion brands spend significant amounts of money on advertising, yet are very selective in terms of Out-of-Home exposure. The displays have to be up to par with the upscale, luxury quality of their brand and products. JCDecaux has a history of working with these brands and successfully convincing them to use outdoor advertising. The following brands all advertise in our malls and on our San Francisco and Chicago street furniture:

Chanel

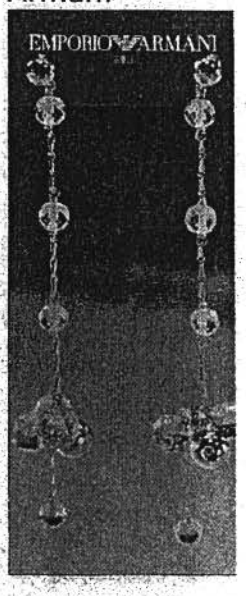
Escada

Tommy Hilfiger



Burberry Unlimited

Giorgio Armani



Tiffany & Co.

Calvin Klein Fashion

Salvatore Ferragamo

Coach

H.2 Marketing Strategy and Approach

By bringing the same quality displays to the airports, JCDecaux will be able to attract more and more of this category's money: large backlit posters behind glass instead of polycarbonate; HDTV-quality Prestige Digital Units; large-scale banners; mall-style vertical scrolling displays.

6. International Advertisers

Newark is growing rapidly and rising in stature as an International gateway to the East Coast, from Asia in particular. Over the years, JCDecaux has built JFK into the #1 advertising airport in the U.S. We were able to do this in large part by attracting overseas advertisers. We will continue to capitalize on the success at JFK and bring these new advertisers to Newark. JCDecaux has a dedicated team dealing primarily with international advertisers based in Europe and the rest of the world. A significant percentage of sales achieved for JFK's Terminals 1, 4 and 7 are based overseas and require a very specific sales and marketing approach. JCDecaux has mastered international sales, and can ensure greater success for Newark.

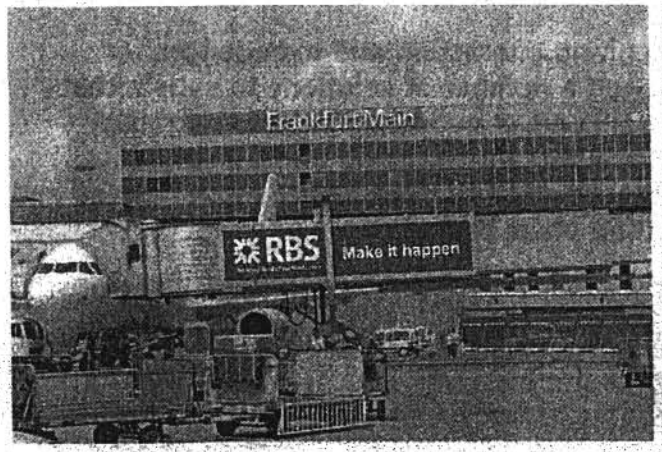
H.2 Marketing Strategy and Approach

International advertisers are often looking to make a statement with their advertising campaigns. Our plan for JFK, LGA and EWR includes several products that will generate attention and create a buzz. For example:

- The Wave, our undulating banner which we propose for JFK T1 and the new T8.
- Installing a large three-dimensional structure at a prominent location at the entrance of JFK, as Samsung has done in Paris and Lisbon.
- Wrapping all jet bridges inside and outside at all three airports, as done by HSBC in London and Hong Kong, and RBS in Frankfurt.
- Domination packages: A good example is the multi-wrap package purchased by RBS in Terminal 7. Another example is the international arrivals meeting and greeting area at T1. Here, MasterCard is currently present with a multi-wrap, multi-banners program.
- Wrapping the AirTrain cars.

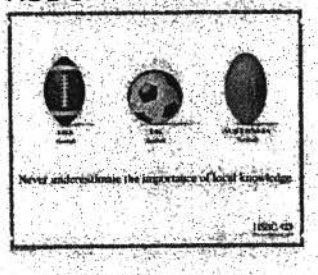
This type of programs generate multi-million, multi-year contracts, and present the biggest potential for interior revenue growth at the NY/NJ airports. With our international network of top world airports, JCDecaux is uniquely positioned to close this kind of deal. We have already done it in several airports while none of our competitors have.

H.2 Marketing Strategy and Approach



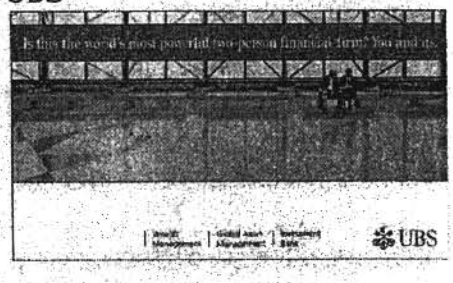
Top International Advertisers

HSBC



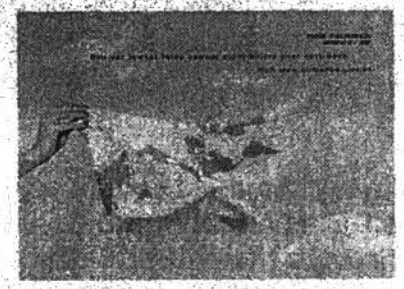
RBS

UBS



Lufthansa

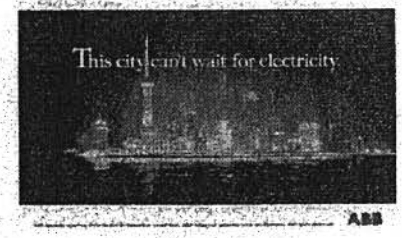
Air France Alliance



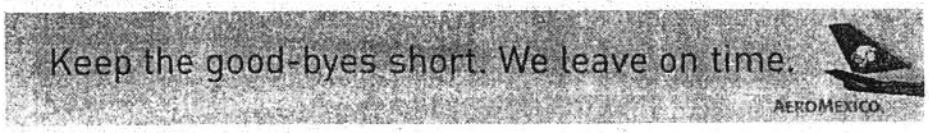
Samsung

Star Alliance

ABB

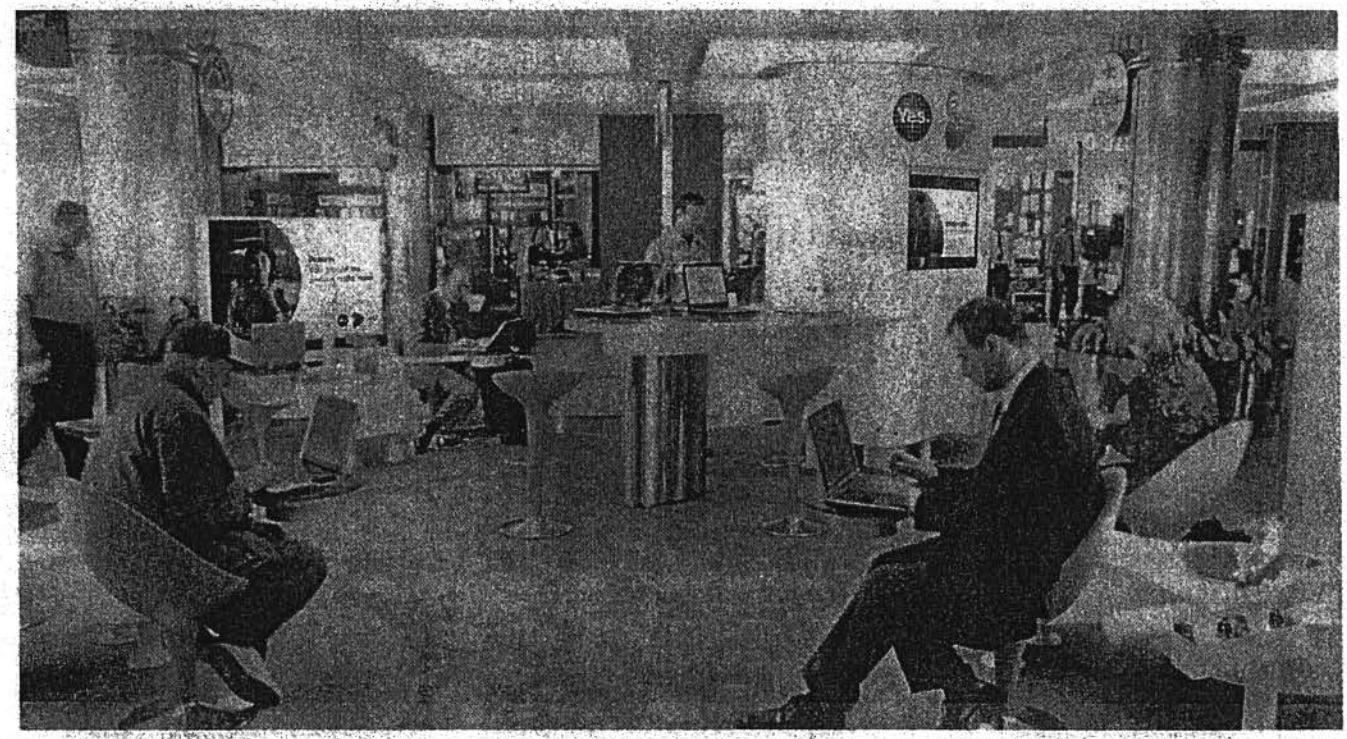


Aero Mexico



7. Exhibits

Advertisers are constantly looking for creative brand interaction and experiences for consumers. JCDecaux has successfully developed a number of solutions to satisfy that need. Exhibits, promotions, and samplings are all part of our new marketing strategy through the use of ambient media to reach consumers by providing brand experience. These exhibits are most effective when placed post-security. People are more relaxed and receptive during their dwell time, waiting for their plane to depart.



8. Business First Network

Our Business First Network is certainly the most sought after new program in our portfolio. Currently available in Reagan and Dulles Airports in D.C., LGA in New York and Logan International Airport in Boston, it covers the entire "Eastern Power Corridor." The addition of JFK and EWR to this network will make it the most powerful product ever to reach business travelers.

This premier network consists of standard, backlit scrolling faces located directly outside or en route to every business lounge or shuttle area. With few media options that deliver such an up-market, high spending audience, JCDecaux has developed this program for those Premier Advertisers who want to target this elusive market segment. BMW recently purchased the entire Business First Network, generating more than $500,000 in sales per month. Enclosed is a copy of the brochure designed to sell this premier network.

9. Prestige Digital Network – First Ever –

Our Prestige Digital Network, like the "Business-First Network" will address the need for the displays to be more attractive and dynamic. While dioramas have and will be around for many years to come, innovation will rejuvenate the medium and re-launch what was once the most dynamic force behind airport advertising. This technology will deliver greater flexibility to advertisers, while reducing production costs and enabling quicker campaign turnarounds. Sold in a network, providing total coverage of the airport and its terminals, this high quality new medium will attract new advertisers and additional revenue.

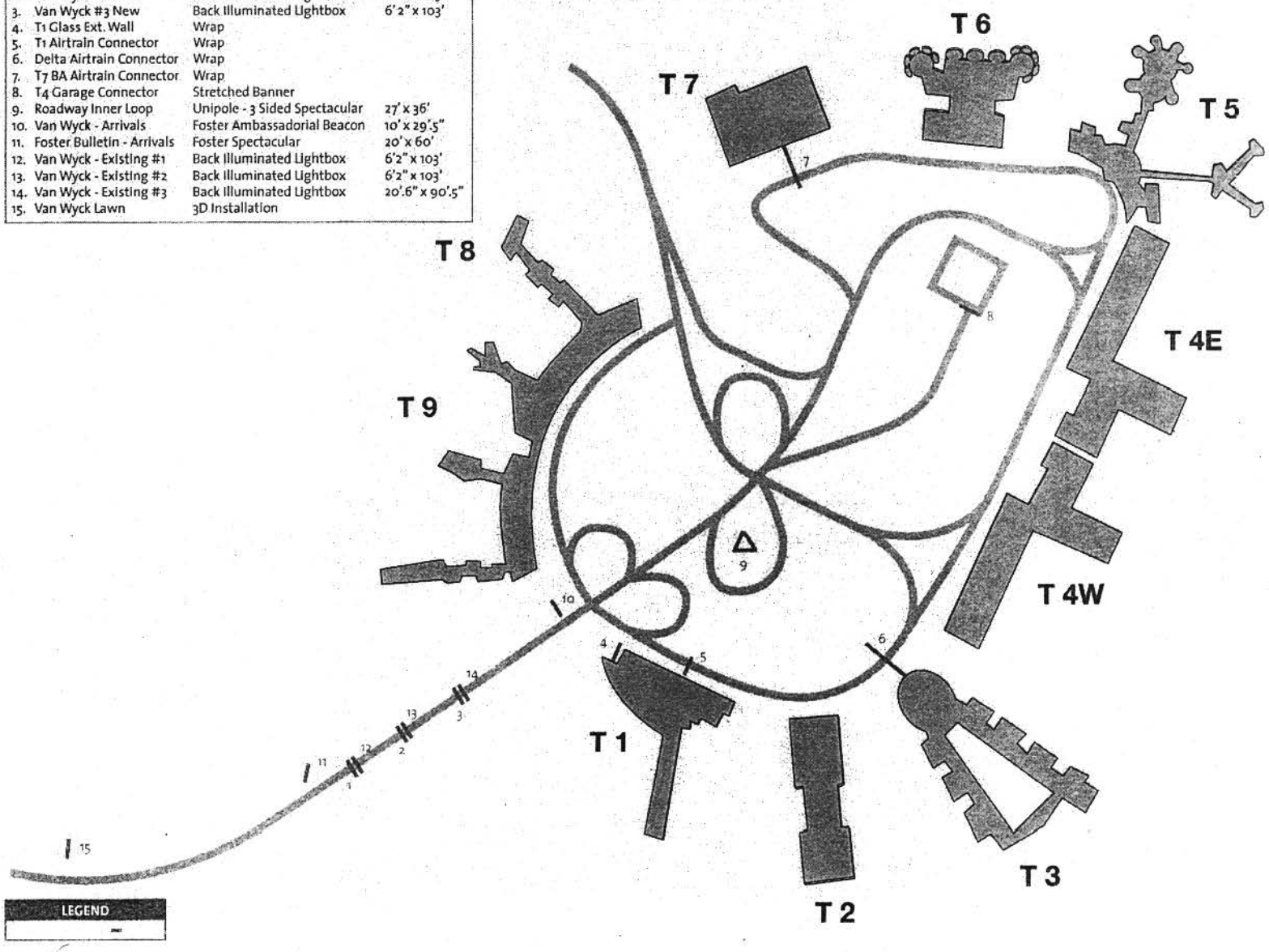
The Port Authority of NY & NJ

H.2 Marketing Strategy and Approach

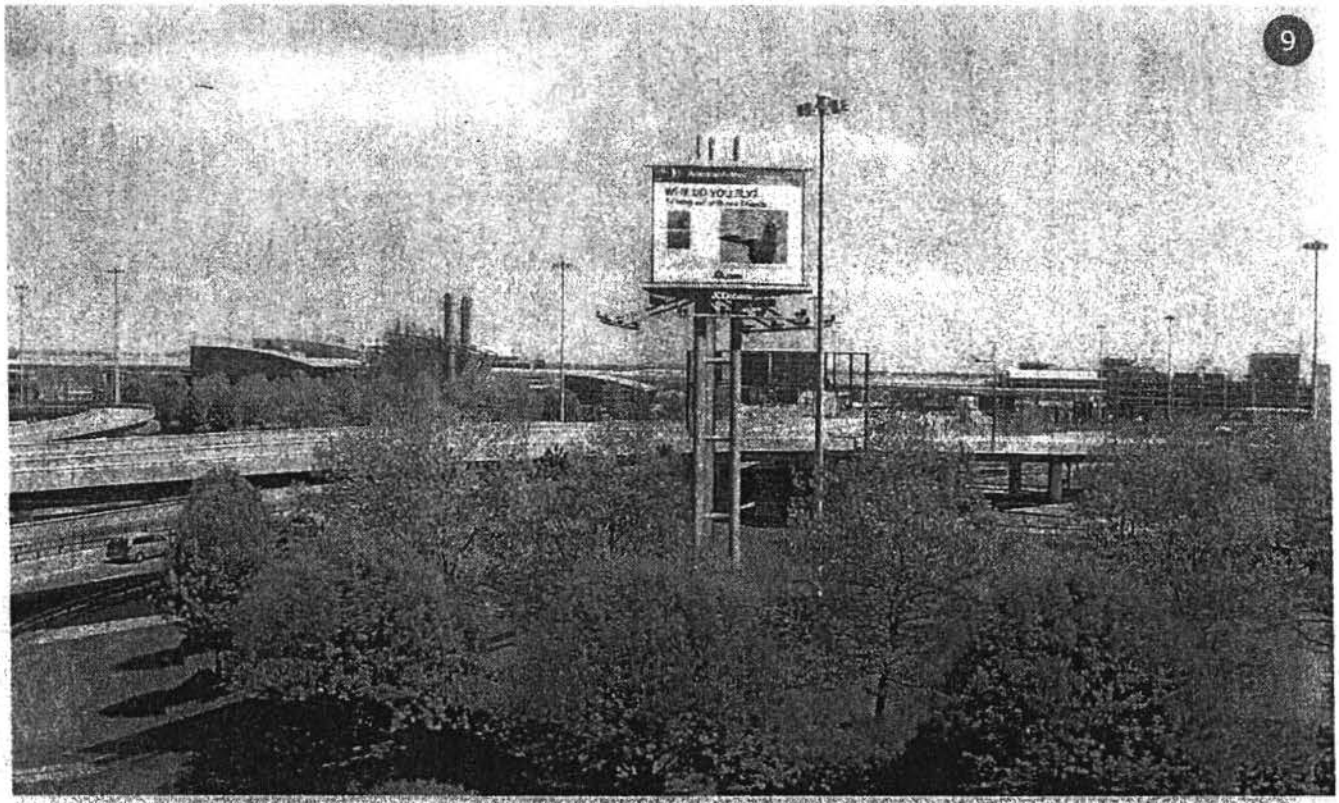
JCDecaux

John F. Kennedy International Airport –Exterior Sites

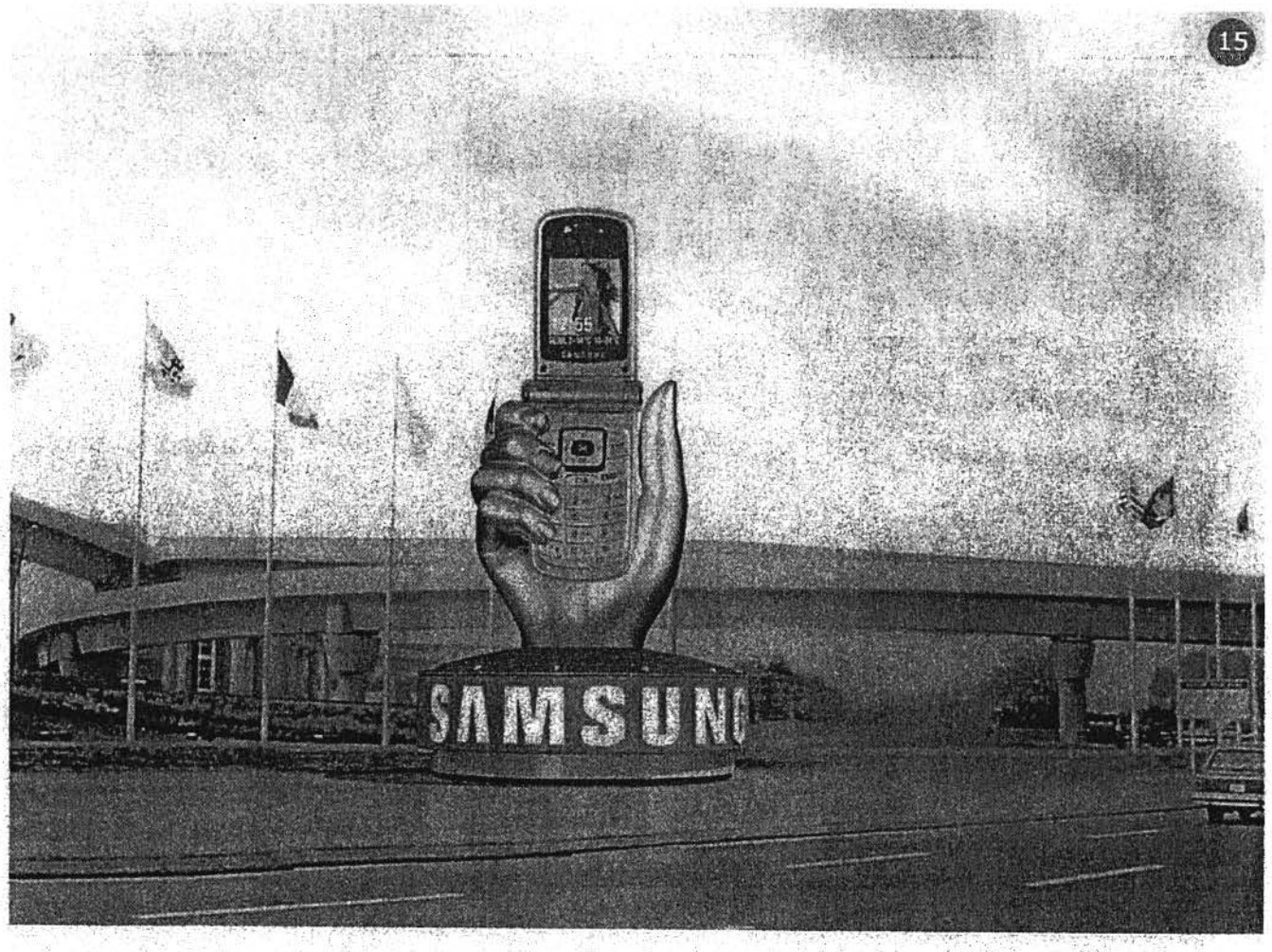
John F. Kennedy International Airport			
1.	Van Wyck #1 New	Back Illuminated Lightbox	20'.6" x 90'5"
2.	Van Wyck #2 New	Back Illuminated Lightbox	6' 2" x 103'
3.	Van Wyck #3 New	Back Illuminated Lightbox	6' 2" x 103'
4.	T1 Glass Ext. Wall	Wrap	
5.	T1 Airtrain Connector	Wrap	
6.	Delta Airtrain Connector	Wrap	
7.	T7 BA Airtrain Connector	Wrap	
8.	T4 Garage Connector	Stretched Banner	
9.	Roadway Inner Loop	Unipole - 3 Sided Spectacular	27' x 36'
10.	Van Wyck - Arrivals	Foster Ambassadorial Beacon	10' x 29'.5"
11.	Foster Bulletin - Arrivals	Foster Spectacular	20' x 60'
12.	Van Wyck - Existing #1	Back Illuminated Lightbox	6'2" x 103'
13.	Van Wyck - Existing #2	Back Illuminated Lightbox	6'2" x 103'
14.	Van Wyck - Existing #3	Back Illuminated Lightbox	20'.6" x 90'.5"
15.	Van Wyck Lawn	3D Installation	



John F. Kennedy International Airport –Exterior Sites

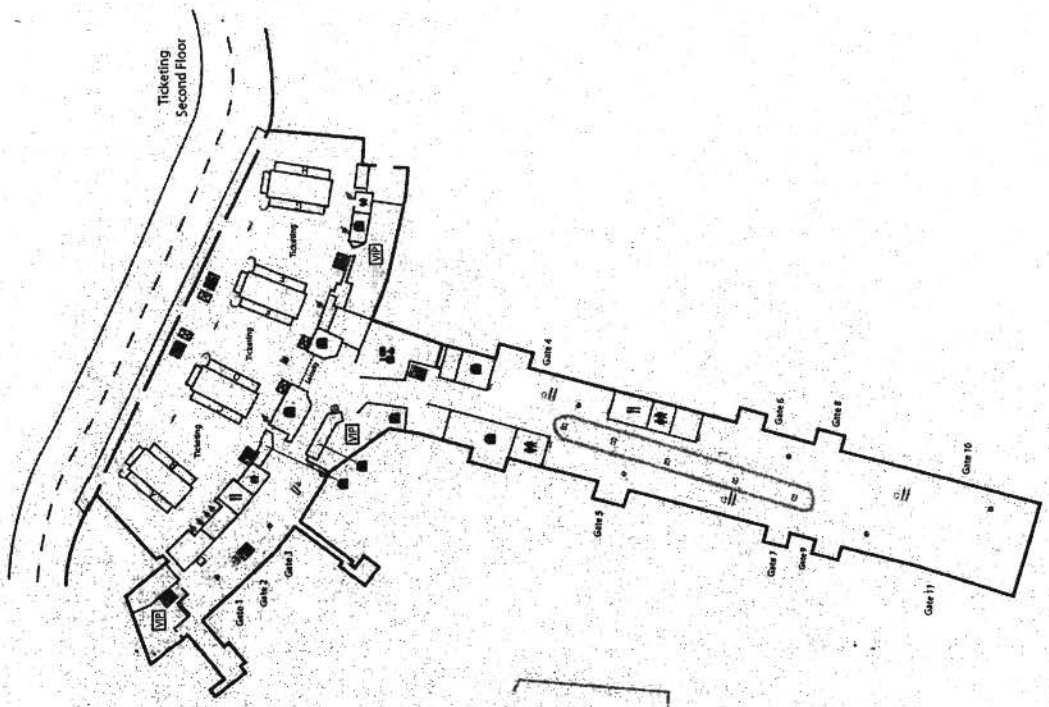


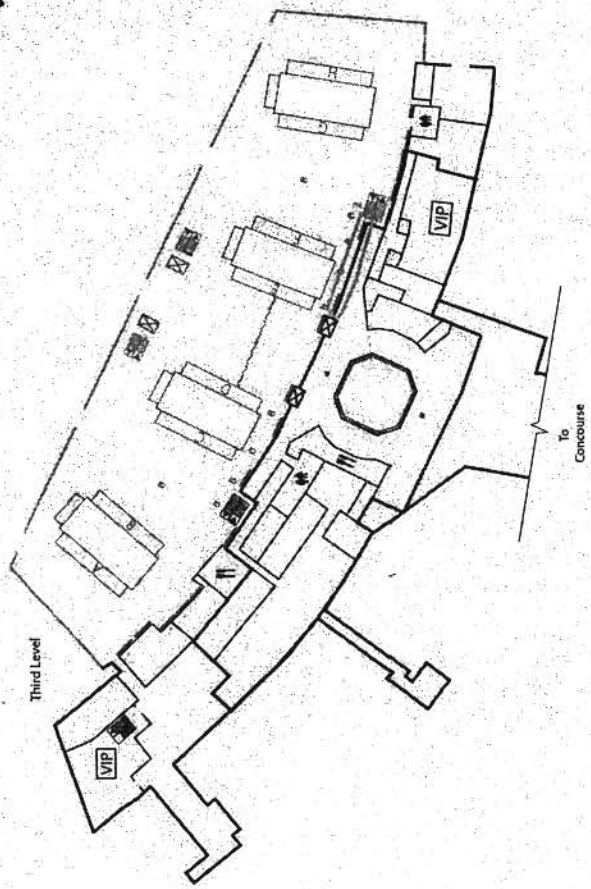
John F. Kennedy International Airport –Exterior Sites

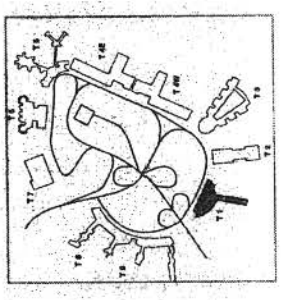


H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 1





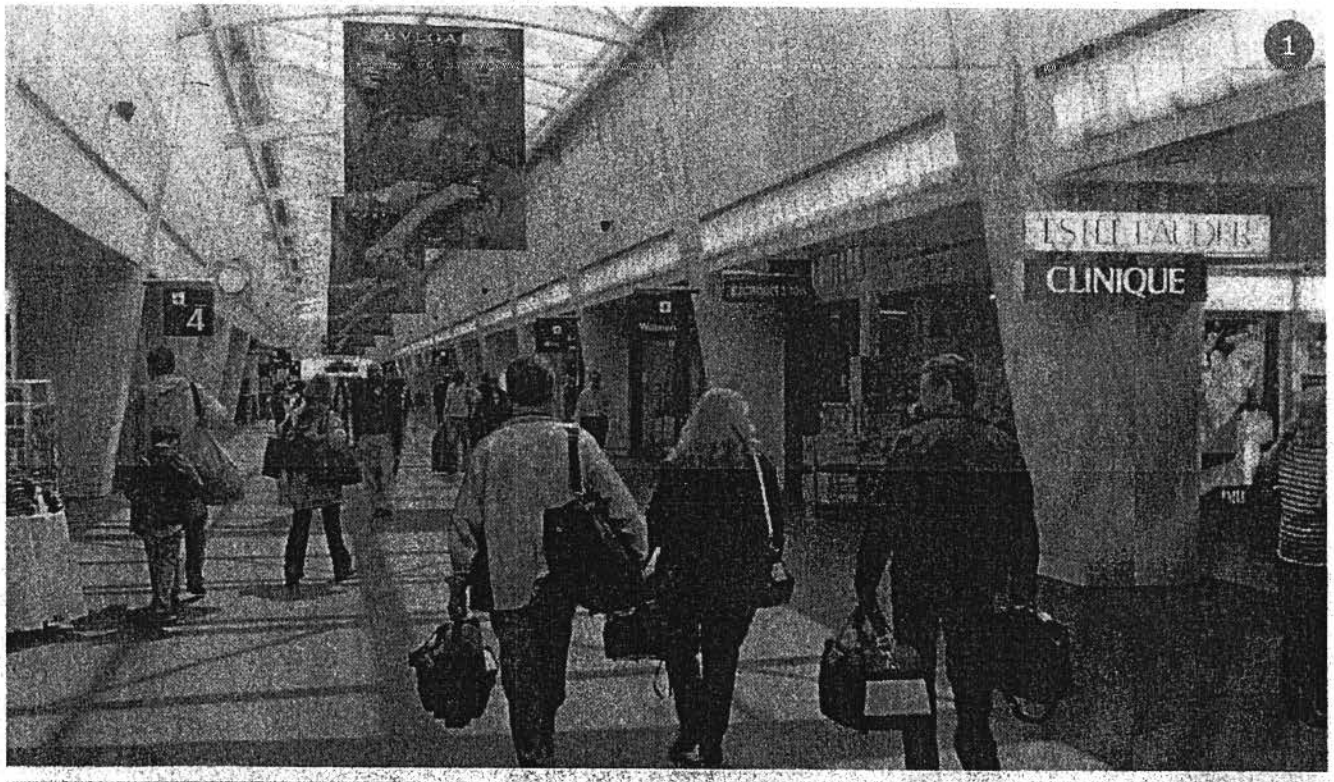


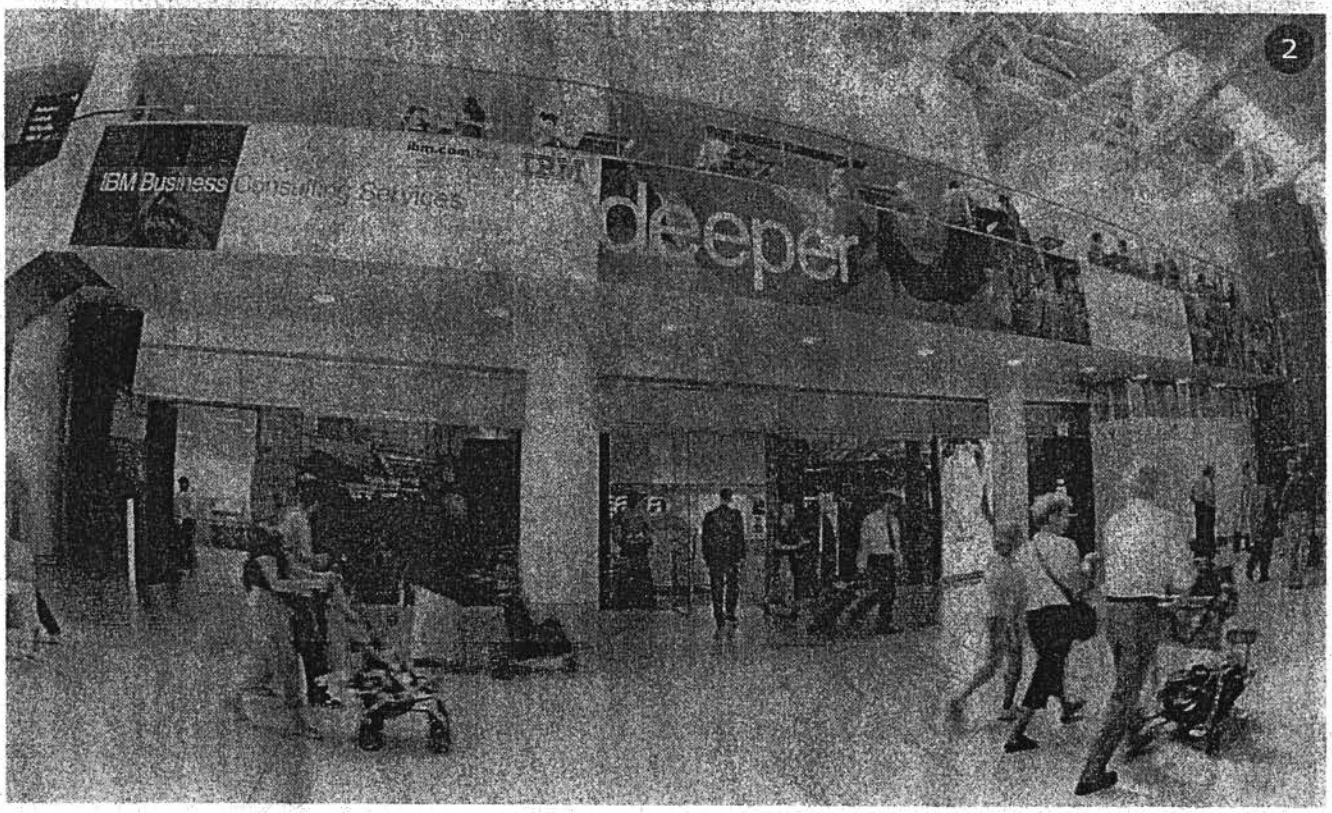
LEGEND

- Curved Column Unit
- Scroller
- Showcase
- Diorama
- Lightbox (non standard unit size)
- Double Sided Scroller
- Wall Wrap
- AAU
- Banner
- Power Pole
- Business Fast Scroller
- AAU - Digital
- The Wave
- 6'x6'

* Exhibits - Locations to be finalized with terminal on a case-by-case basis

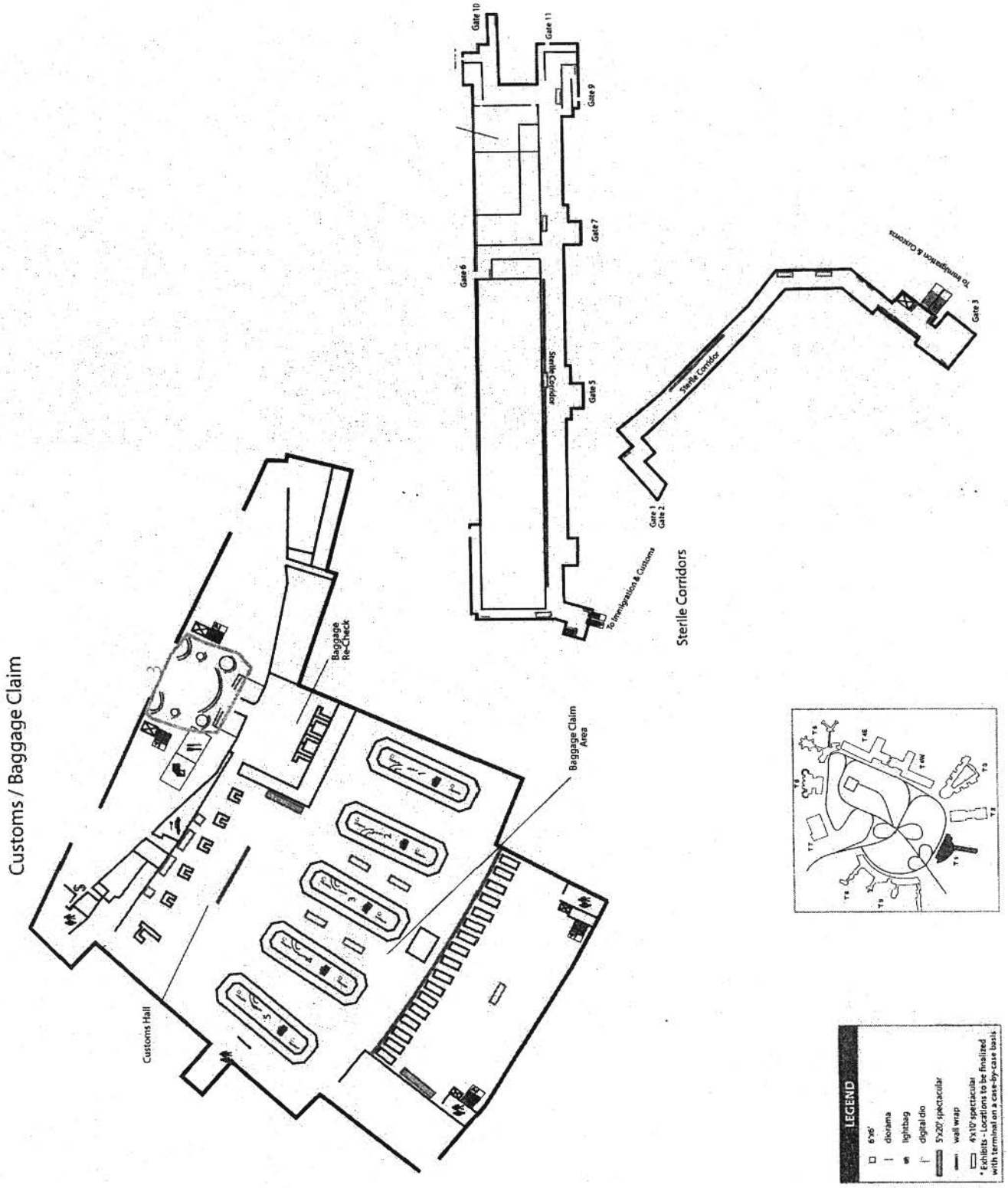
John F. Kennedy International Airport – Terminal 1





H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 1



H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 1

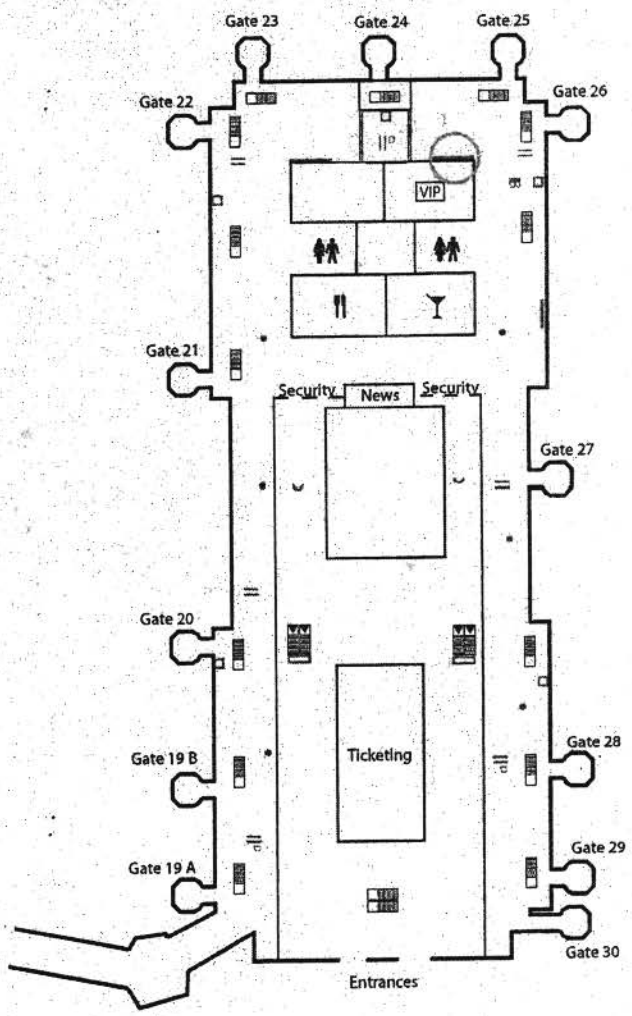
The Port Authority of NY & NJ

JCDecaux

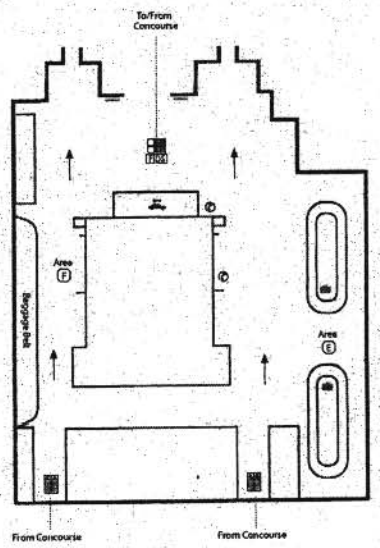
H.2 Marketing Strategy and Approach

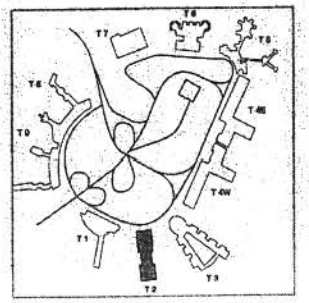
John F. Kennedy International Airport – Terminal 2

Upper Level - Concourse



Lower Level - Baggage Claim





LEGEND

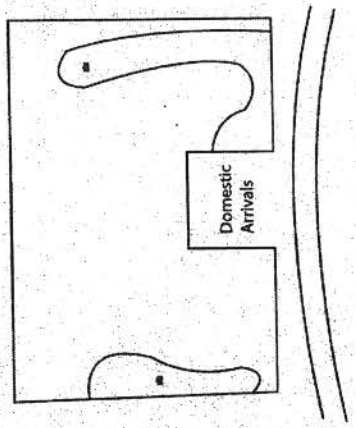
- Curved Column Unit
- Diorama
- Wall Wrap
- A.A.U - Scrolling
- Power Pole
- AAU - Digital
- 6'x6'
- 4'x10' Spectacular
- Scroller
- Lightbag
- Business First Scroller

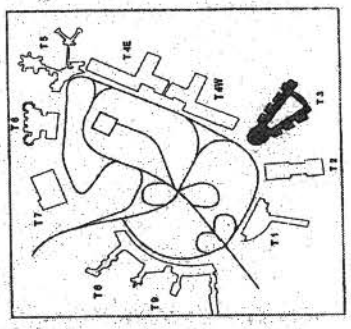
H.2 Marketing Strategy and Approach

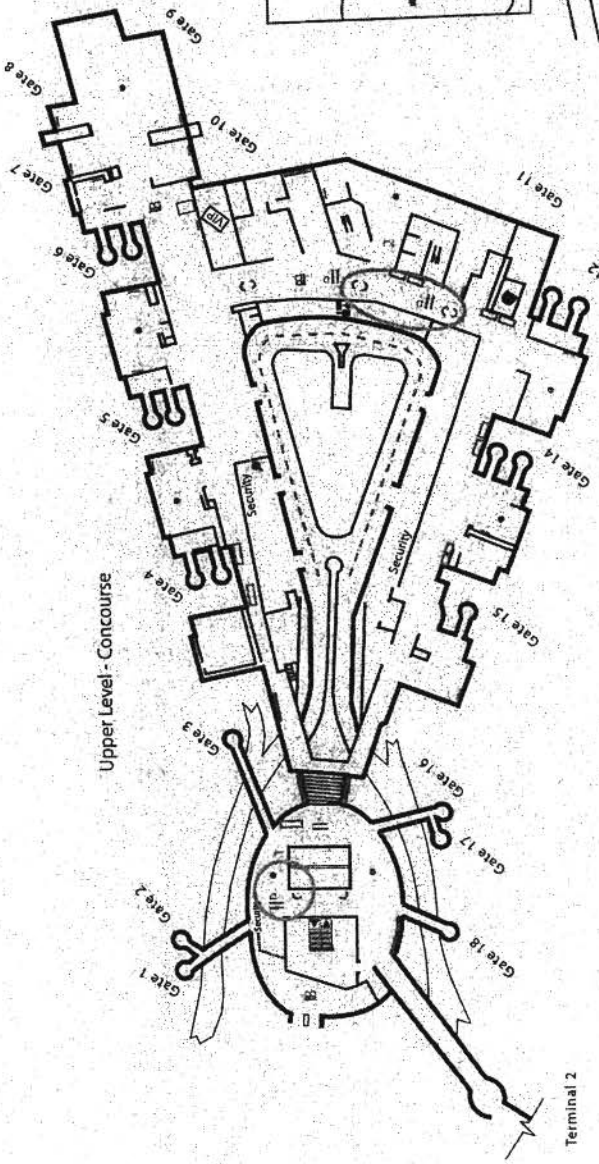
John F. Kennedy International Airport – Terminal 2

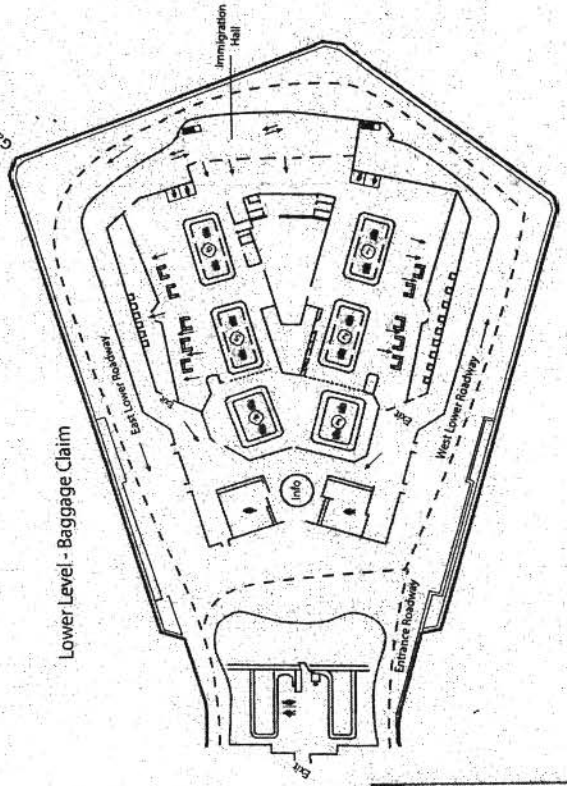
H.2 Marketing Strategy and Approach

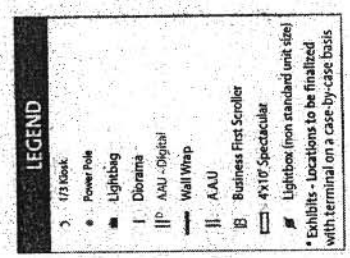
John F. Kennedy International Airport – Terminal 3





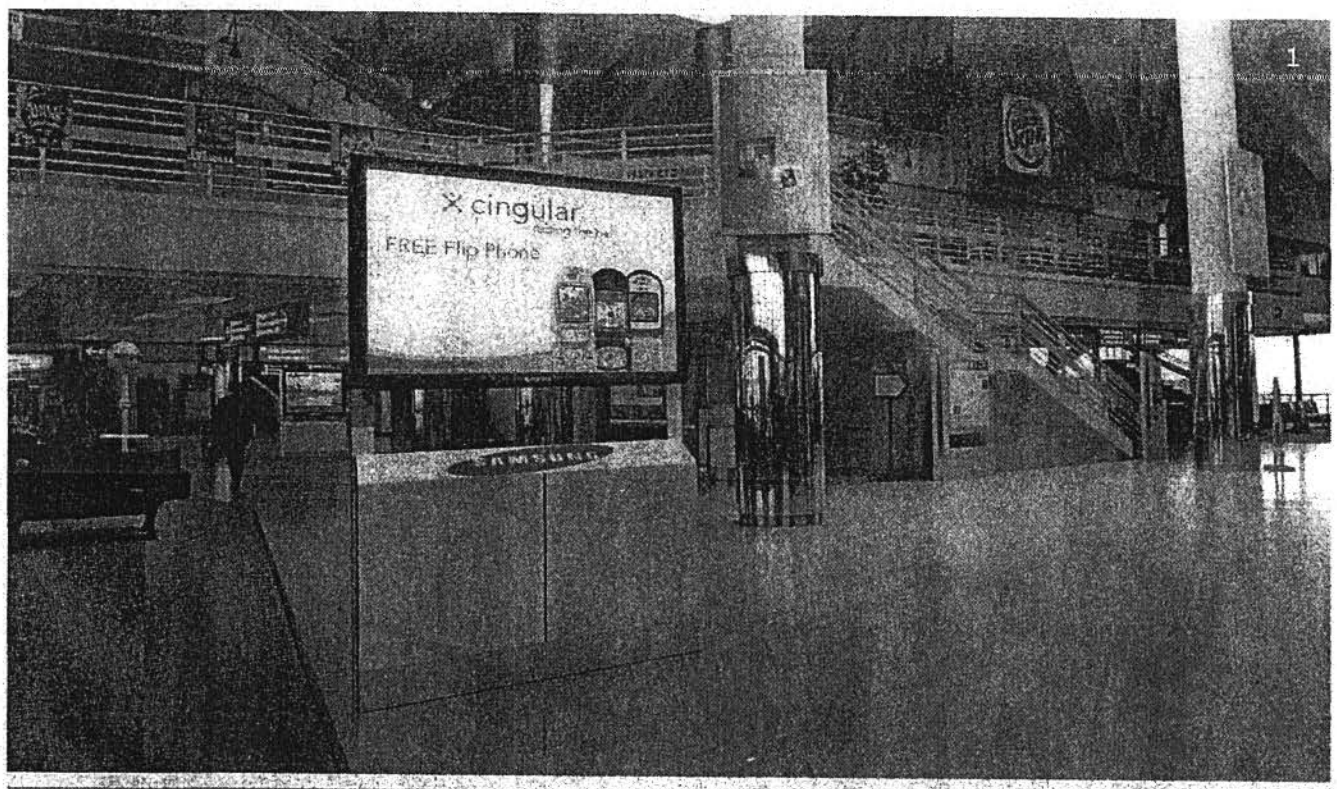






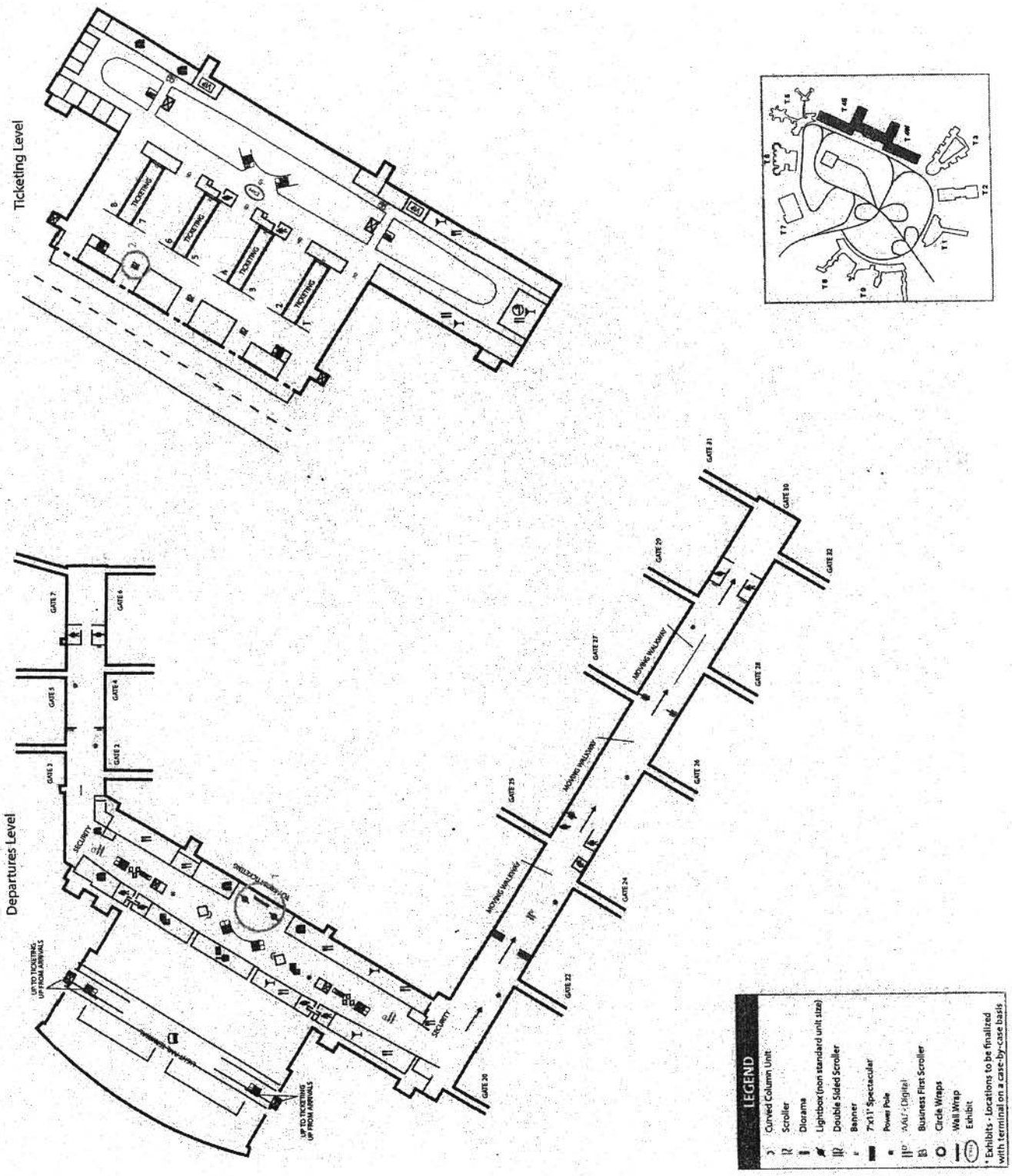
H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 3



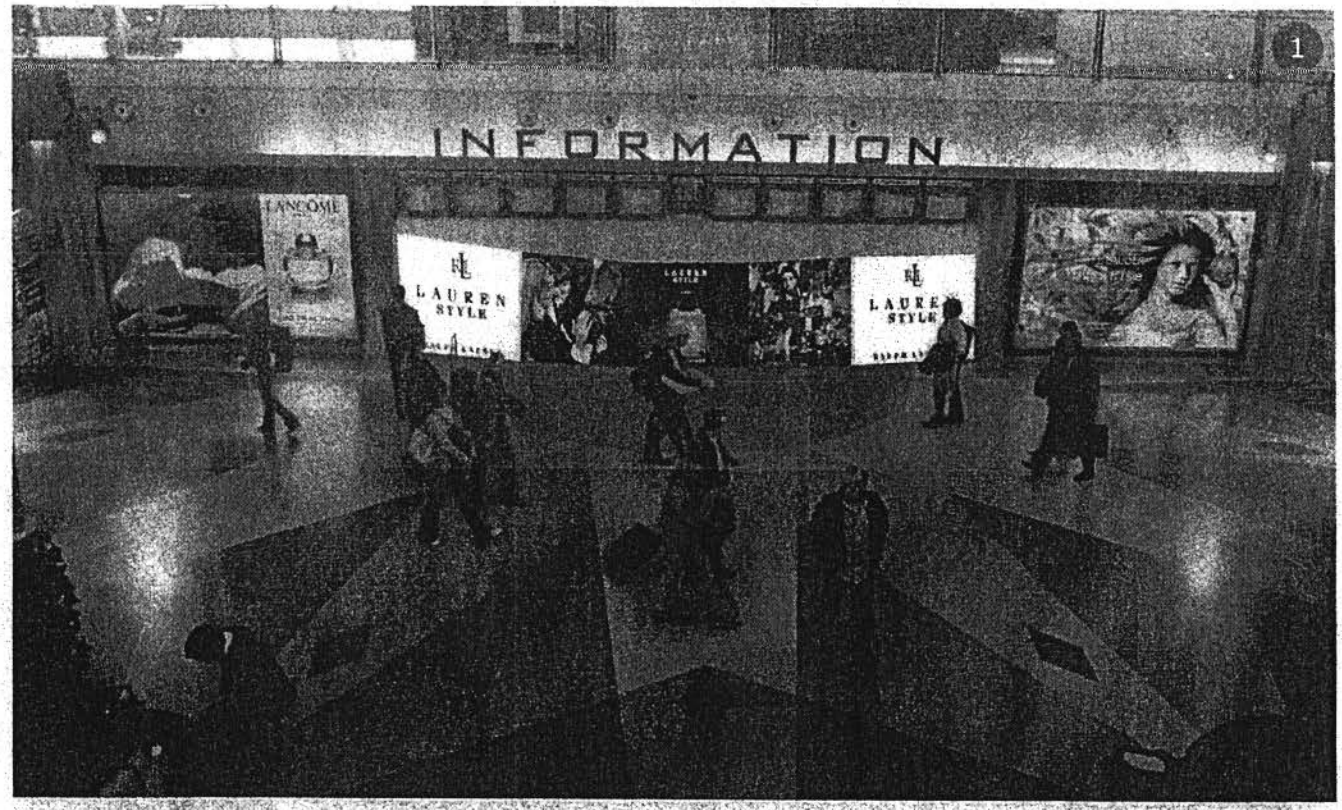
H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 4



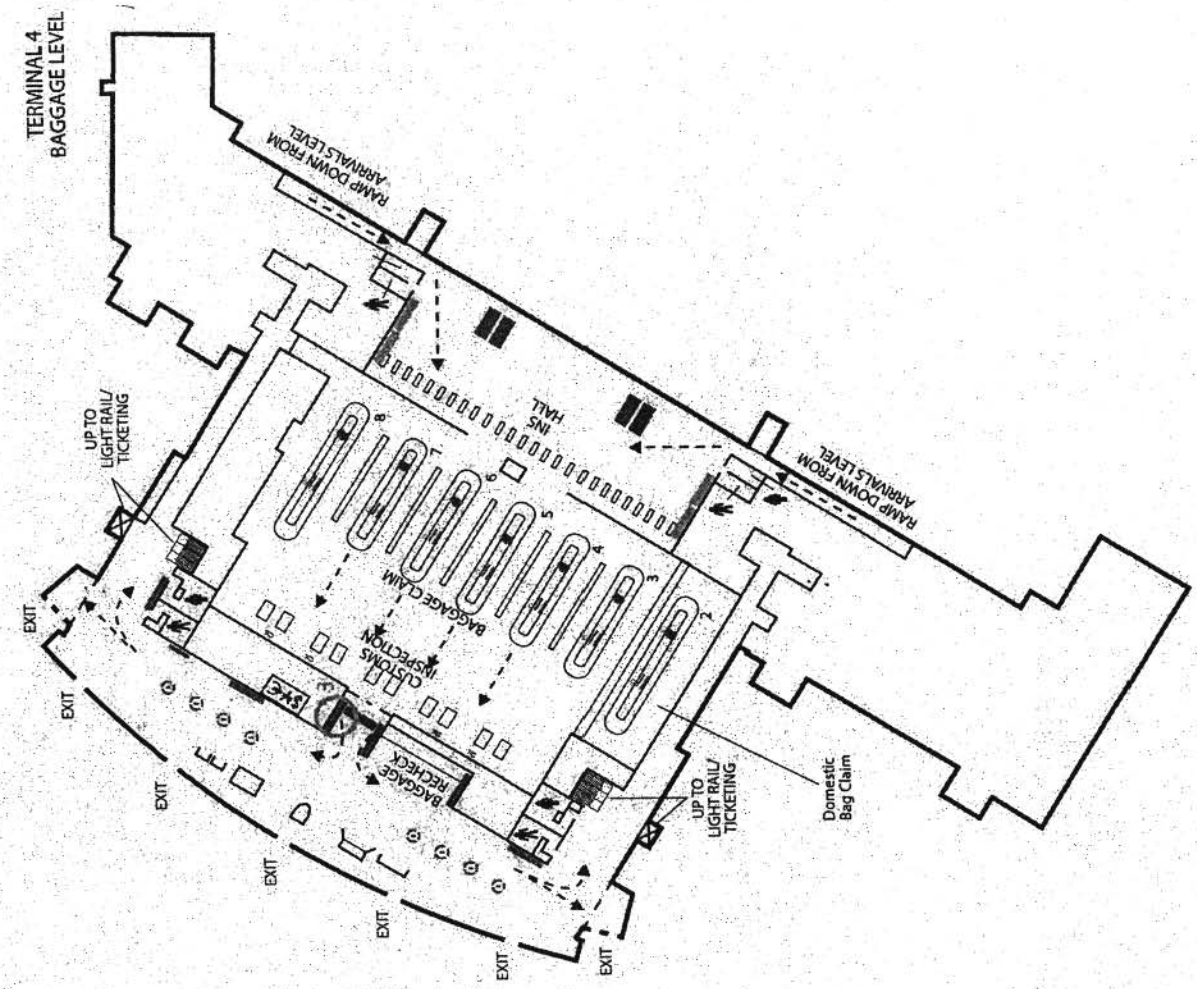
H.2 Marketing Strategy and Approach

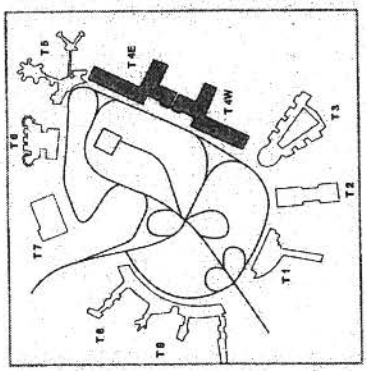
John F. Kennedy International Airport – Terminal 4



H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 4





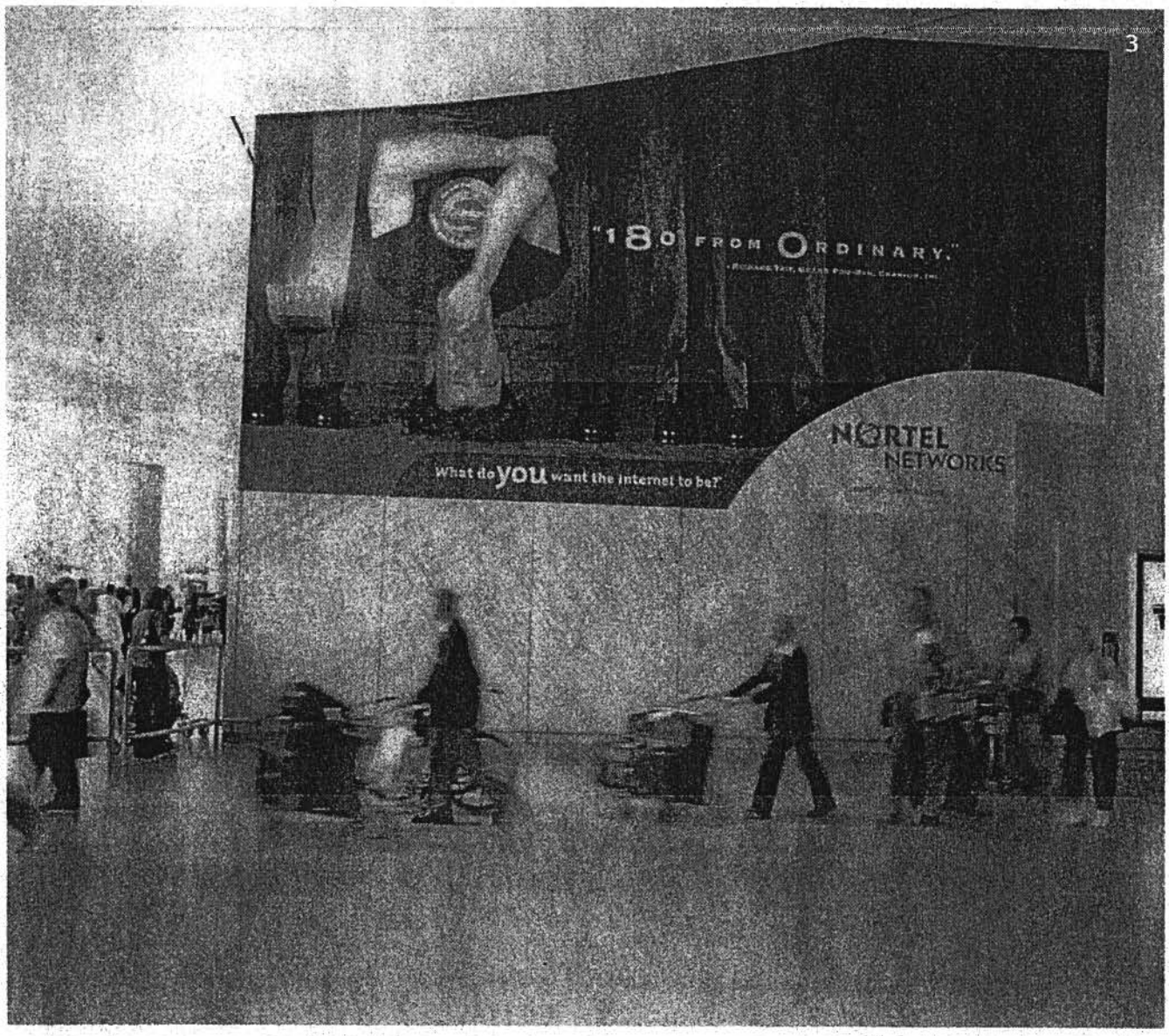
LEGEND

- Lightbag
- Scroller
- Double-sided Diorama
- Diorama
- Wall Wrap
- 7'x11' Spectacular
- Column Wrap
- 5'x15' Spectacular

* Exhibits - Locations to be finalized with terminal on a case-by-case basis

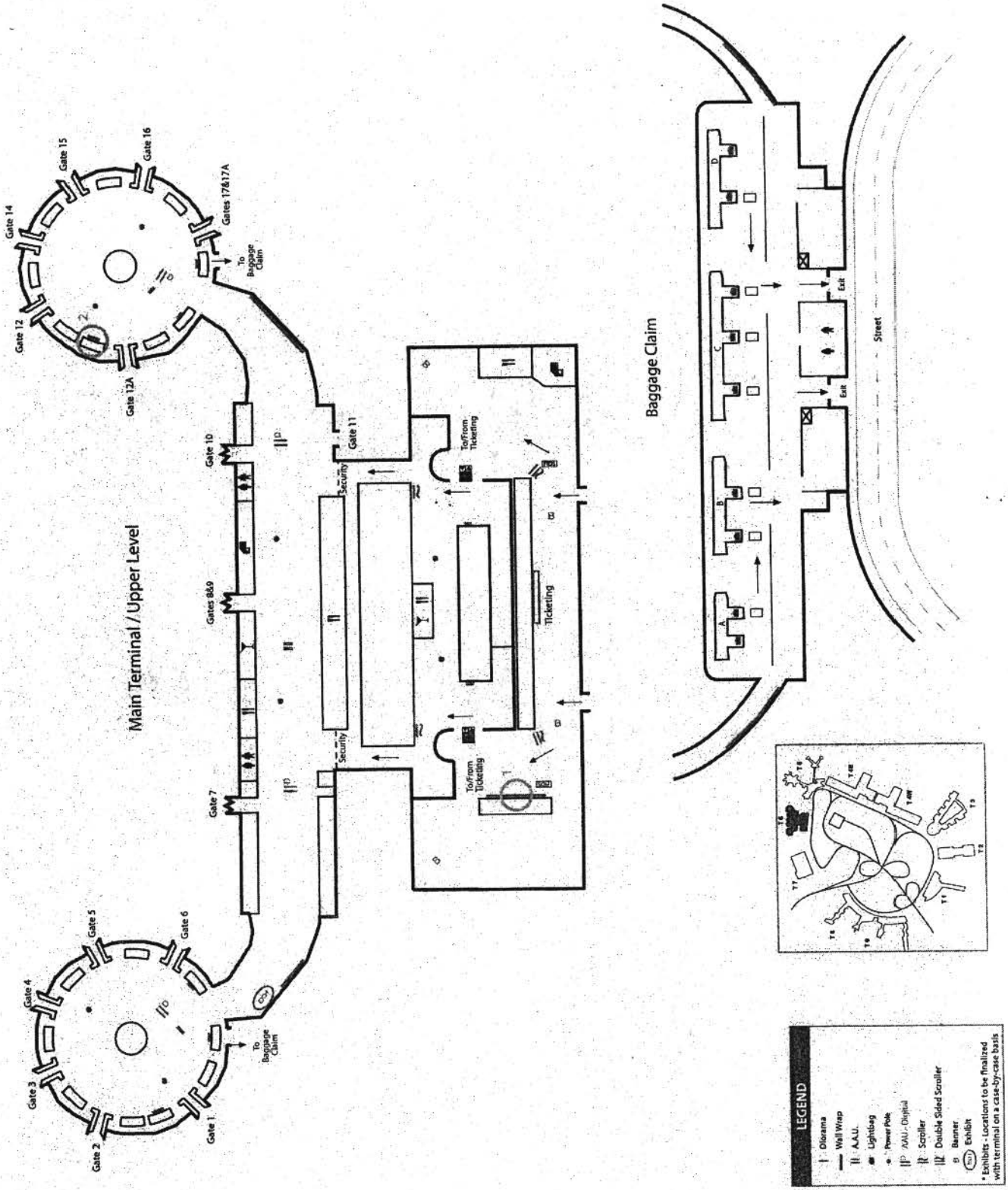
H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 4



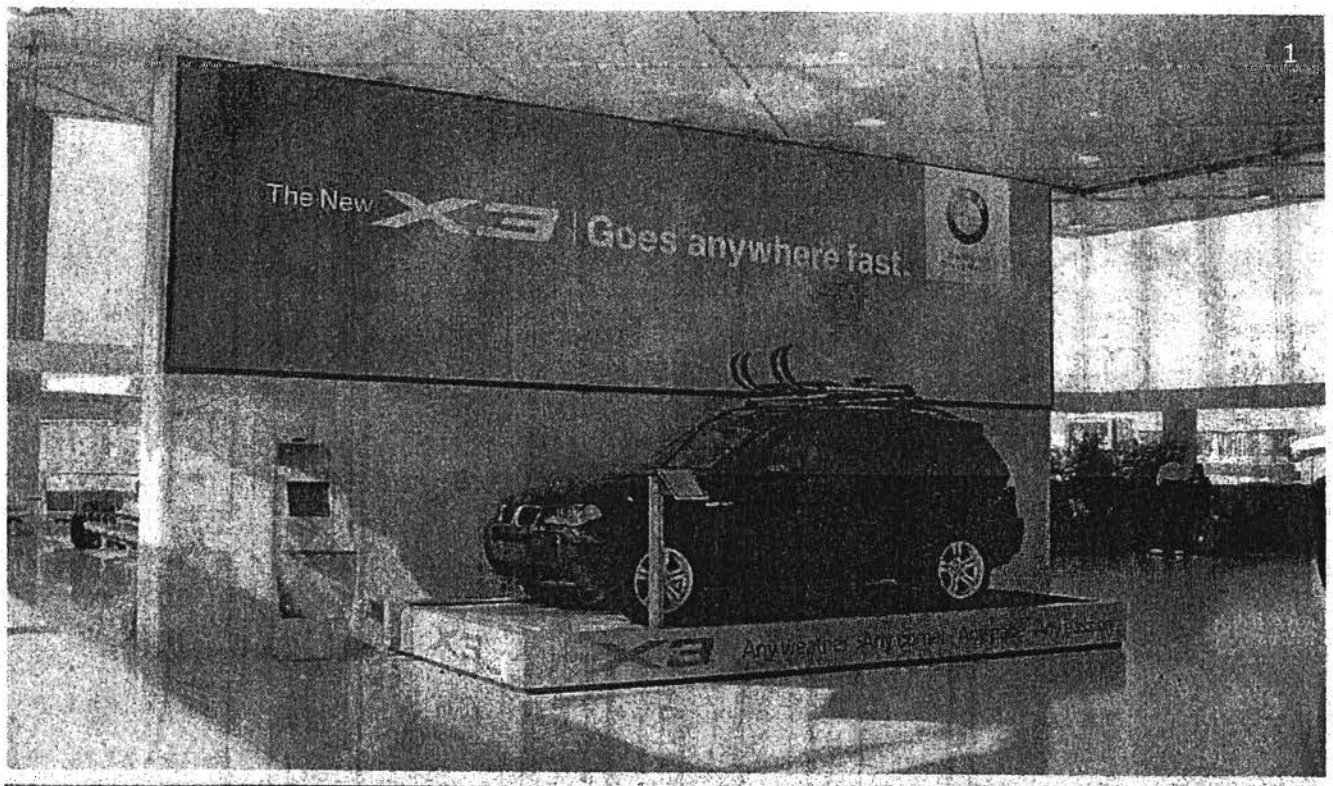
H.2 Marketing Strategy and Approach

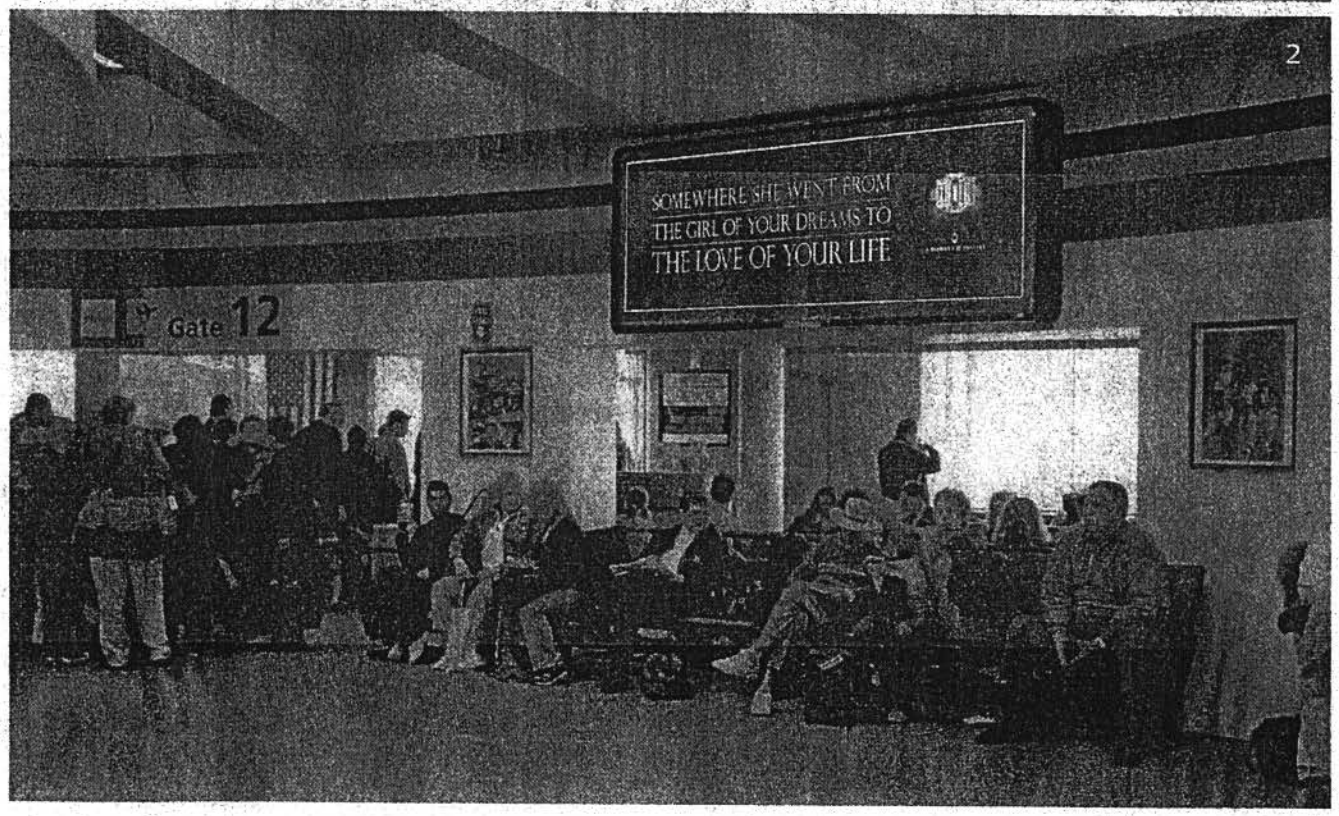
John F. Kennedy International Airport – Terminal 6



H.2 Marketing Strategy and Approach

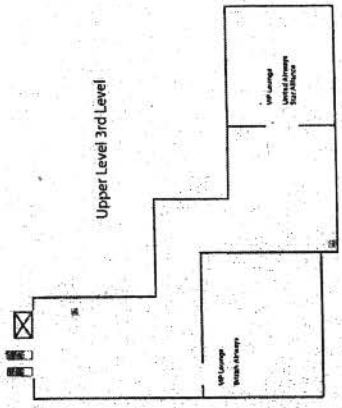
John F. Kennedy International Airport – Terminal 6

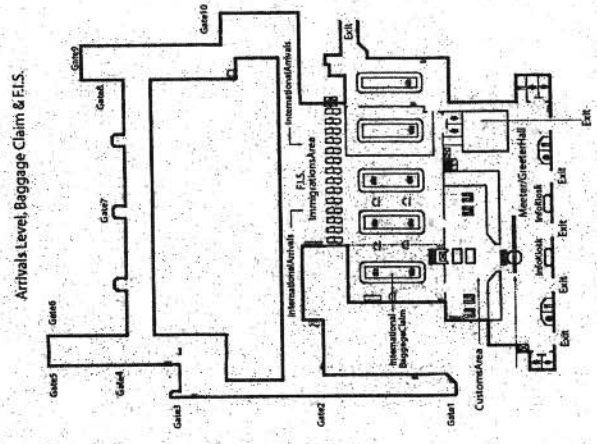


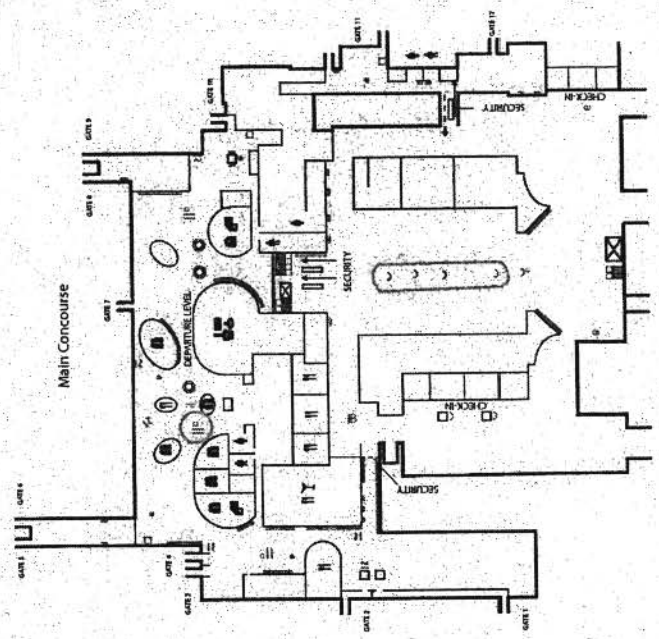


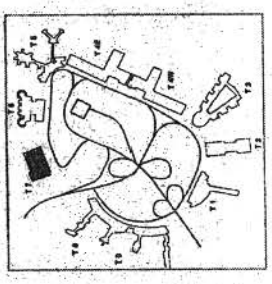
H.2 Marketing Strategy and Approach

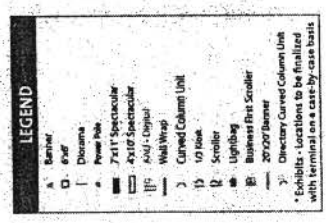
John F. Kennedy International Airport – Terminal 7



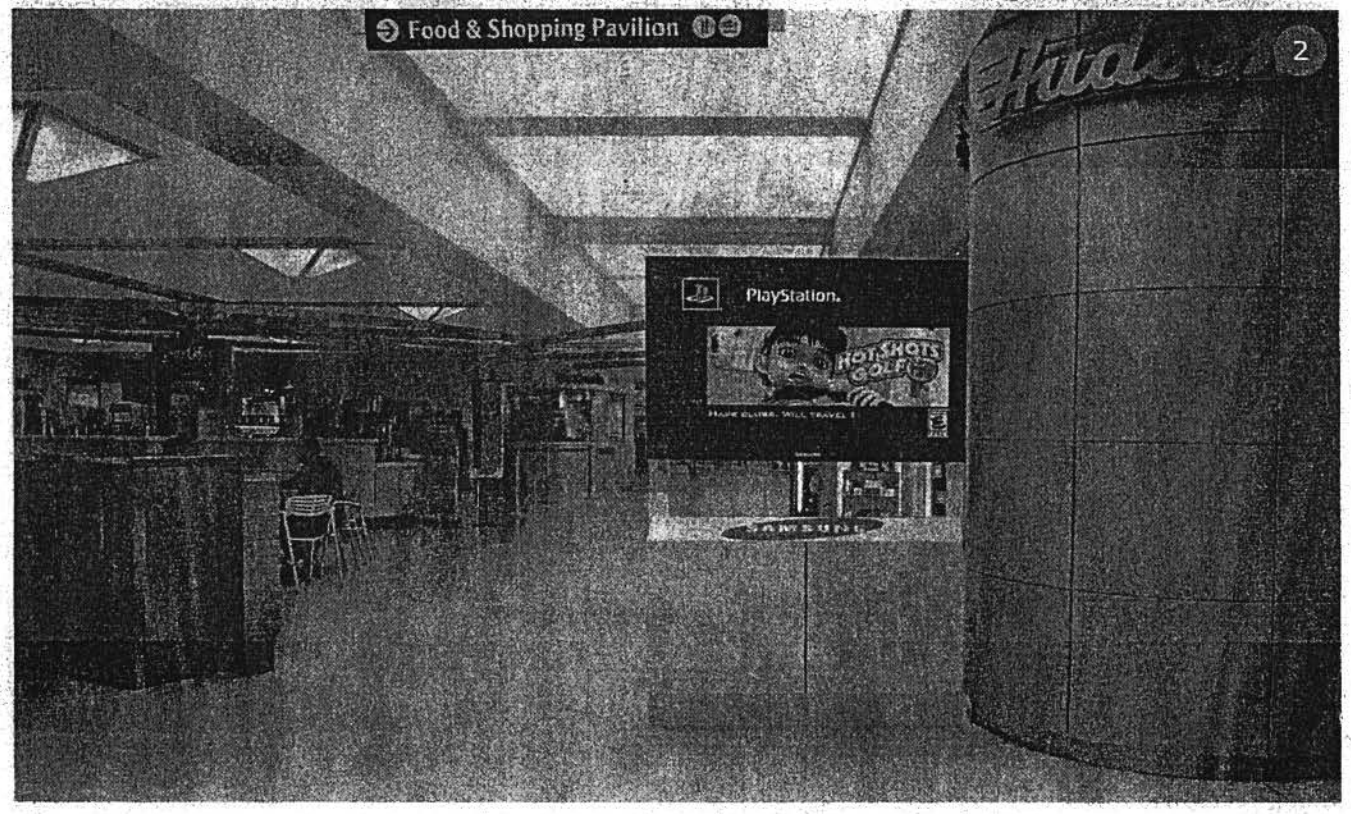






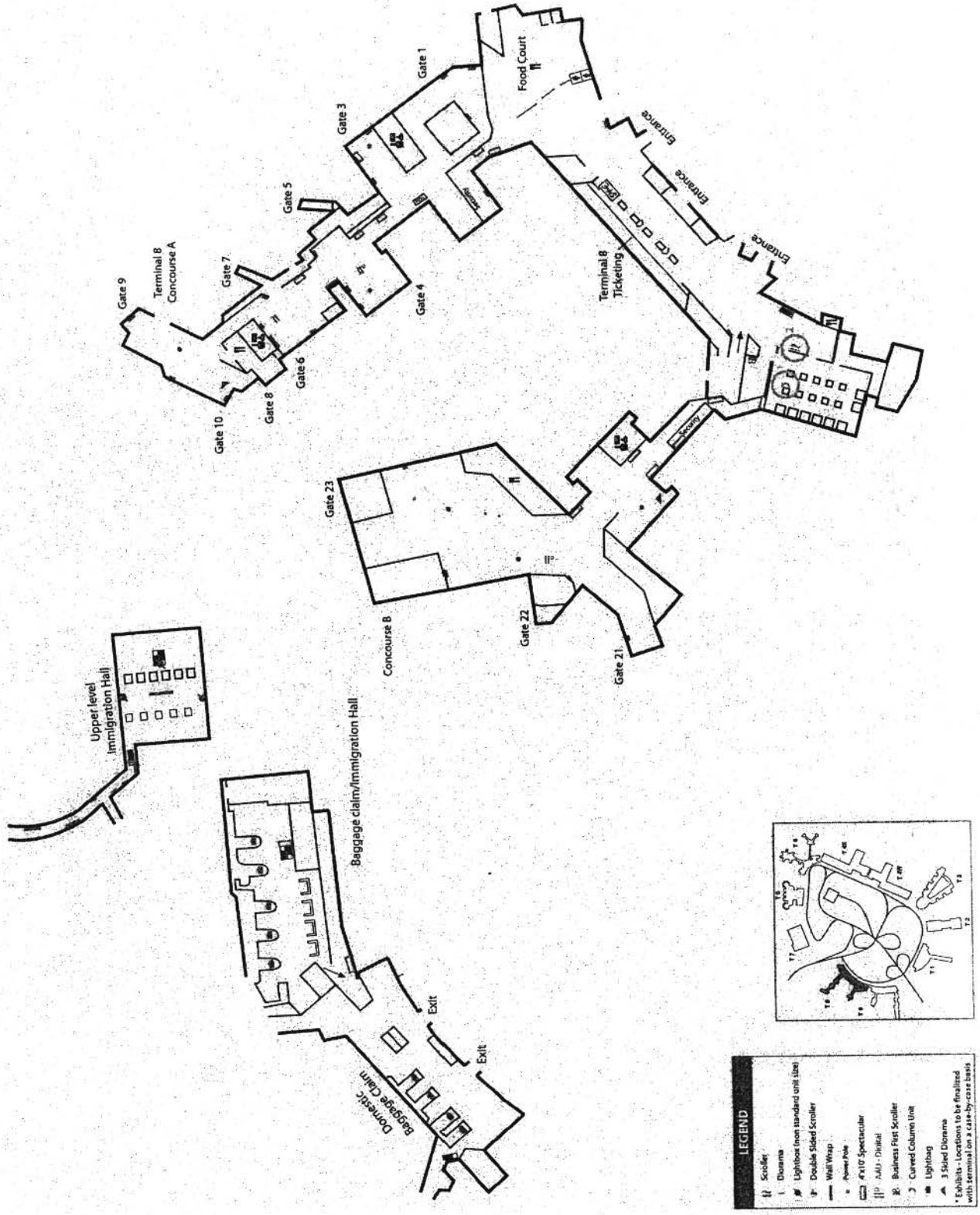


John F. Kennedy International Airport – Terminal 7



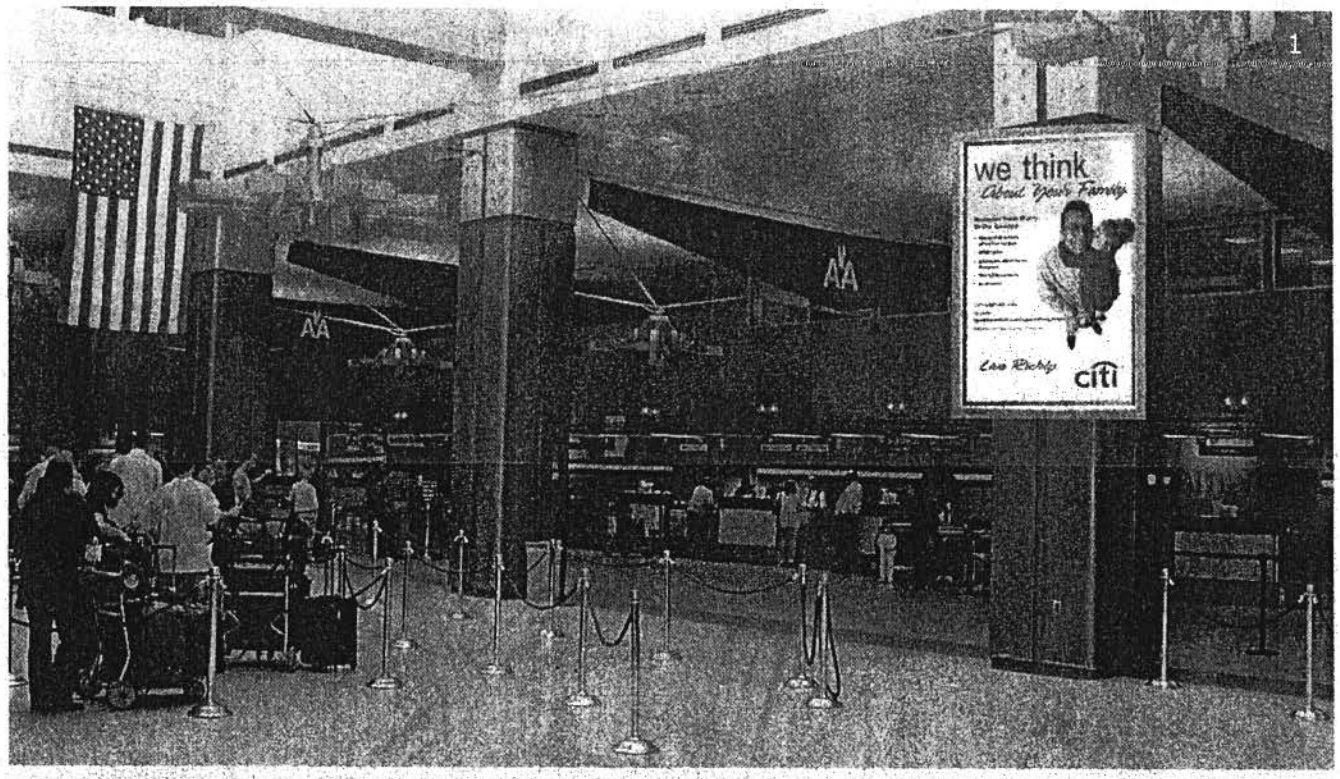
H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 8 – Current



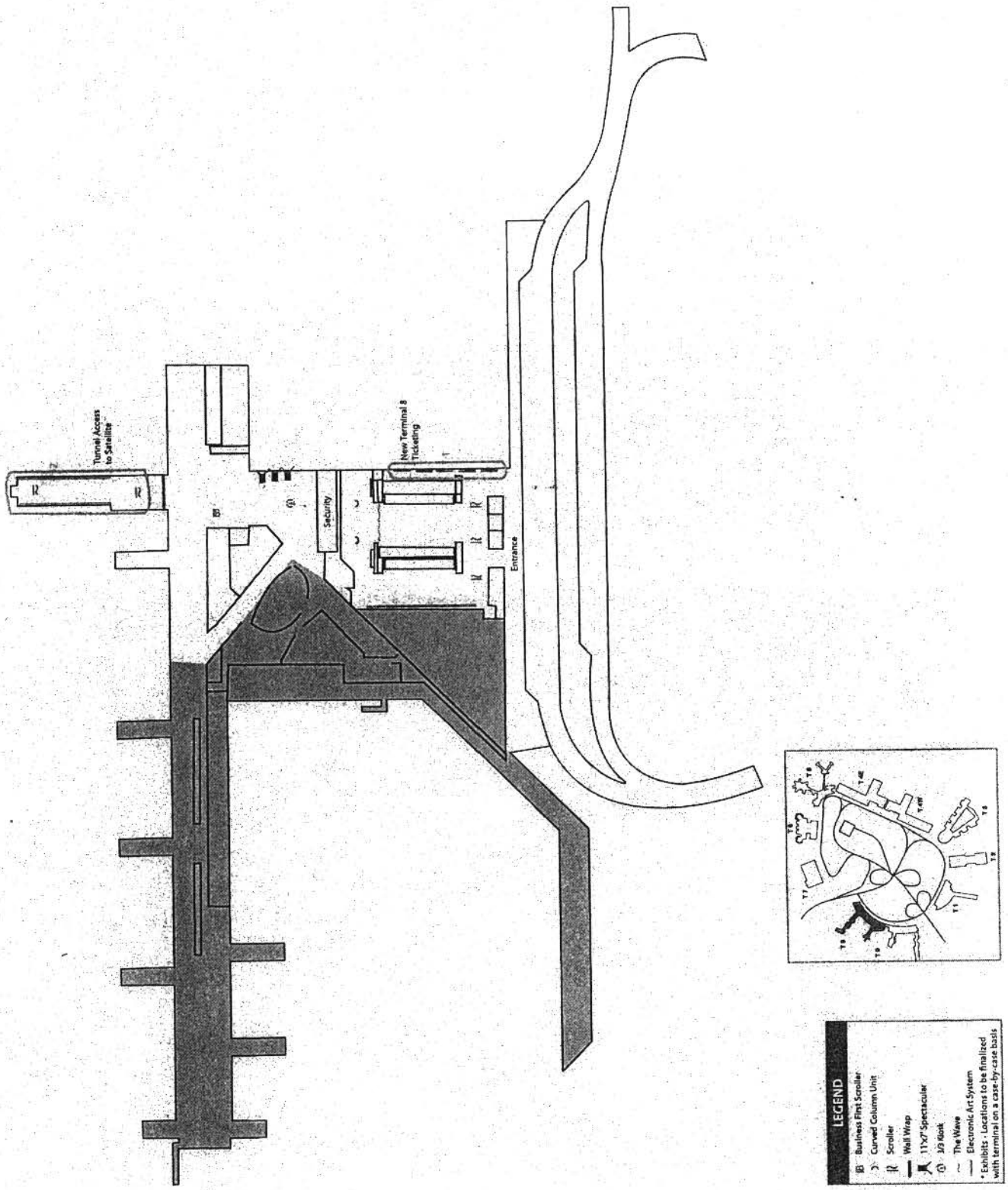
H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 8 – Current



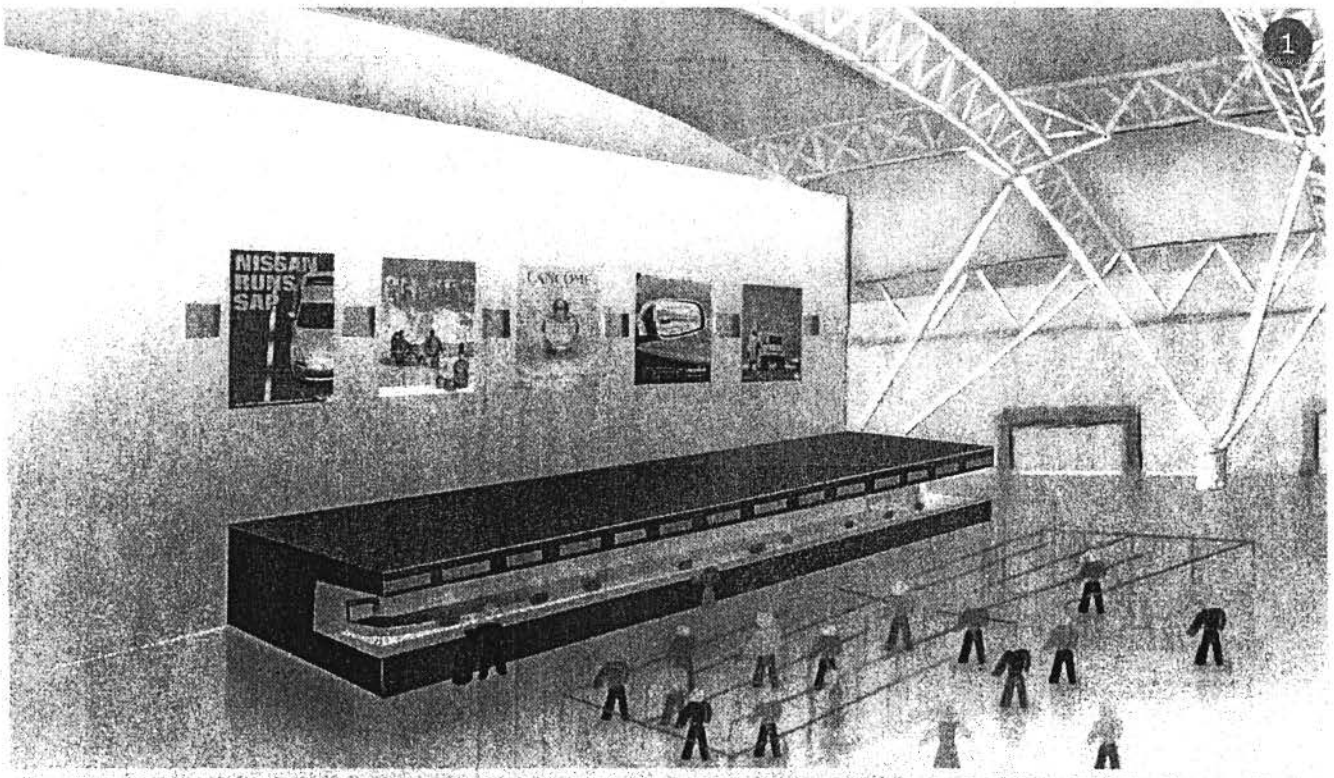
H.2 Marketing Strategy and Approach

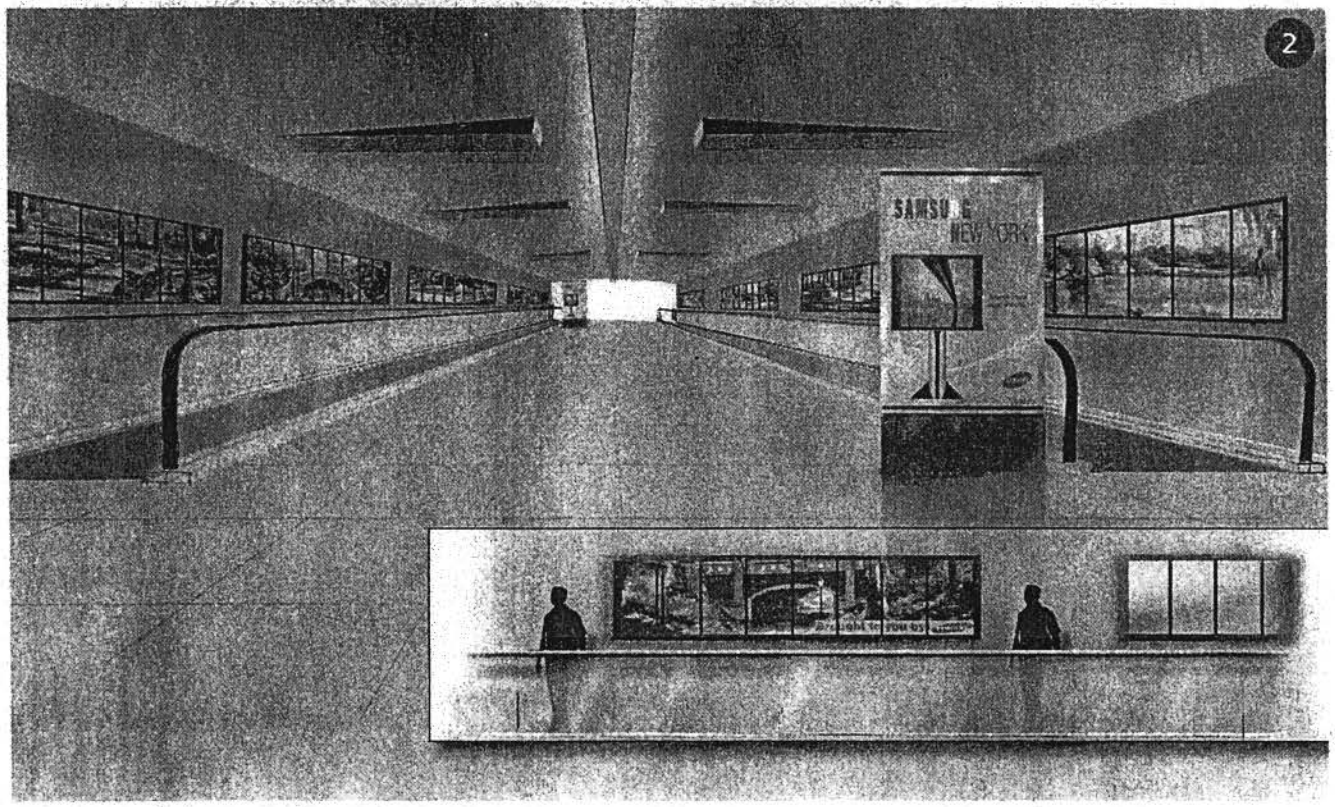
John F. Kennedy International Airport – Terminal 8 – Coming Soon



H.2 Marketing Strategy and Approach

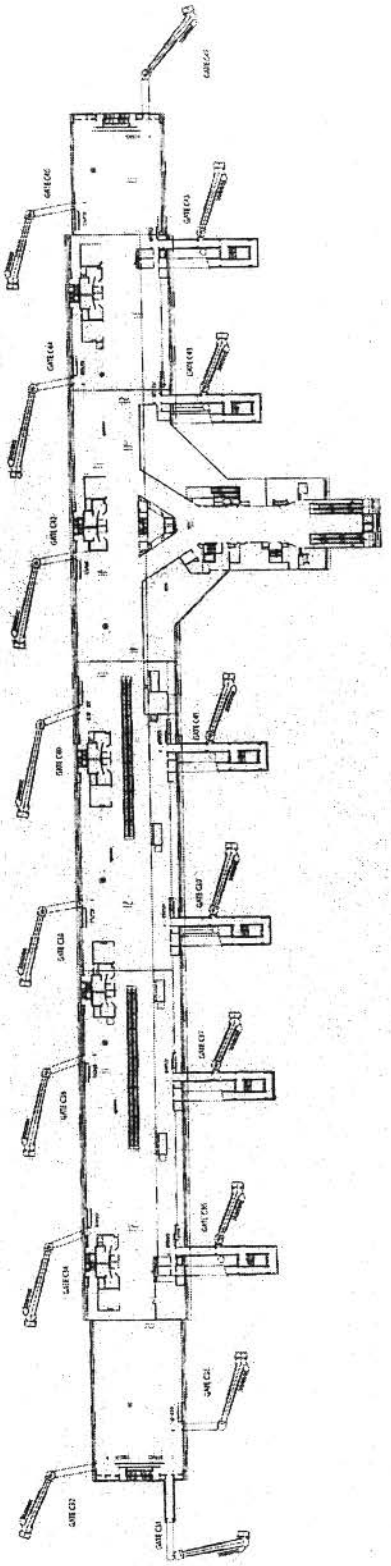
John F. Kennedy International Airport – Terminal 8 – Coming Soon

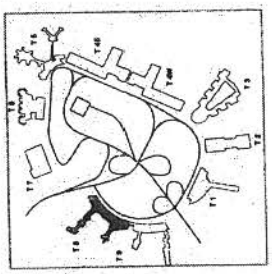




H.2 Marketing Strategy and Approach

John F. Kennedy International Airport – Terminal 8 – Coming Soon





LEGEND

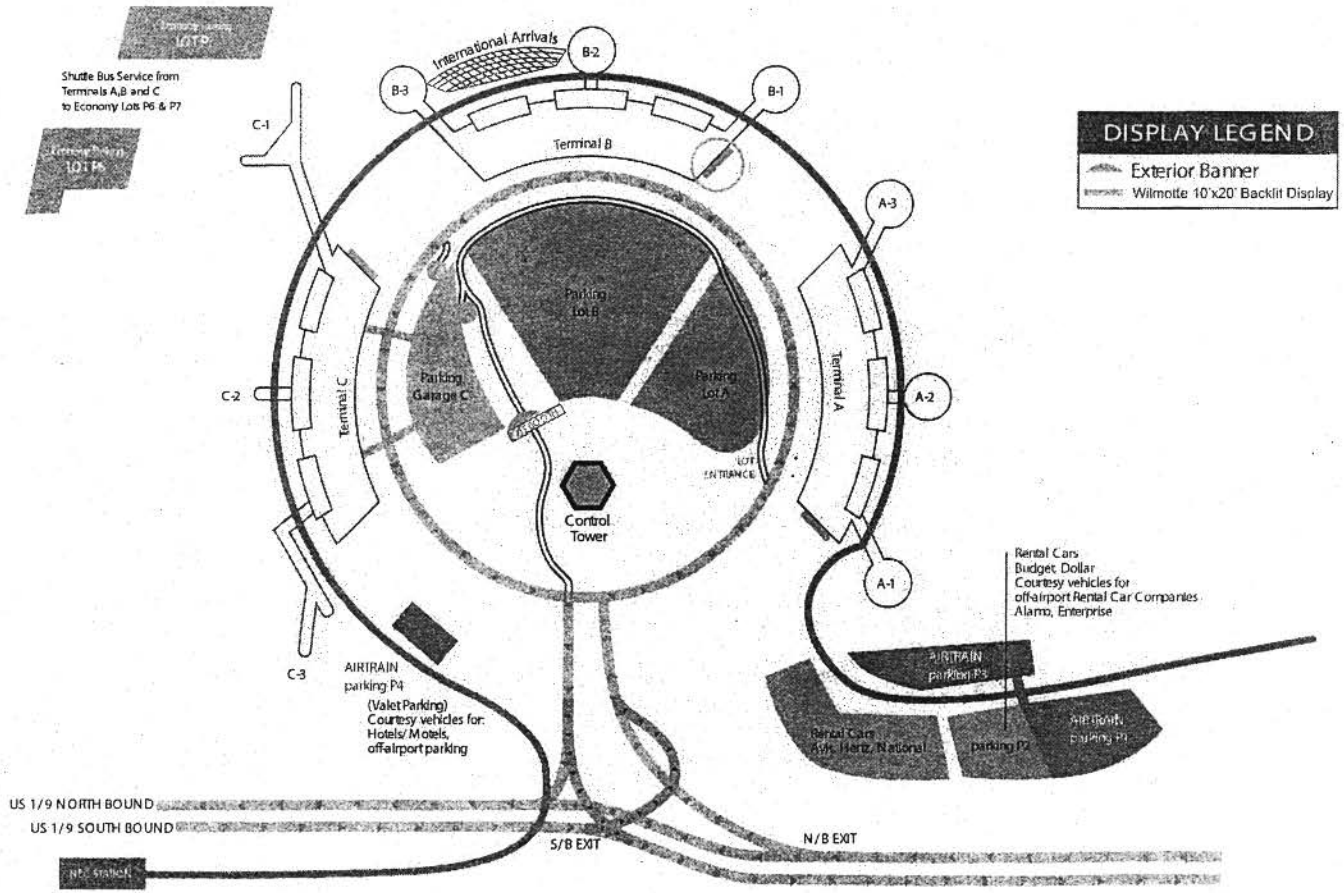
- Double Sided Scroller
- AAU
- 5'x6'
- Power Pole
- AAU - Digital
- Business First Scroller
- * Exhibits - Locations to be finalized with terminal on a case-by-case basis

The Port Authority of NY & NJ

H.2 Marketing Strategy and Approach

Newark Liberty International Airport – Exterior Sites

New York Newark Liberty International Airport
General Overview

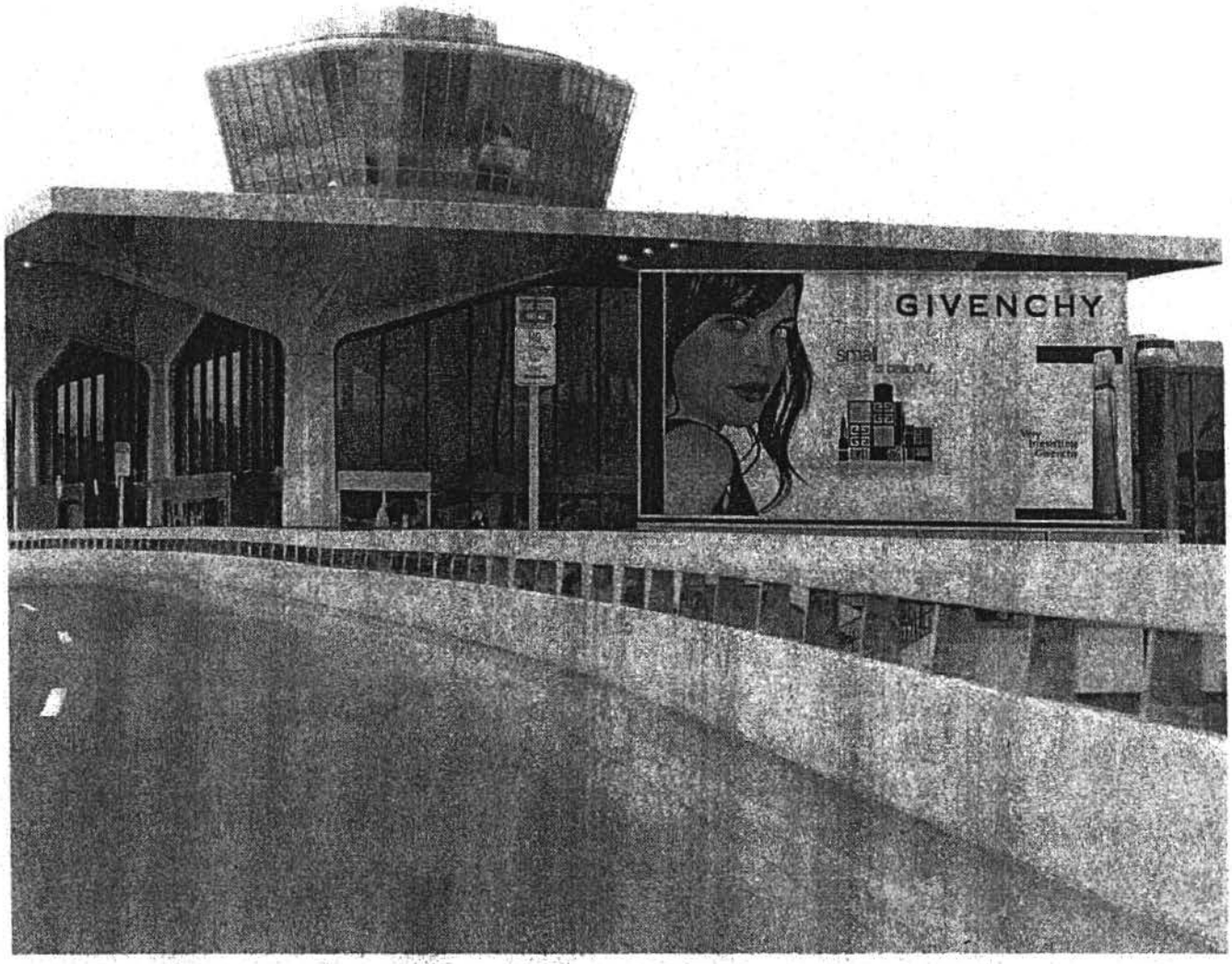


JCDecaux

H.2 Marketing Strategy and Approach

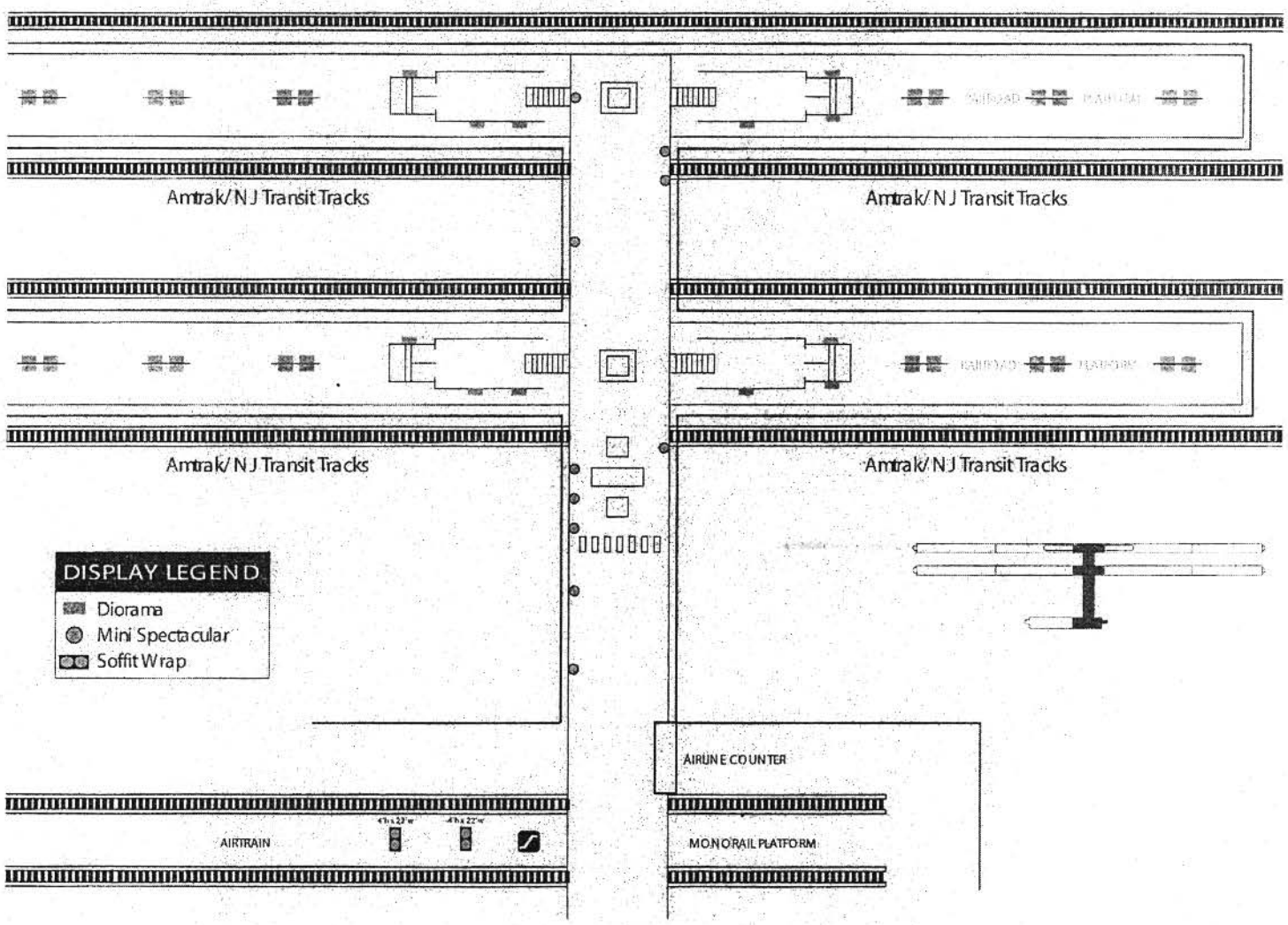
Newark Liberty International Airport – Exterior Sites

1



Newark Liberty International Airport – NEC Platforms

New York Newark Liberty International Airport
NEC Platforms

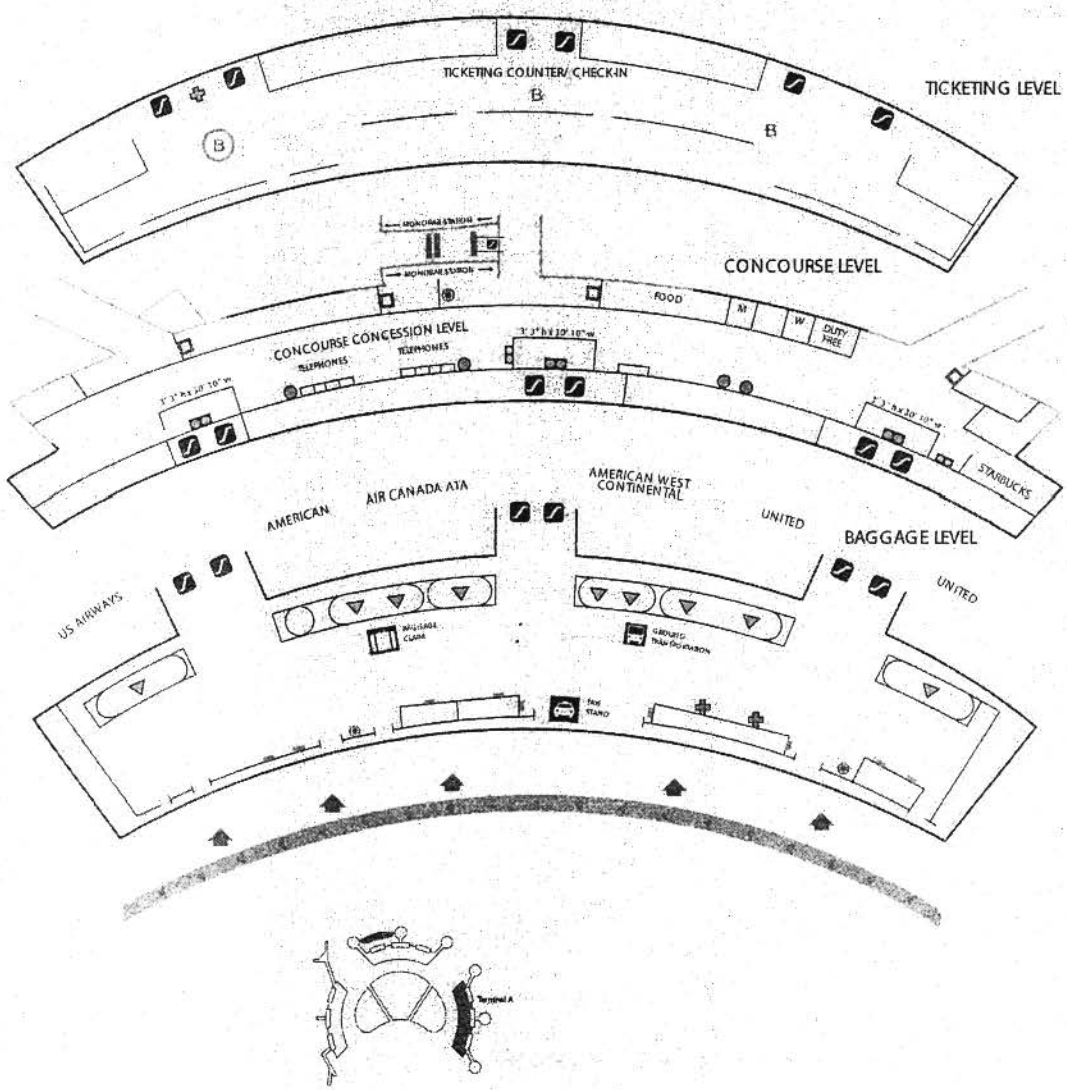


H.2 Marketing Strategy and Approach

Newark Liberty International Airport – Monorail

Newark Liberty International Airport – Terminal A

New York Newark Liberty International Airport
Terminal A



DISPLAY LEGEND

- Diorama
- Light Bag
- Mini Spectacular
- Spectacular
- 2-Sided Spectacular
- Wall Wrap
- Soffit Wrap
- Window Cling
- Floor Exhibit*
  * Available on a case by case basis. Consult with market for details.
- Visitor Information Center
- Bus Shelter Faces
- B Banner

H.2 Marketing Strategy and Approach

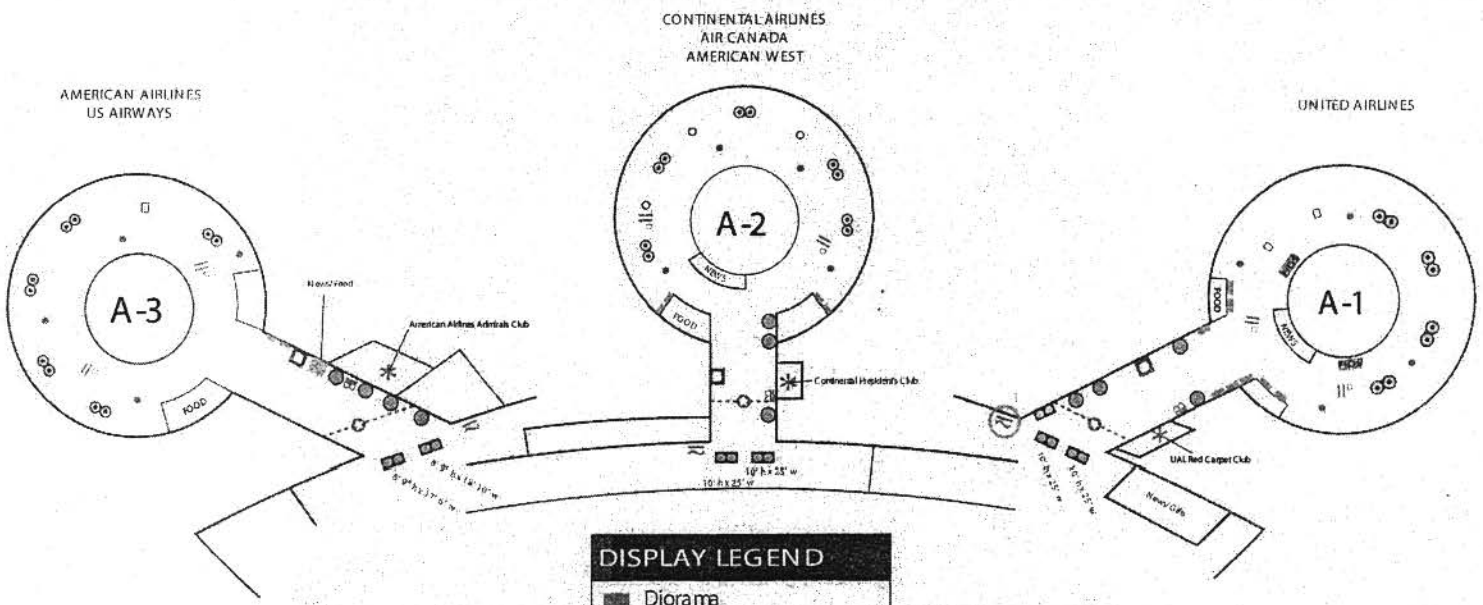
Newark Liberty International Airport – Terminal A

The Port Authority of NY & NJ

H.2 Marketing Strategy and Approach

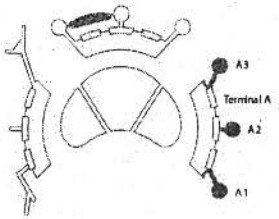
Newark Liberty International Airport – Terminal A

New York Newark Liberty International Airport
Terminal A



DISPLAY LEGEND

- Diorama
- 2-Sided Pedestal Diorama
- Mini-Spectacular
- FIDS
- Wall Wrap
- Soffit Wrap
- Window Cling
- Floor Exhibit*
  *Available on a case by case basis. Consult with market for details.
- VIP Club
- Security
- Power Pole
- Scroller
- AAU - Digital
- Business First Scroller



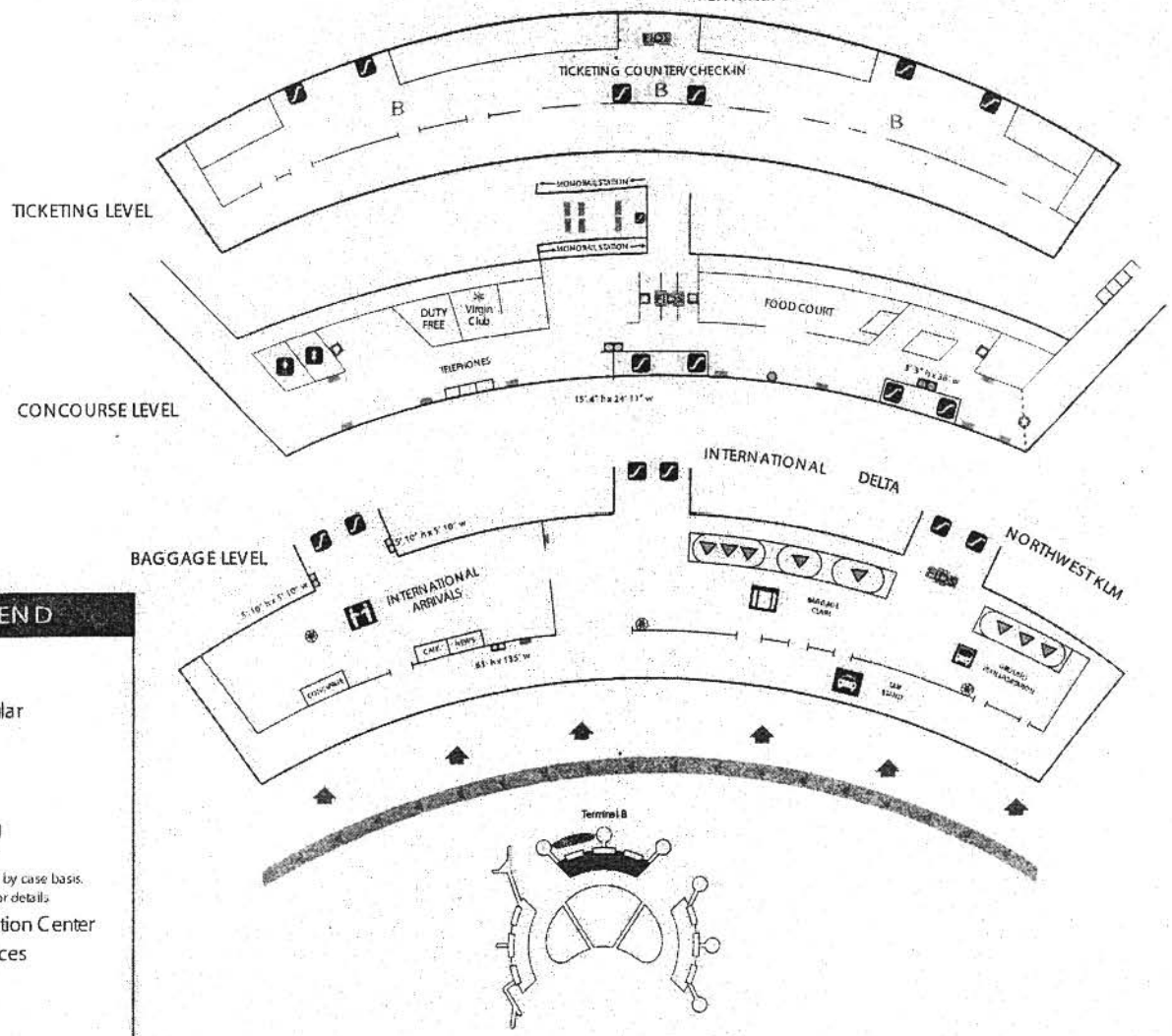
JCDecaux

H.2 Marketing Strategy and Approach

Newark Liberty International Airport – Terminal A

Newark Liberty International Airport – Terminal B

New York Newark Liberty International Airport
Terminal B



DISPLAY LEGEND

- Diorama
- Light Bag
- Mini Spectacular
- FIDS
- Wall Wrap
- Soffit Wrap
- Window Cling
- Floor Exhibit*
  - * Available on a case by case basis. Consult with market for details
- Visitor Information Center
- Bus Shelter Faces
- VIP Club
- Security
- B Banner

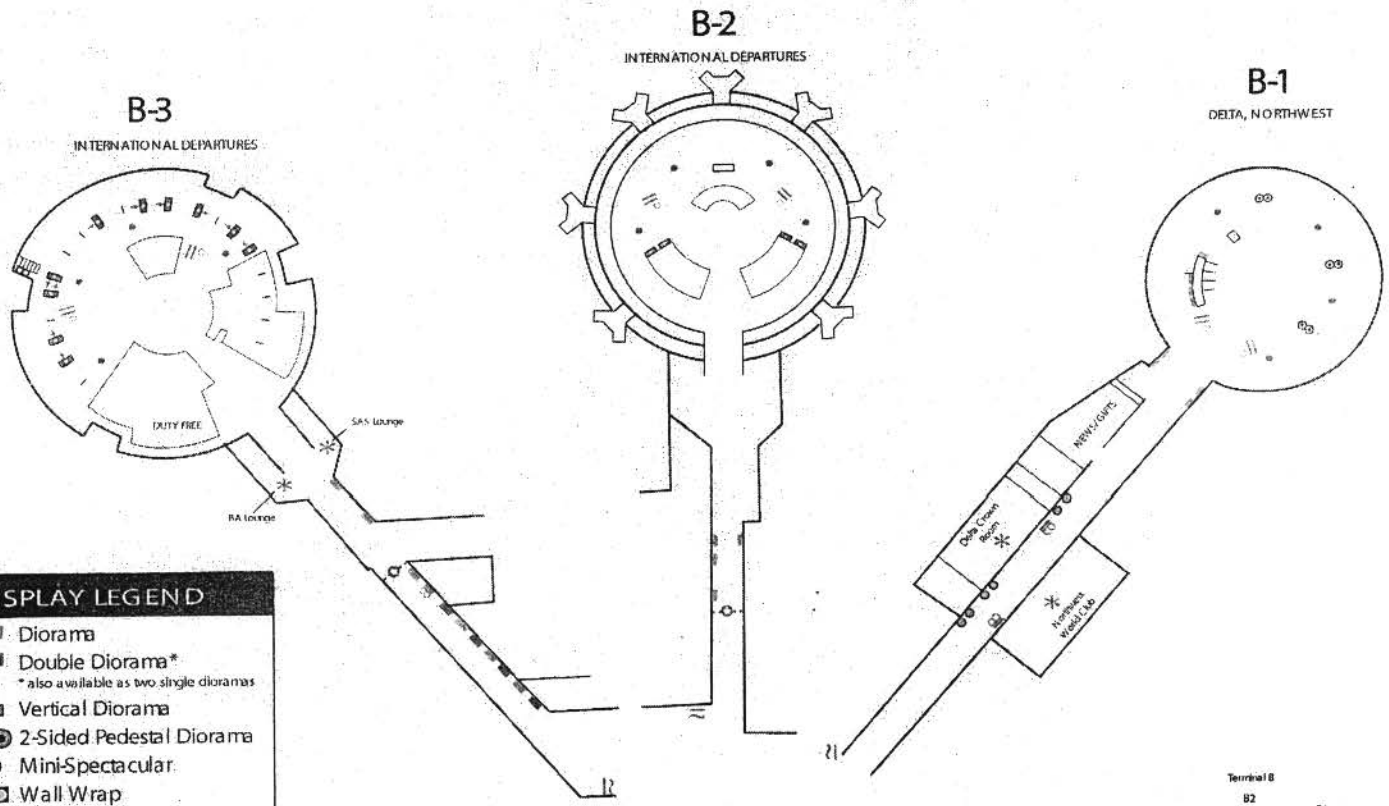
The Port Authority of NY & NJ

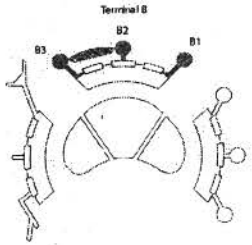
H.2 Marketing Strategy and Approach

JCDecaux

Newark Liberty International Airport – Terminal B

New York Newark Liberty International Airport
Terminal B

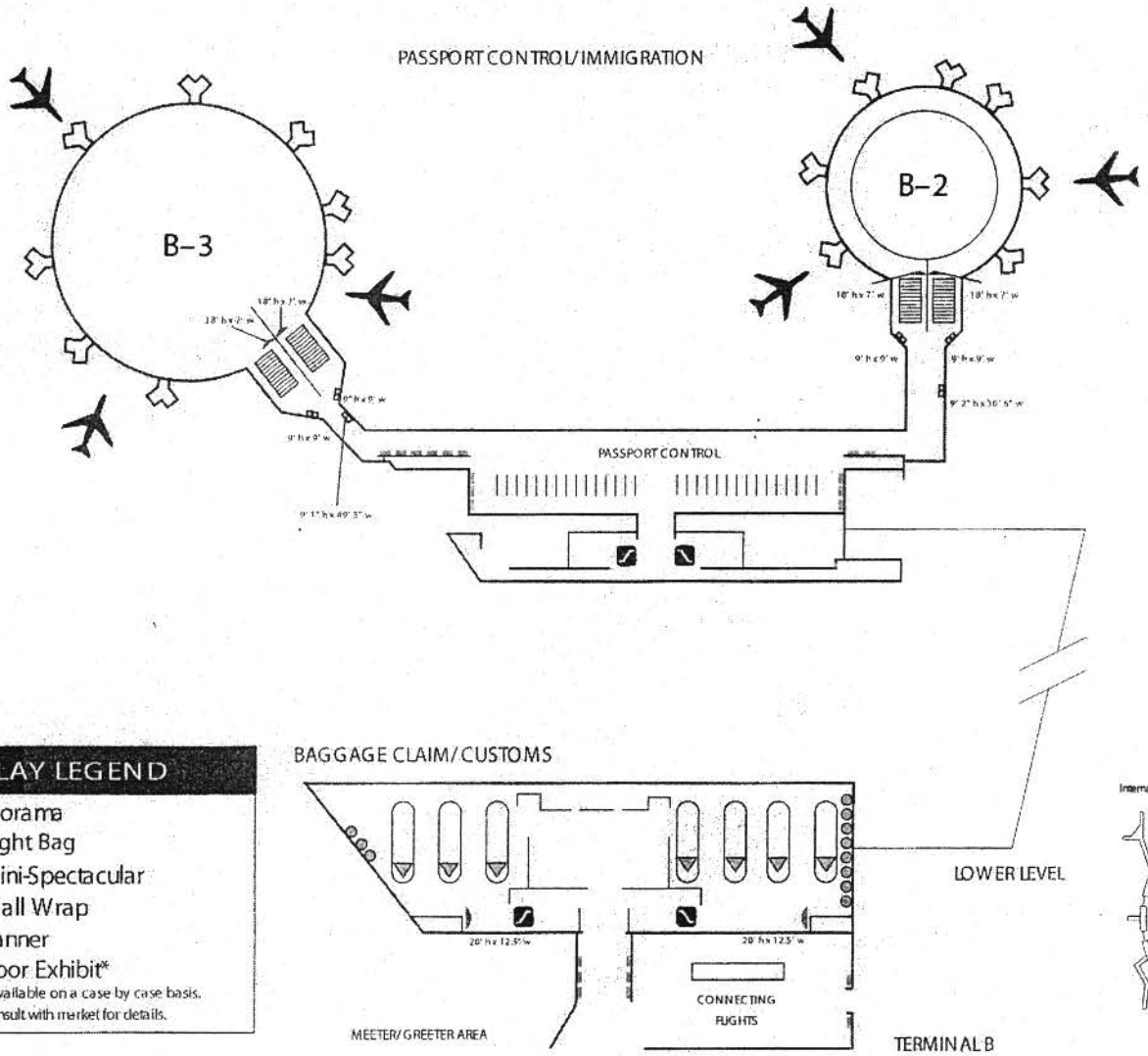


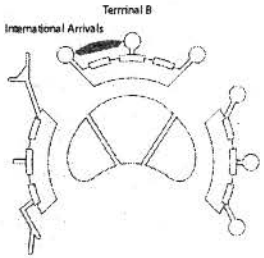


DISPLAY LEGEND

- Diorama
- Double Diorama*
  * also available as two single dioramas
- Vertical Diorama
- 2-Sided Pedestal Diorama
- Mini-Spectacular
- Wall Wrap
- Floor Exhibit*
  * Available on a case by case basis. Consult with market for details.
- VIP Club
- Security
- Scroller
- Power Pole
- AAU - Digital
- Business First Scroller

New York Newark Liberty International Airport
Terminal B - International Arrivals





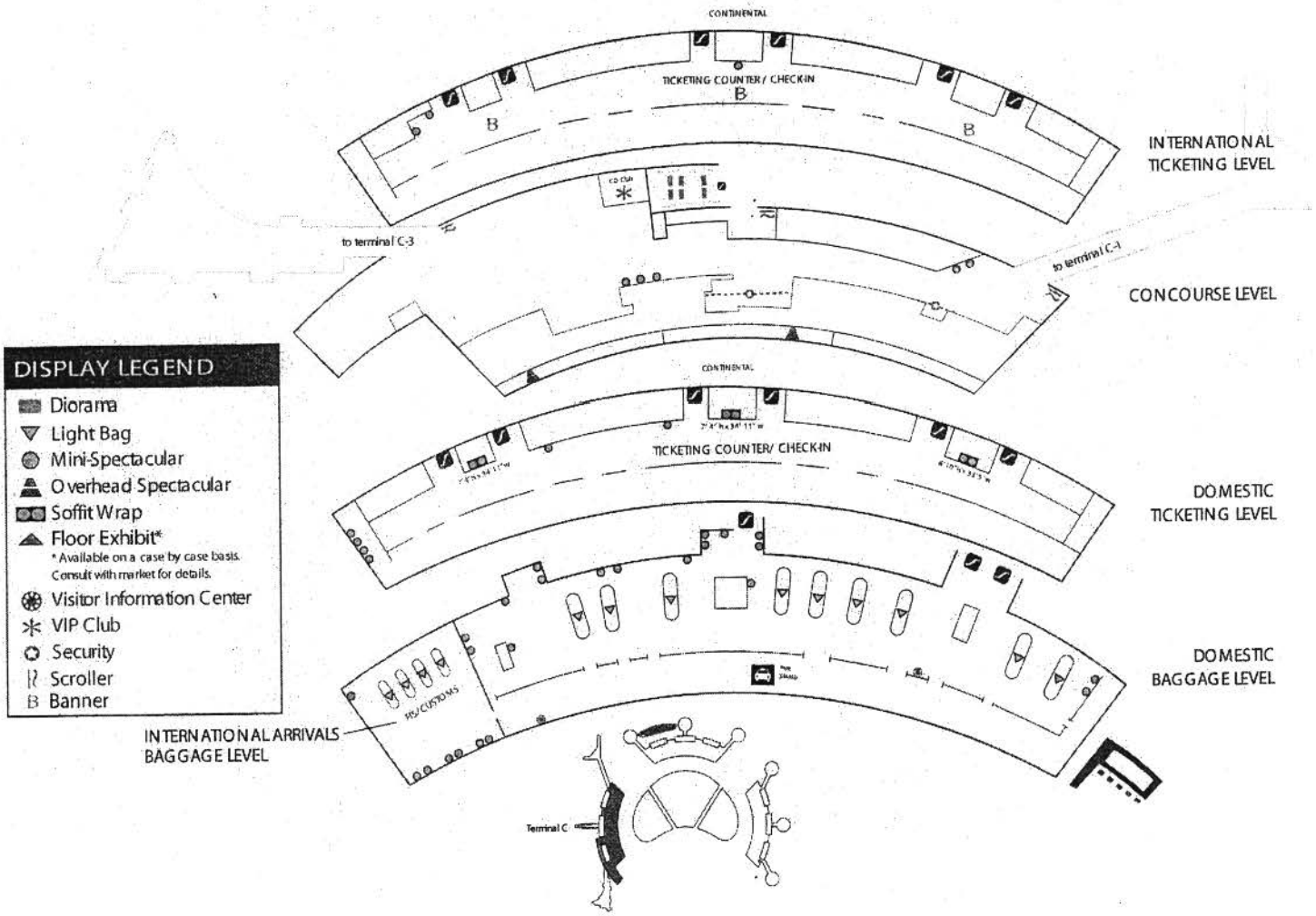
DISPLAY LEGEND

- Diorama
- Light Bag
- Mini-Spectacular
- Wall Wrap
- Banner
- Floor Exhibit*

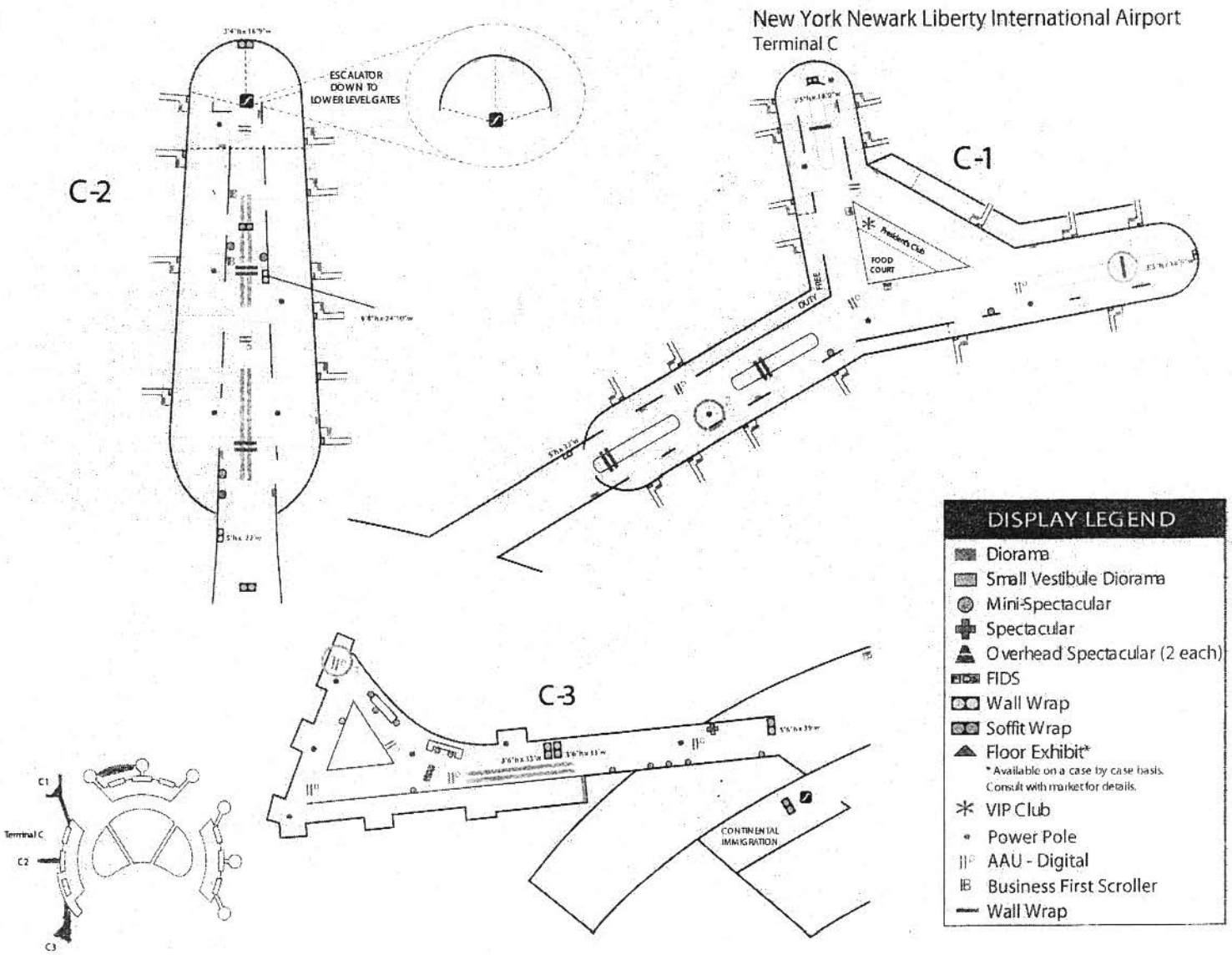
* Available on a case by case basis. Consult with market for details.

Newark Liberty International Airport – Terminal C

New York Newark Liberty International Airport
Terminal C

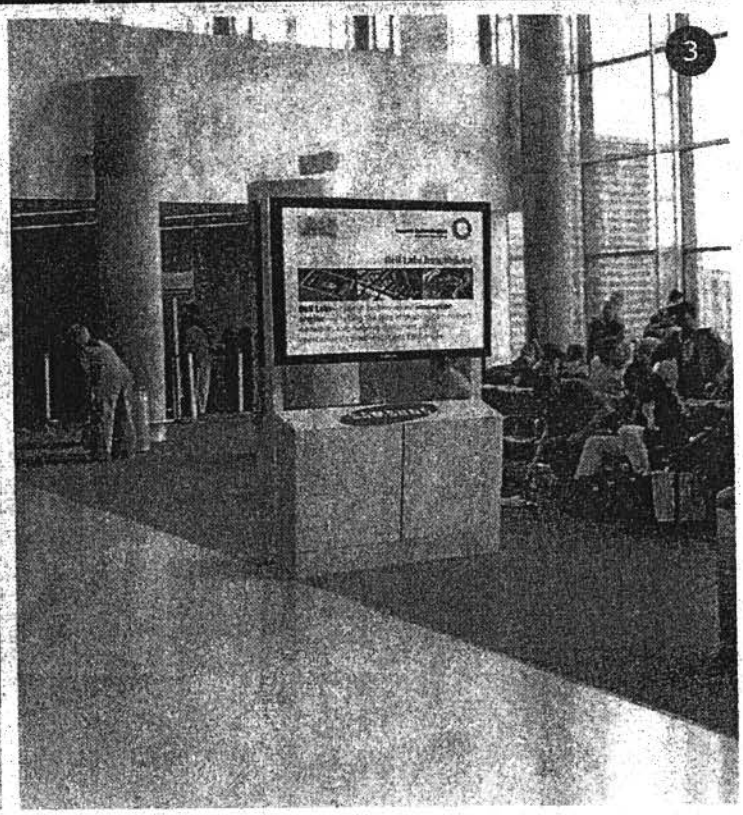


Newark Liberty International Airport – Terminal C



H.2 Marketing Strategy and Approach

Newark Liberty International Airport – Terminal C

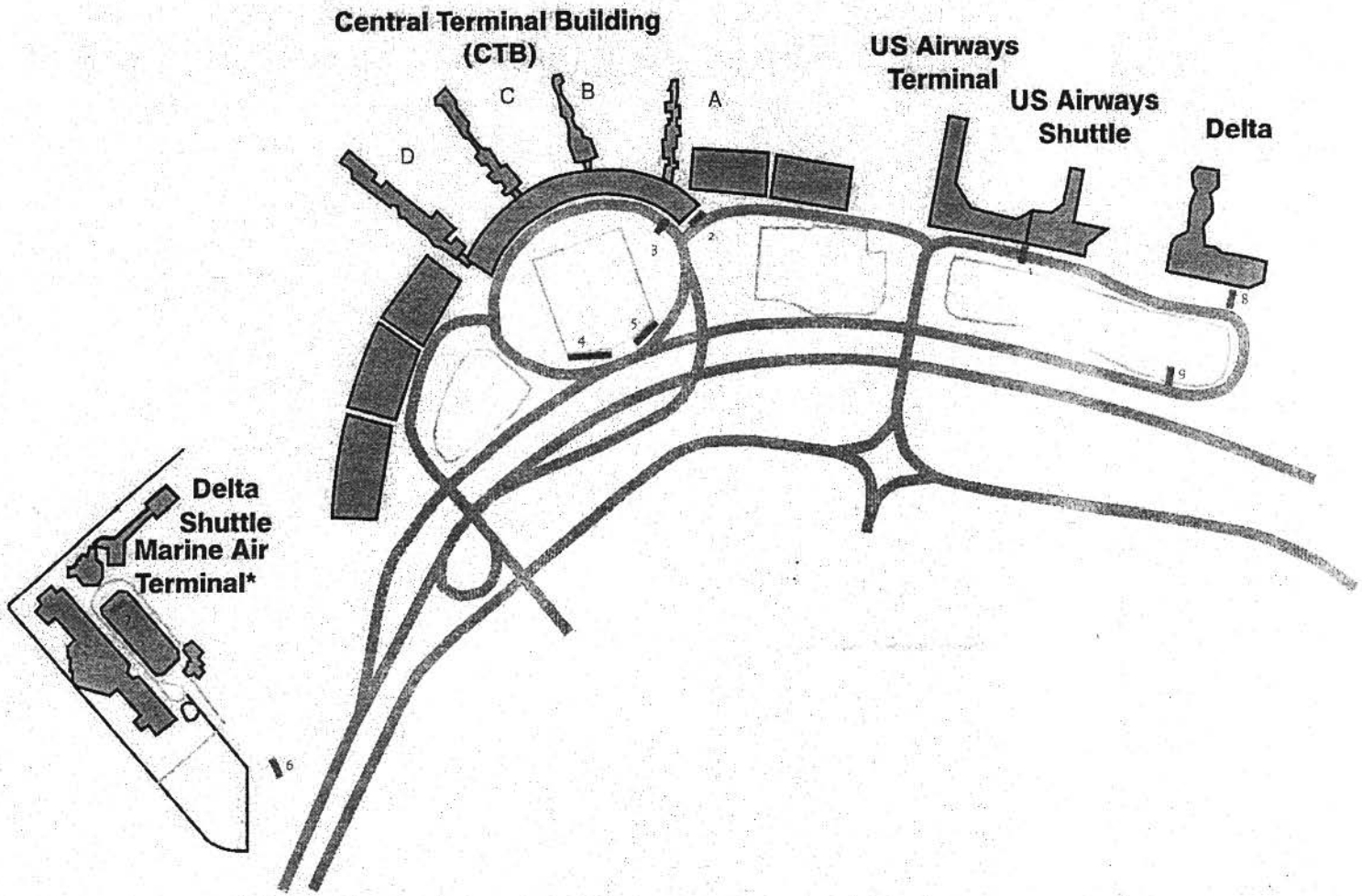


The Port Authority of NY & NJ

H.2 Marketing Strategy and Approach

JCDecaux

LaGuardia Airport – Exterior Sites



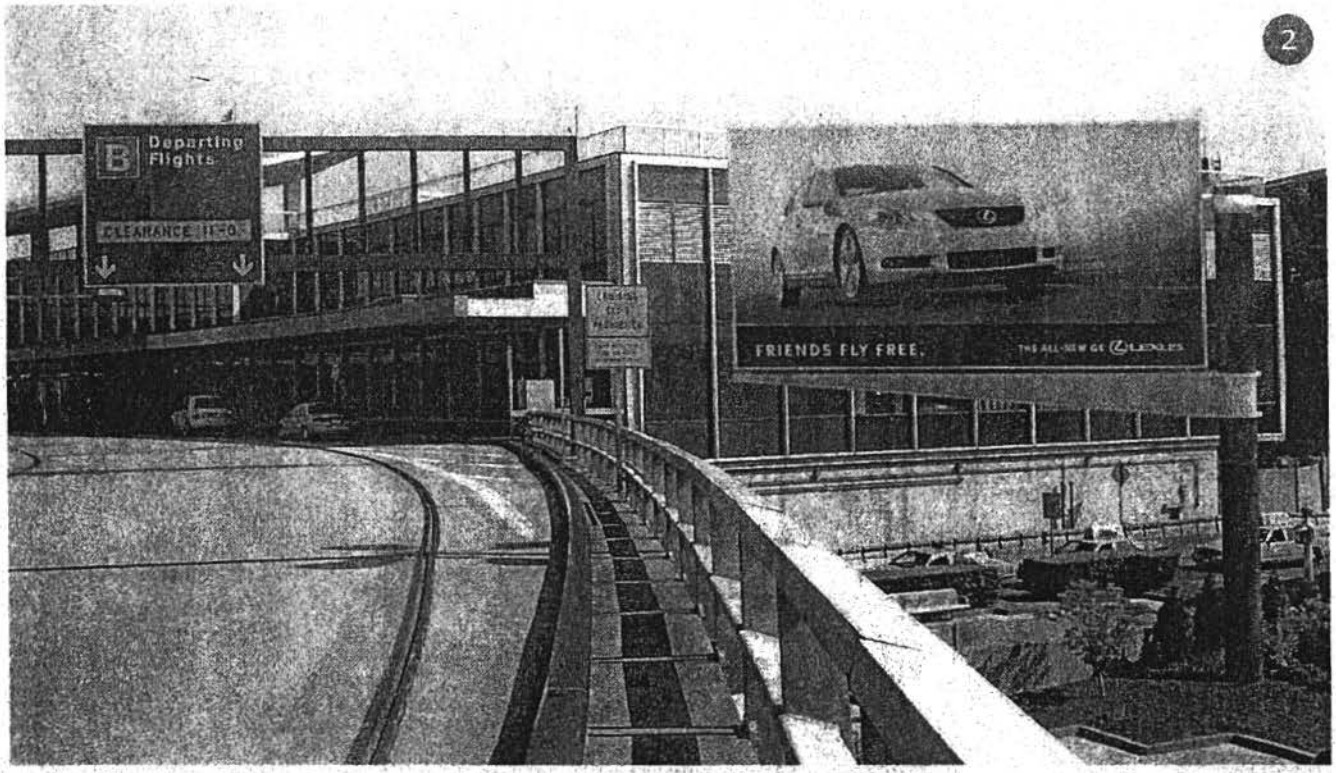
	LaGuardia Airport		
1.	U-S Airways	Backlit Wilmotte Display	10' x 20'
2.	Central Terminal Building Bulletin Lit	Backlit Wilmotte Display	10' x 20'
3.	Central Terminal Building Skybridge Lit	Foster Spectacular	20' x 60'
4.	Garage Elevated The Big Sign Lit	Front-lit Display	20' x 90'
5.	Garage Elevated The Big Sign Lit 2	Front-lit Display	20' x 90'
6.	Delta Shuttle	Foster Spectacular	20' x 60'
7.	Parking - Delta Shuttle	Backlit Wilmotte Display	10' x 20'
8.	Delta Flight Center Exterior	Backlit Wilmotte Display	10' x 20'
9.	Grand Central Parkway - Parking	Front-lit Display	13' x 40'

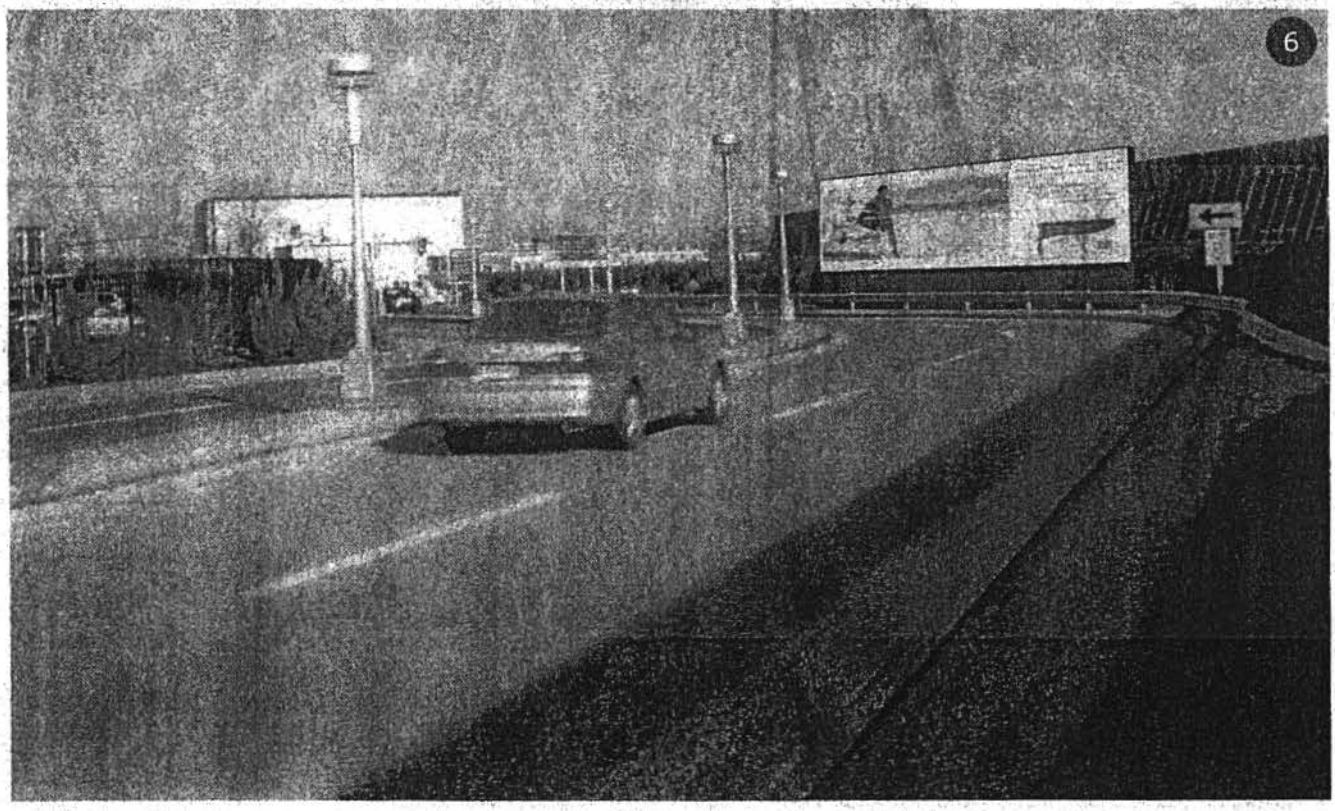
LEGEND

— Exterior Sites

H.2 Marketing Strategy and Approach

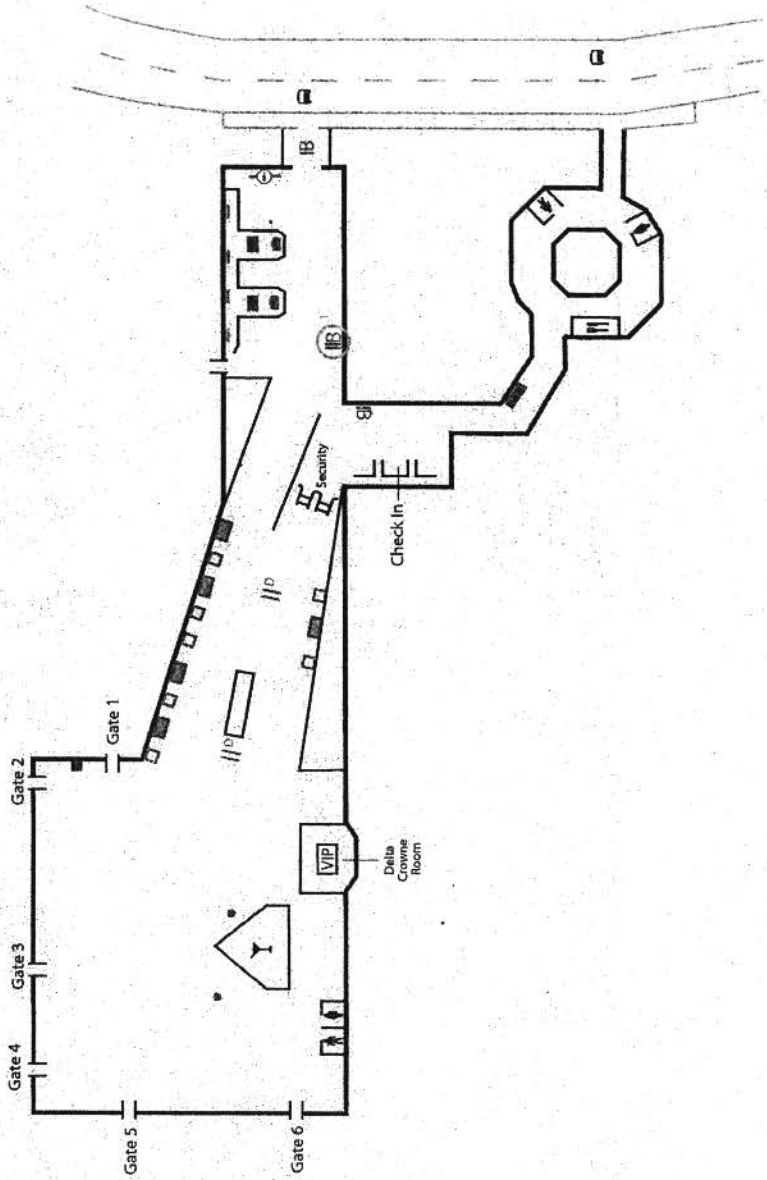
LaGuardia Airport – Exterior Sites

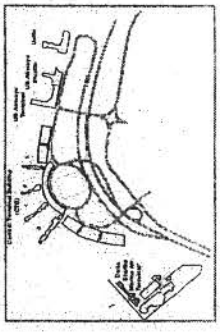


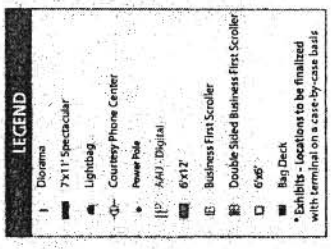


H.2 Marketing Strategy and Approach

LaGuardia Airport – Marine Air Terminal



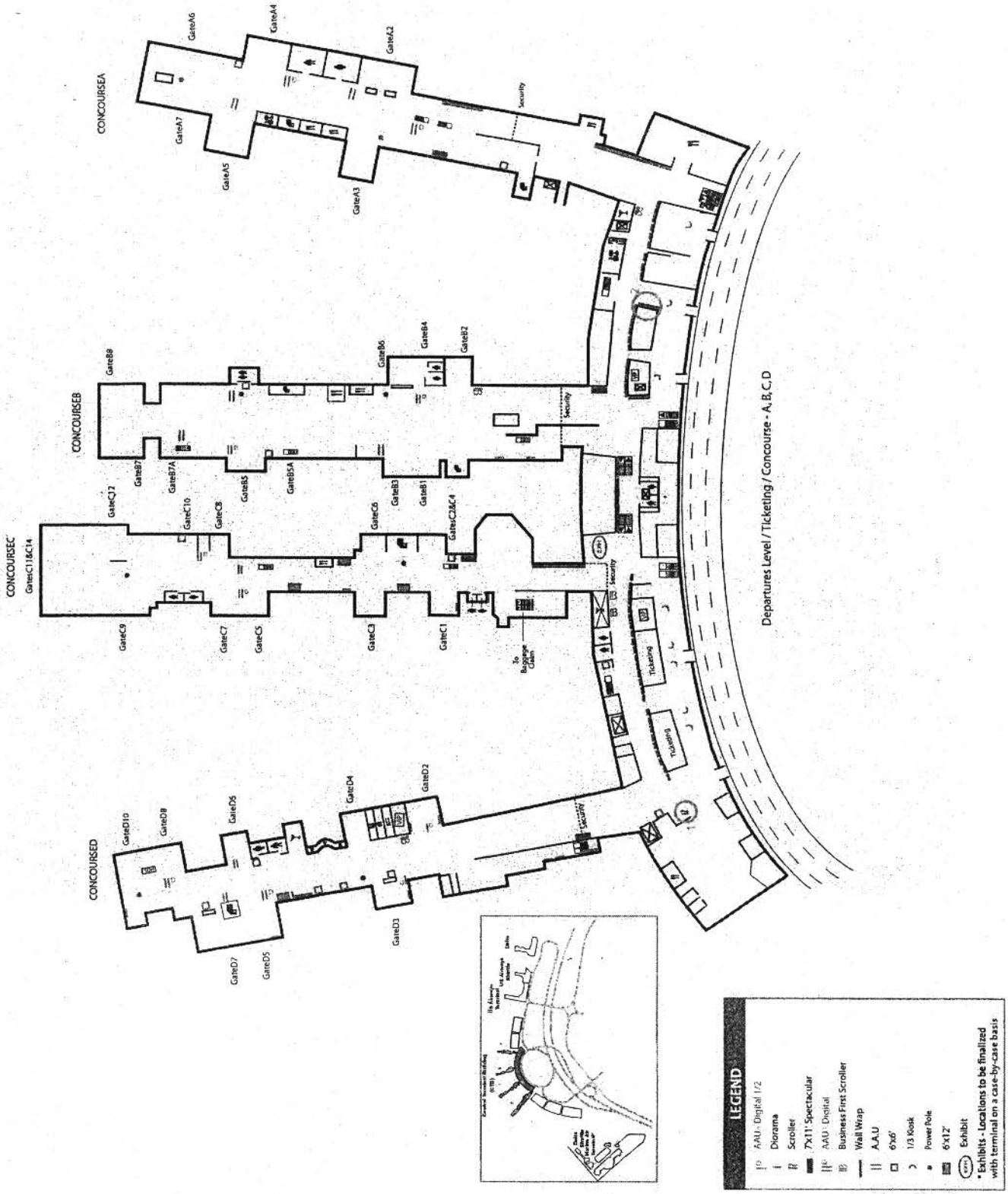




H.2 Marketing Strategy and Approach

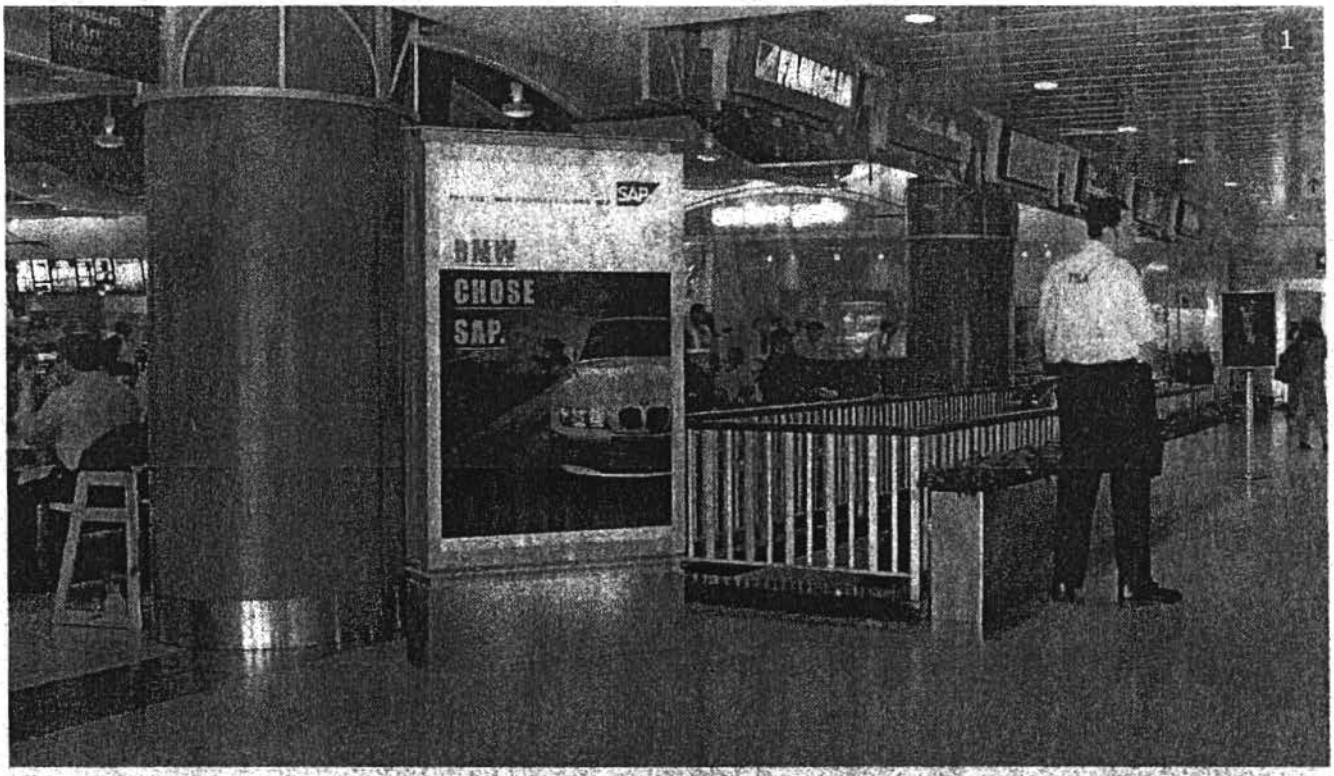
LaGuardia Airport – Marine Air Terminal

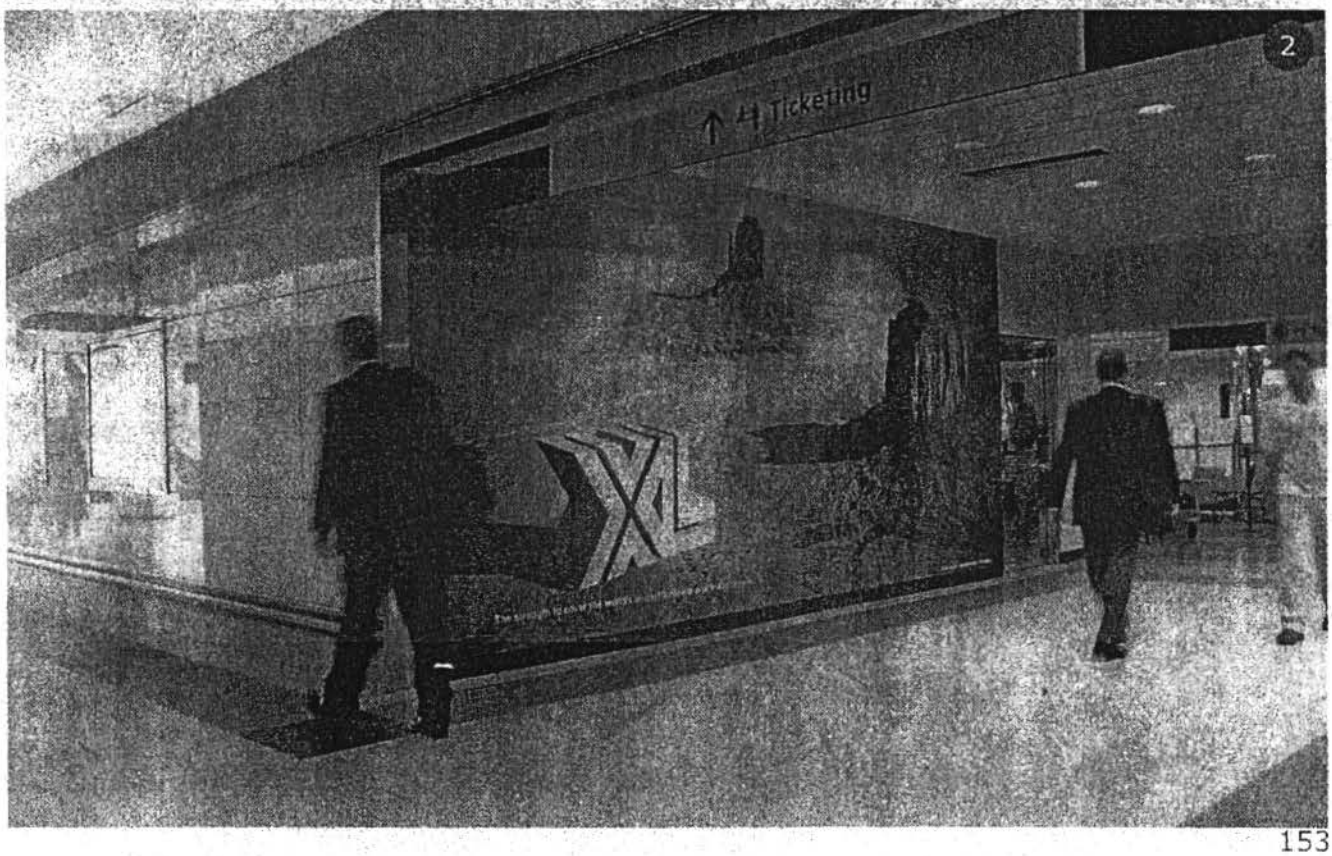
LaGuardia Airport – Central Terminal Building



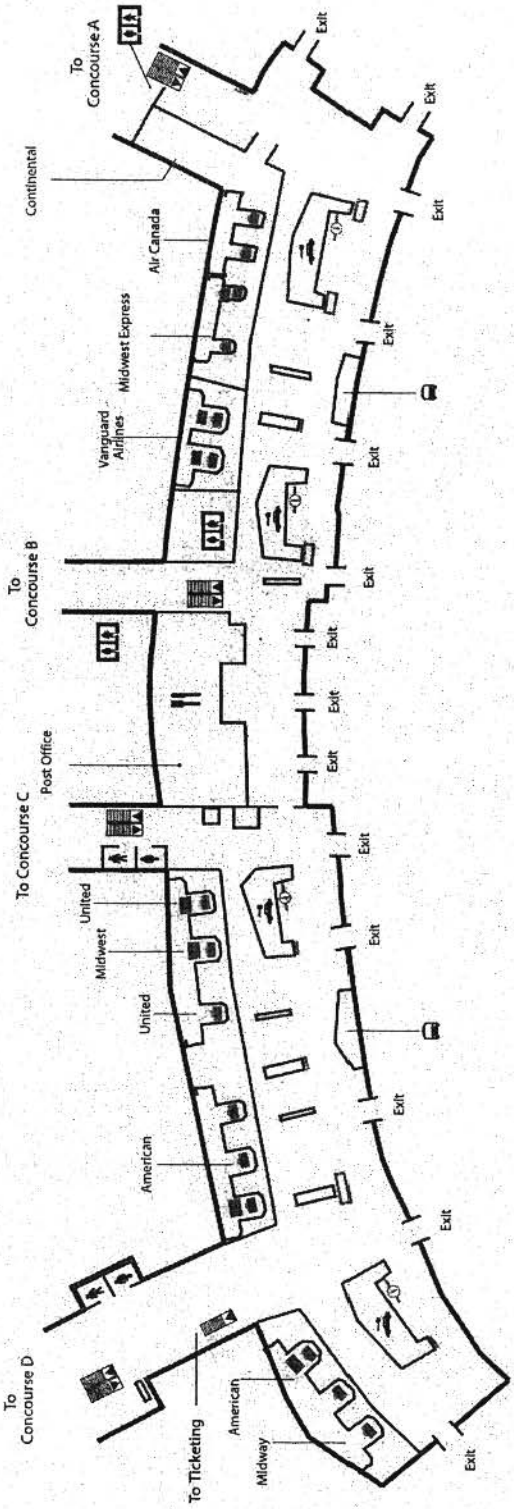
H.2 Marketing Strategy and Approach

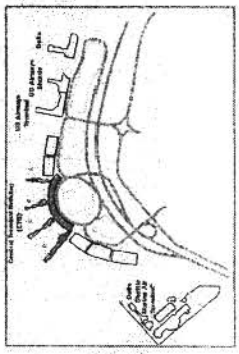
LaGuardia Airport – Central Terminal Building





LaGuardia Airport – Central Terminal Building





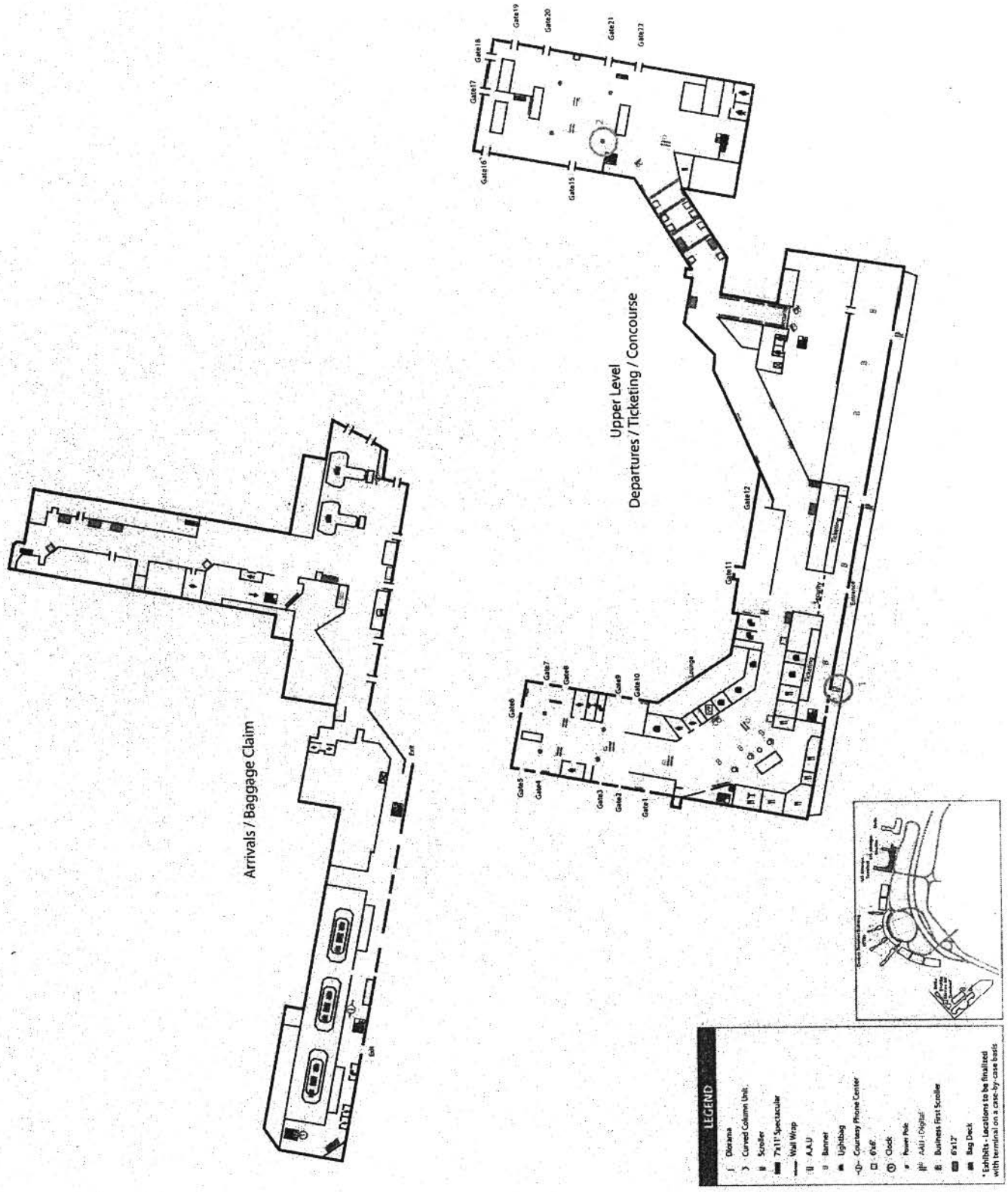
LEGEND

- Bag Deck
- Diorama
- Lightbag
- 4'x10' Spectacular
- Courtesy Phone Center

* Exhibits - Locations to be finalized with terminal on a case-by-case basis

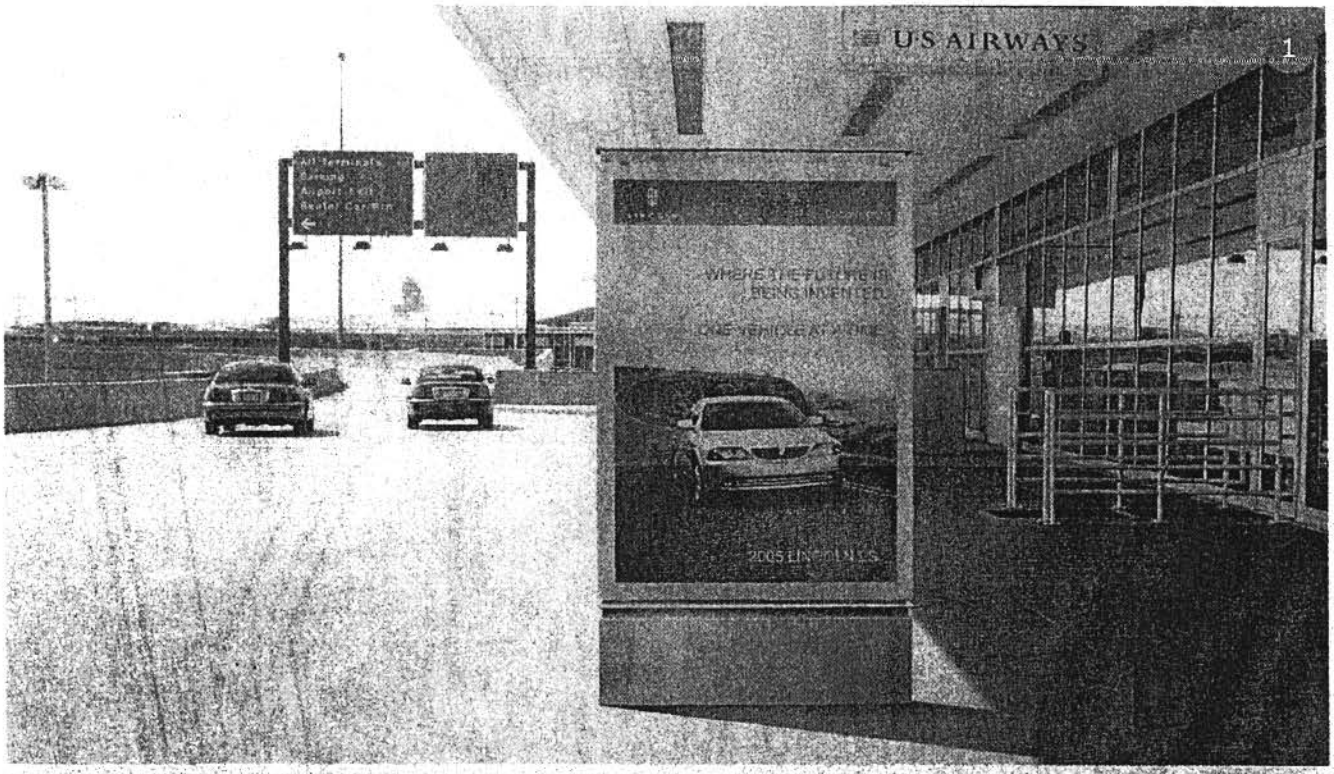
H.2 Marketing Strategy and Approach

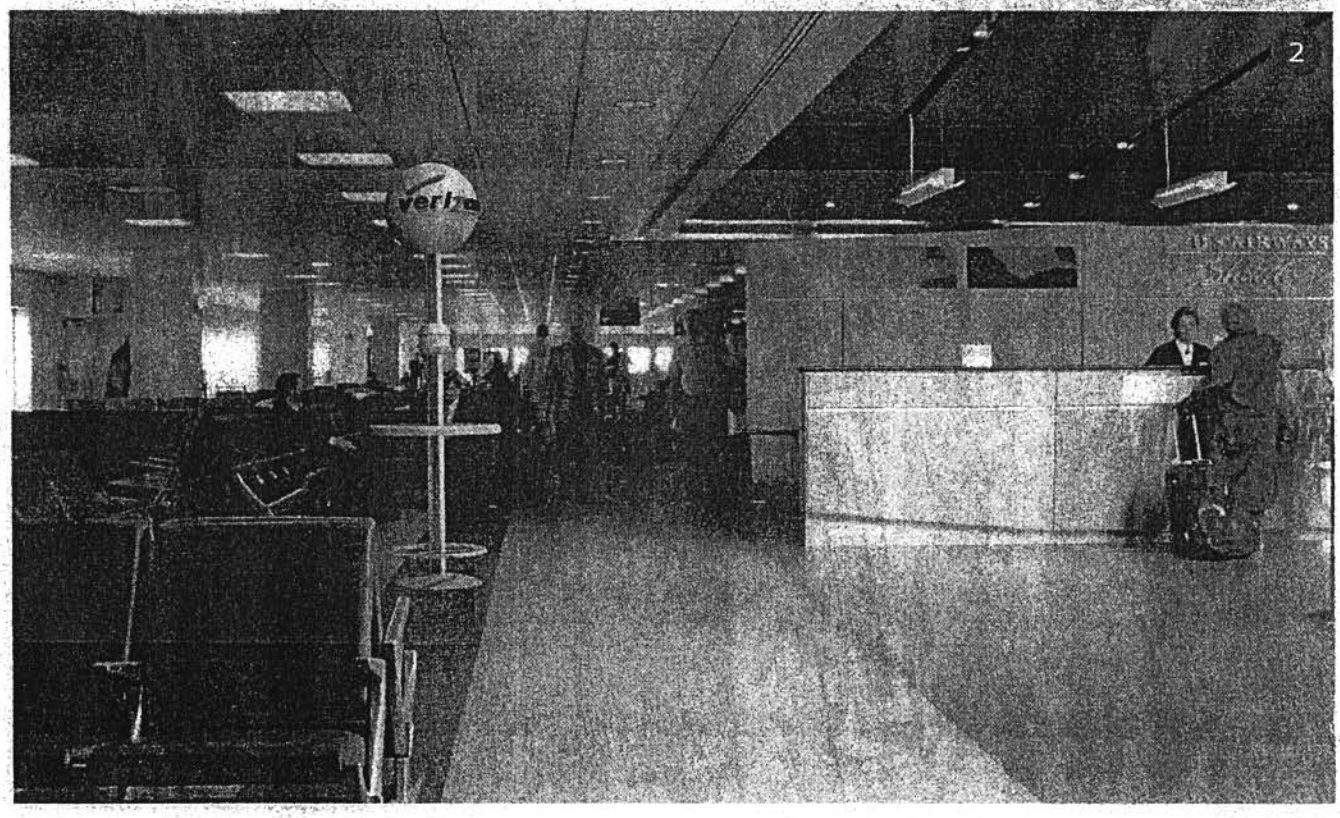
LaGuardia Airport – U·S Airways Terminal



H.2 Marketing Strategy and Approach

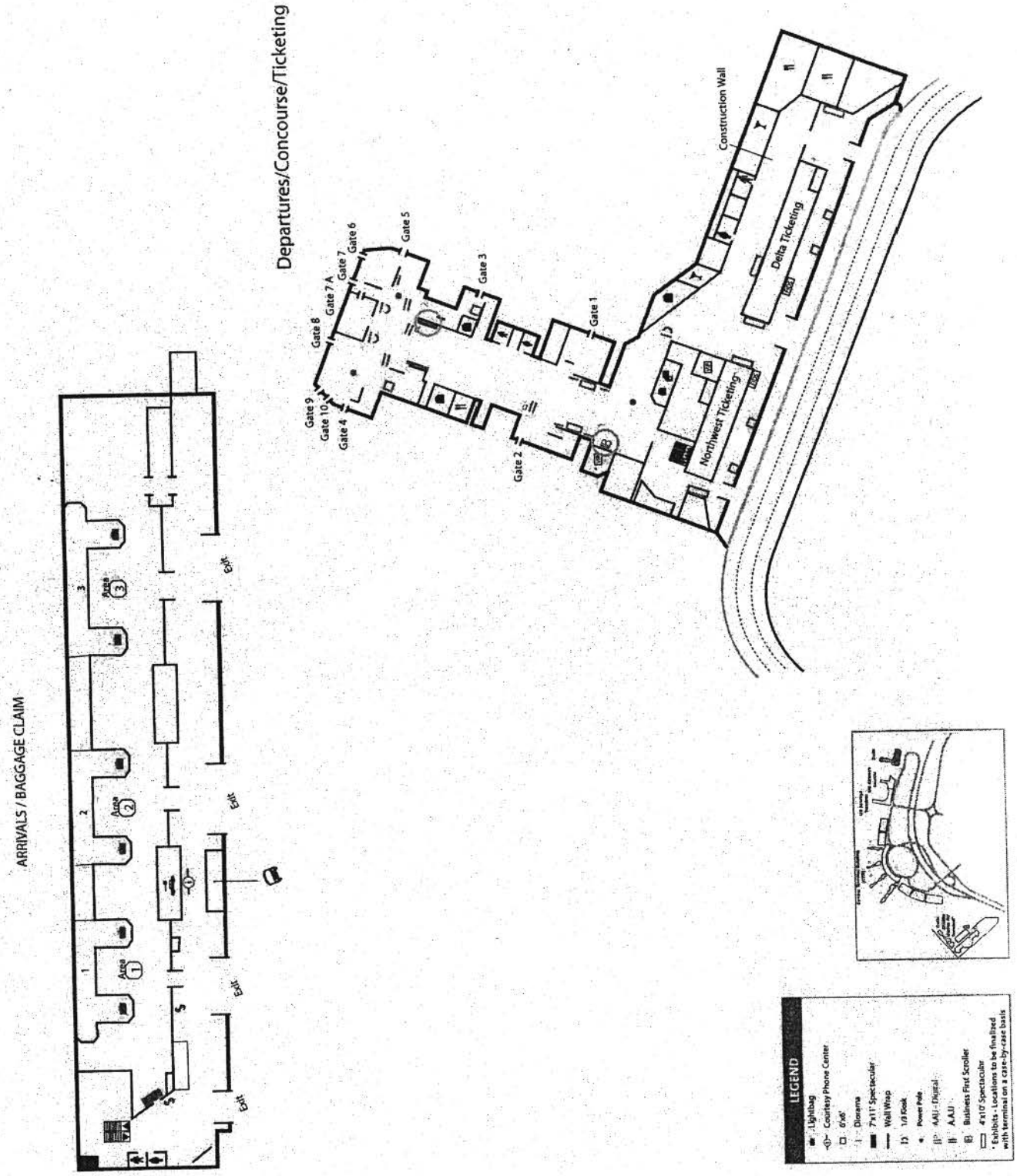
LaGuardia Airport – U·S Airways Terminal





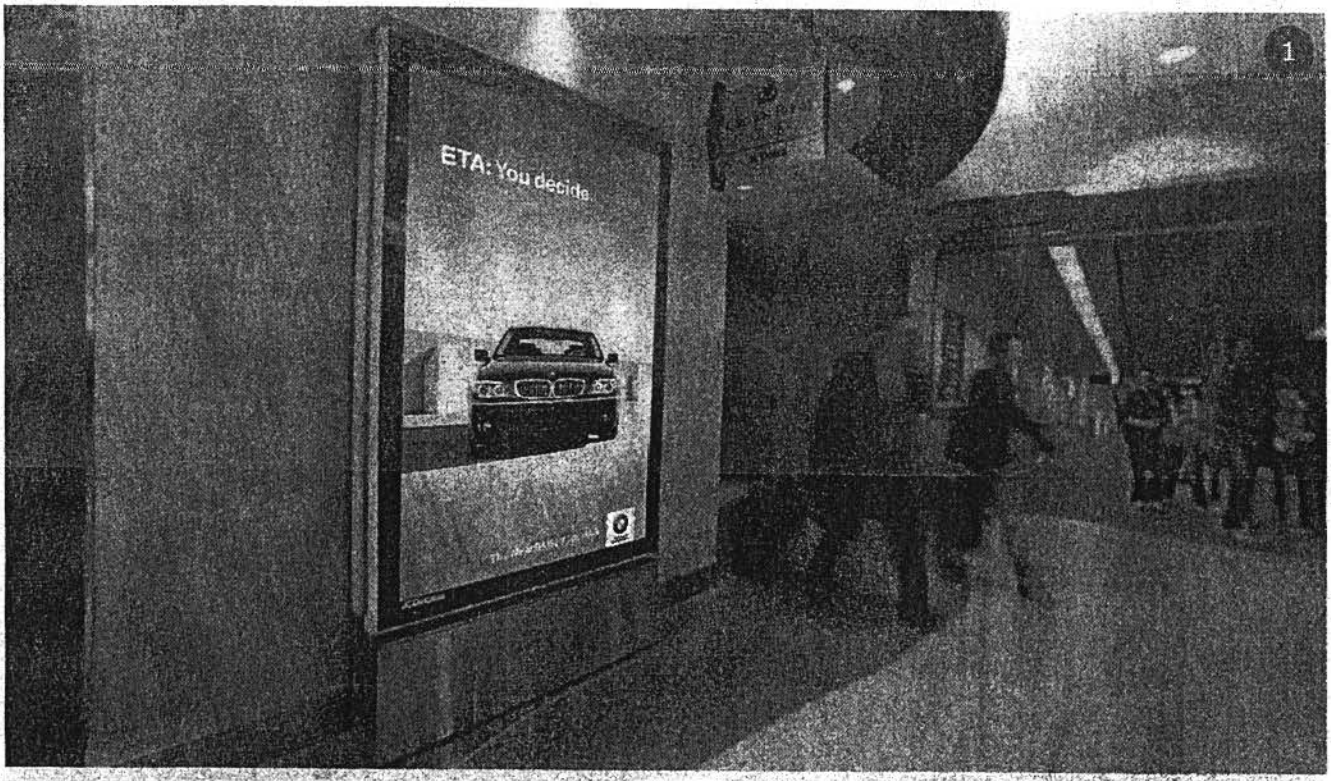
H.2 Marketing Strategy and Approach

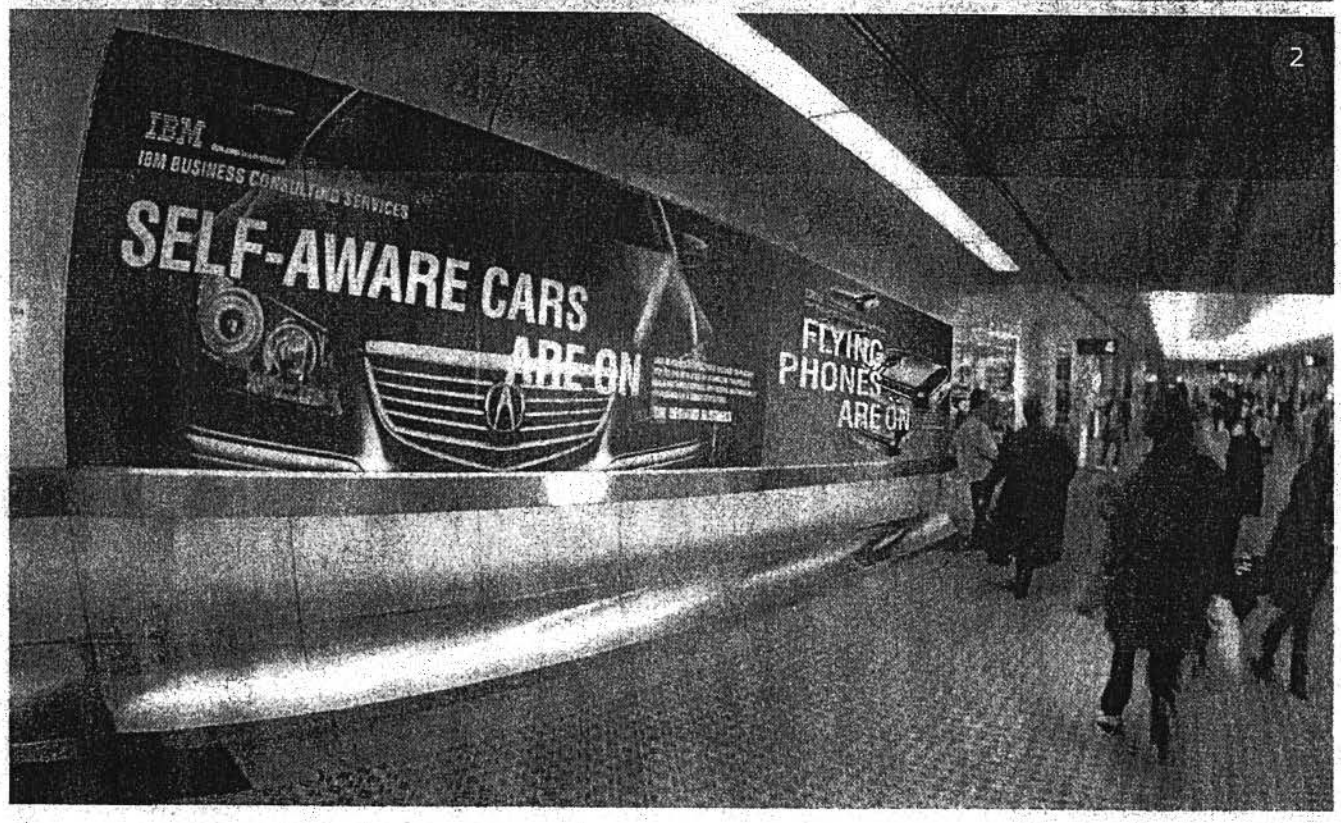
LaGuardia Airport – Delta Terminal



H.2 Marketing Strategy and Approach

LaGuardia Airport – Delta Terminal

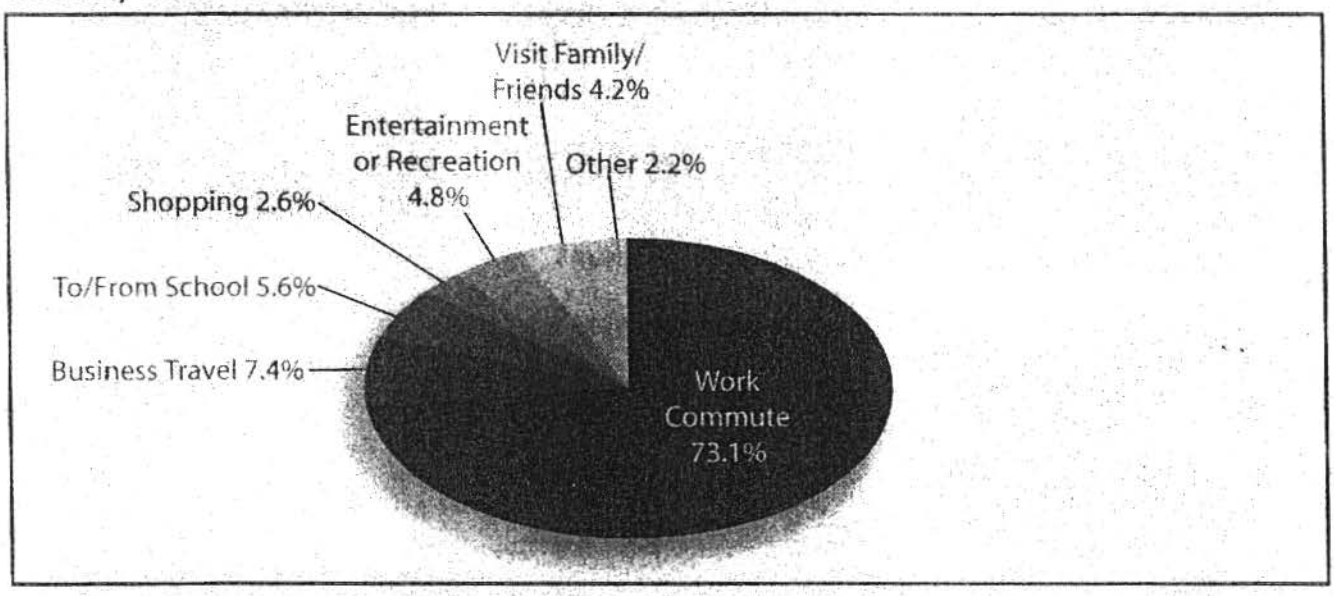




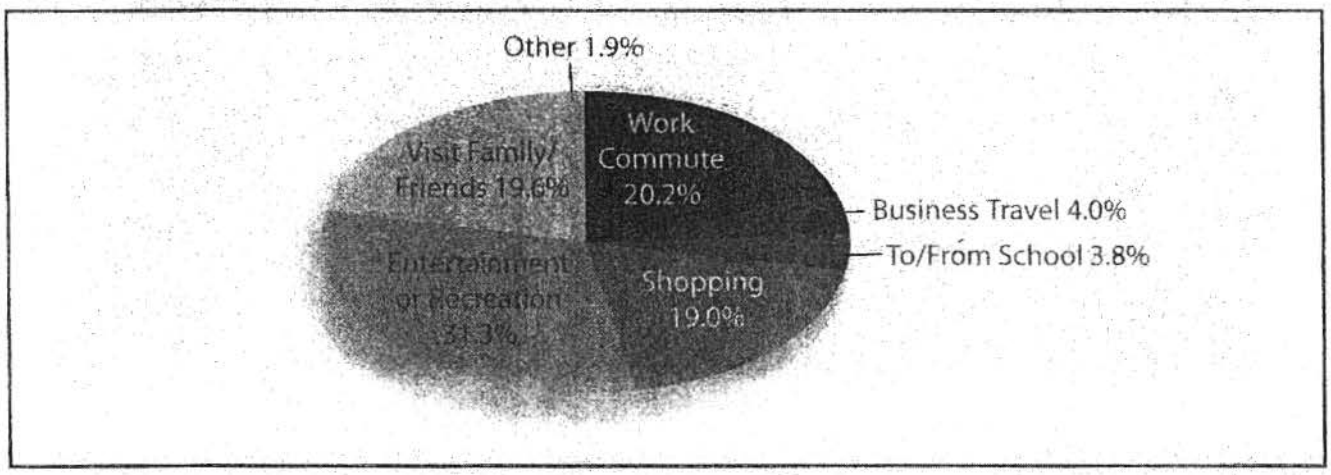
PATH

Where do you advertise when you want to reach everybody? Transit advertising, such as the placement of print ads in train stations, is an important medium for reaching an audience of all ages, backgrounds and incomes. Today, concerns for the environment and the popularity of programs such as Park-and-Ride have caused a wide range of business professionals, teachers, college students, and many other workers to leave their vehicles in parking lots and ride the PATH to and from their jobs.

Weekday travelers



Weekend (Saturday) travelers

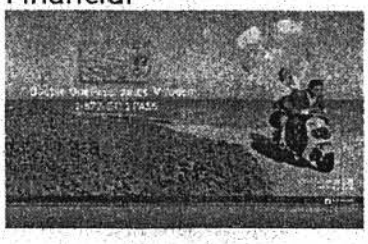


H.2 Marketing Strategy and Approach

Where the Airport, Mall, Street Furniture and Transit Audiences meet
With the unique demographics that PATH travelers deliver, it is easy to see that advertisers who target airports for their audience will want to have a presence in this venue as well. For the same reason, advertisers who currently advertise in malls and on street furniture through our portfolio will act similarly. Business and consumer advertisers will be attracted to this venue, which has a ridership of about 68 million passengers. The PATH is considered the top rail system in the country by the American Public Transit Association.

Top 5 Airport Advertising Categories:

Financial



Business to Business

Telecommunications

Computers, Software and Internet

Public Transportation and Travel

Top 5 Mall/Street Furniture Advertising Categories:

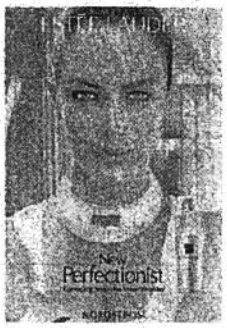
Media & Movies

Food and Beverage

Financial

Apparel and Accessories

Cosmetics, Beauty Care and Medical



H.2 Marketing Strategy and Approach

With such a broad spectrum of potential advertisers, the potential for growth of advertising revenues is particularly good. All it takes is the right product and an aggressive marketing approach to reach beyond the traditional categories of clients.

Without cannibalizing the current client base, with product innovation we will increase the current financial performance of this property. We will develop the existing client base and reaching out to new advertisers. The introduction in the PATH of new media formats similar to those already present in our malls and airports (scrollers, wall wraps) will effectively attract mall and airport advertisers to the PATH.

Examples of target advertisers:

Financial
Washington Mutual
Bank of America
Citibank
Fidelity
ING
Geico

Movie, entertainment, media
TNT
CNN
Broadway Shows
Fox News
NY Times
Internet sites

Package goods
P&G
Starbucks
Coke
Unliver

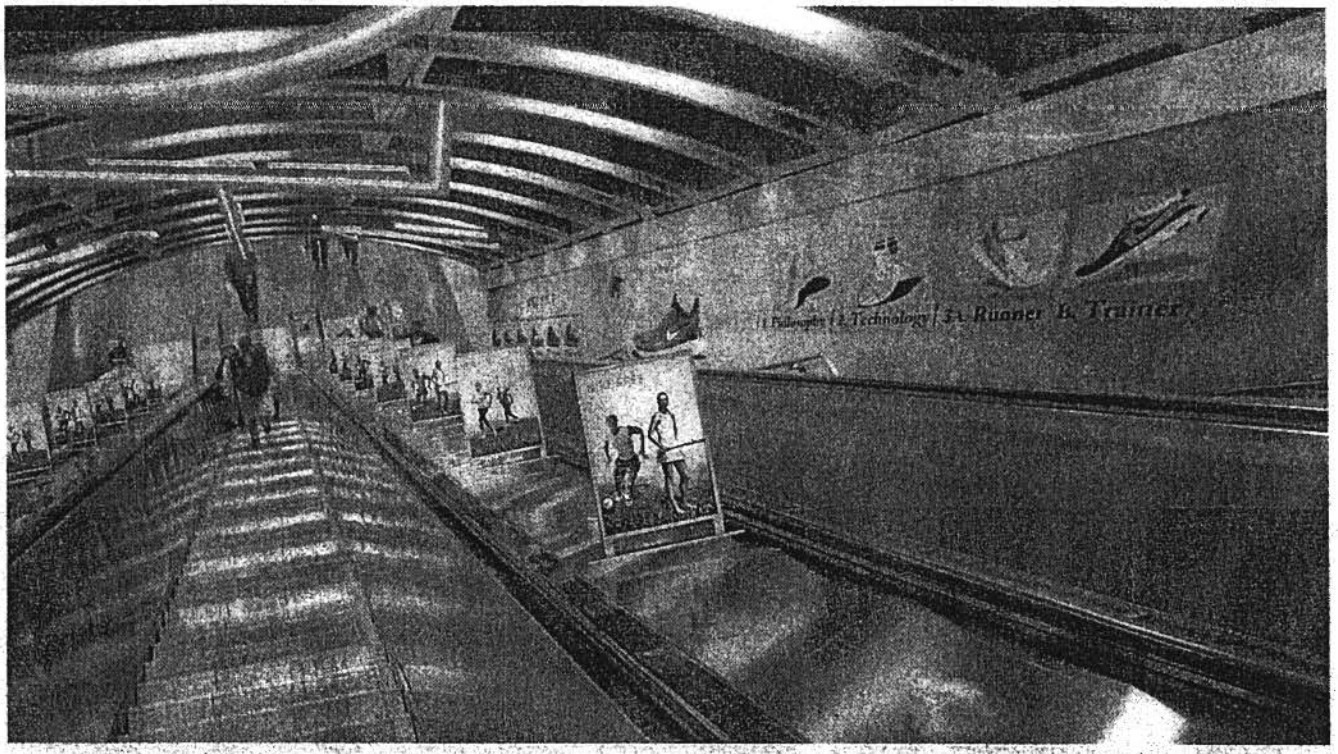
Telecommunications
Nextel
Verizon
Cingular

Airlines
American Airlines
Lufthansa
Jet Blue

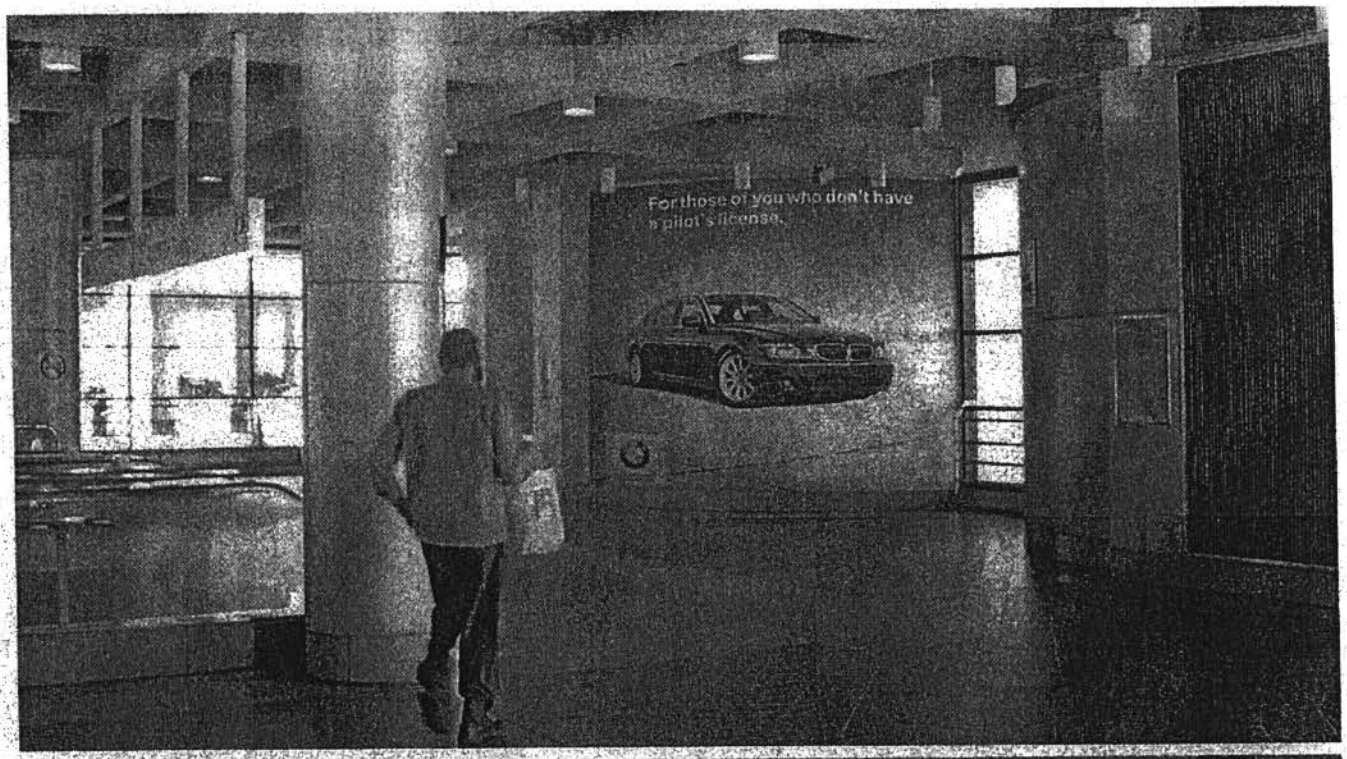
Automotive
BMW
GM
Toyota

Fashion/Apparal
Nike
bebe
CK
Levis

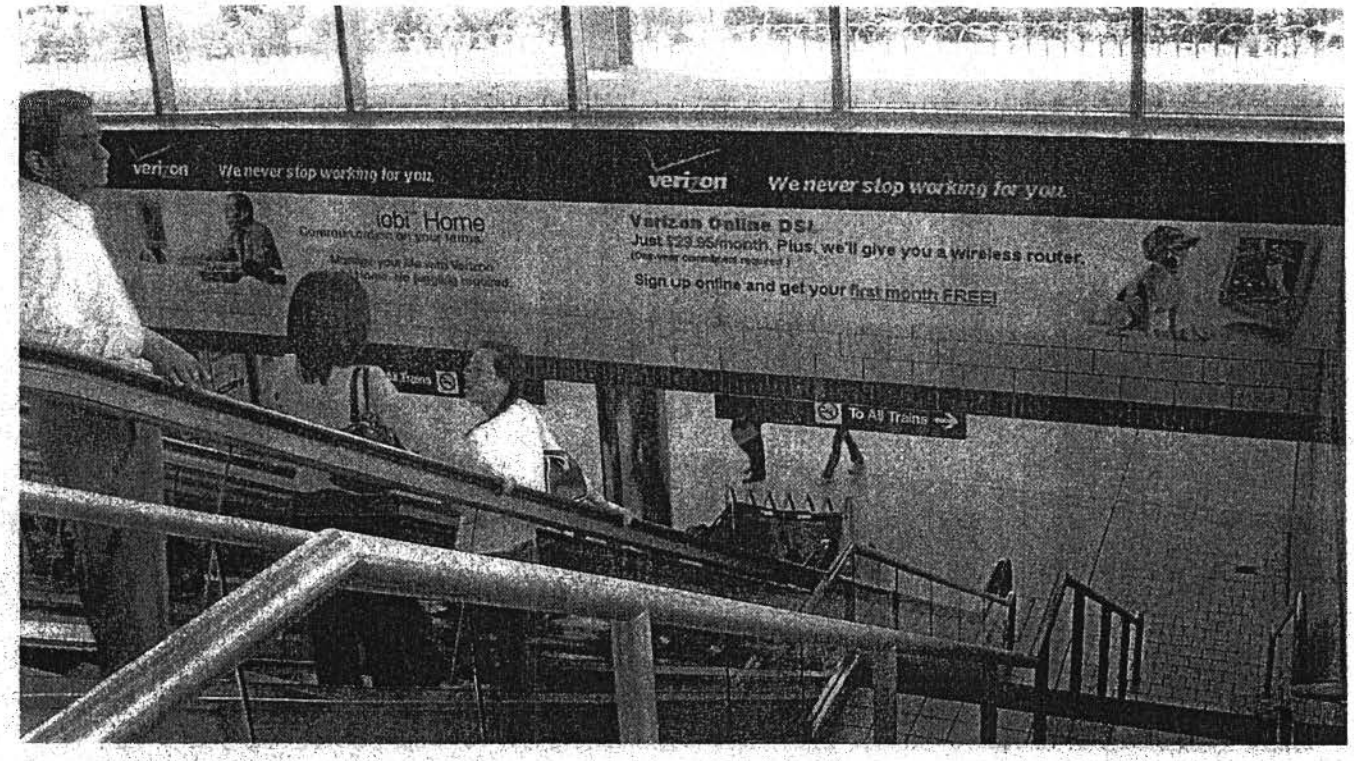
H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach



Bridges, Tunnels and other properties

The George Washington Bridge, the Lincoln Tunnel and the Holland Tunnel all offer exceptional opportunities from a media perspective. Advertisers view Manhattan as the most valuable advertising market or location in the world. These three venues deliver close to 200 million people annually coming in and out of Manhattan. With the right medium, these assets can generate significant advertising revenues.

George Washington Bridge
Crossing between Manhattan and New Jersey (I-95), the GWB has an annual vehicular traffic of about 108 million, making it the world's busiest bridge with 14 lanes.

Lincoln Tunnel
Connecting Routes 1, 9, 3, and the New Jersey Turnpike to Manhattan and West 42nd Street, the Tunnel has an annual vehicular traffic of about 43 million.

Holland Tunnel
The first Hudson River vehicular tunnel with an annual traffic of about 34 million.

Demographics
The demographics of the people crossing the river with these 3 links represents a full cross section of the population, covering the entire socioeconomic spectrum. As a result, the natural candidates for advertising at those locations will be the brands that spend the most in outdoor advertising:

Top Outdoor Brands (2004 annual expenditures):

- Anheuser-Busch $49.3 million
- Walt Disney $33.3 million
- McDonald's $33 million
- Time Warner $31.9 million
- Miller $31.2 million
- General Motors $29.2 million
- Cendant $25.7 million
- Diageo $23.3 million
- Verizon $18.3 million

H.2 Marketing Strategy and Approach

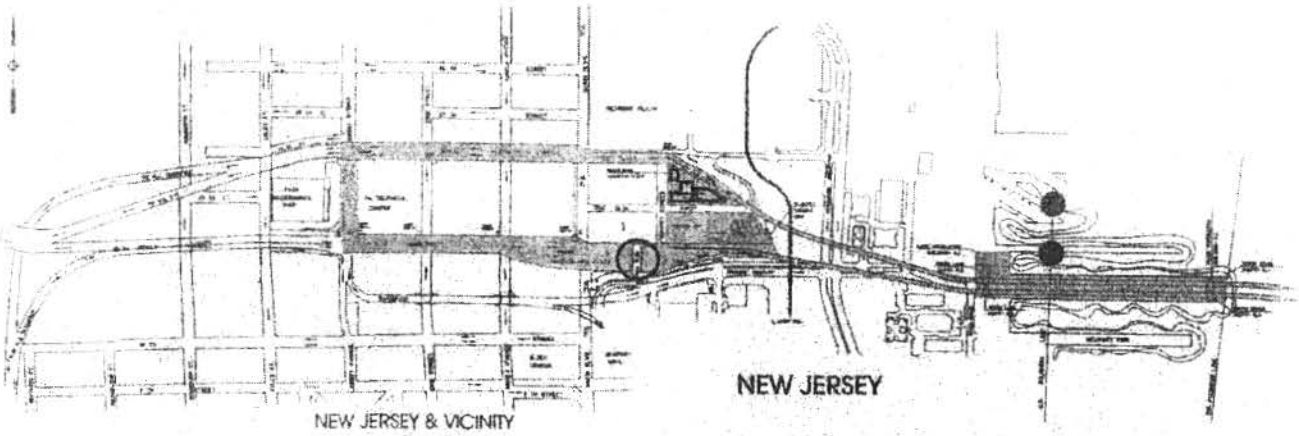
Giant Digital Displays

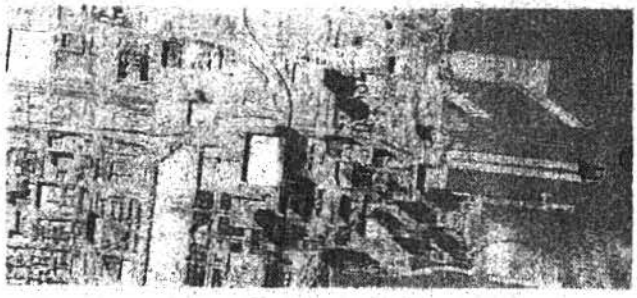
To maximize the advertising potential of these exceptional venues, JCDecaux is proposing exceptional products. Rather than installing more traditional billboards, we propose installing state-of-the-art giant digital displays that will capture the attention of advertisers and viewers alike. These products are particularly well fitted for these locations where cars typically line-up for a few minutes before getting through the tollbooths. This dwell time offers ample opportunity for passengers to view a loop of several advertising messages. Having the same units at the entrance of all three links to Manhattan from New Jersey will provide advertisers 100% coverage.

In addition to offering exceptional value to advertisers, these units will provide the Port Authority with a medium to efficiently communicate with the bridge and tunnels users.

H.2 Marketing Strategy and Approach

Holland Tunnel





ALL GRAPHICAL REPRESENTATIONS ARE APPROXIMATE FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWINGS H1-R2 DATED 4-1-66

LEGEND

PORT AUTHORITY PROPERTY

PORT AUTHORITY EASEMENT

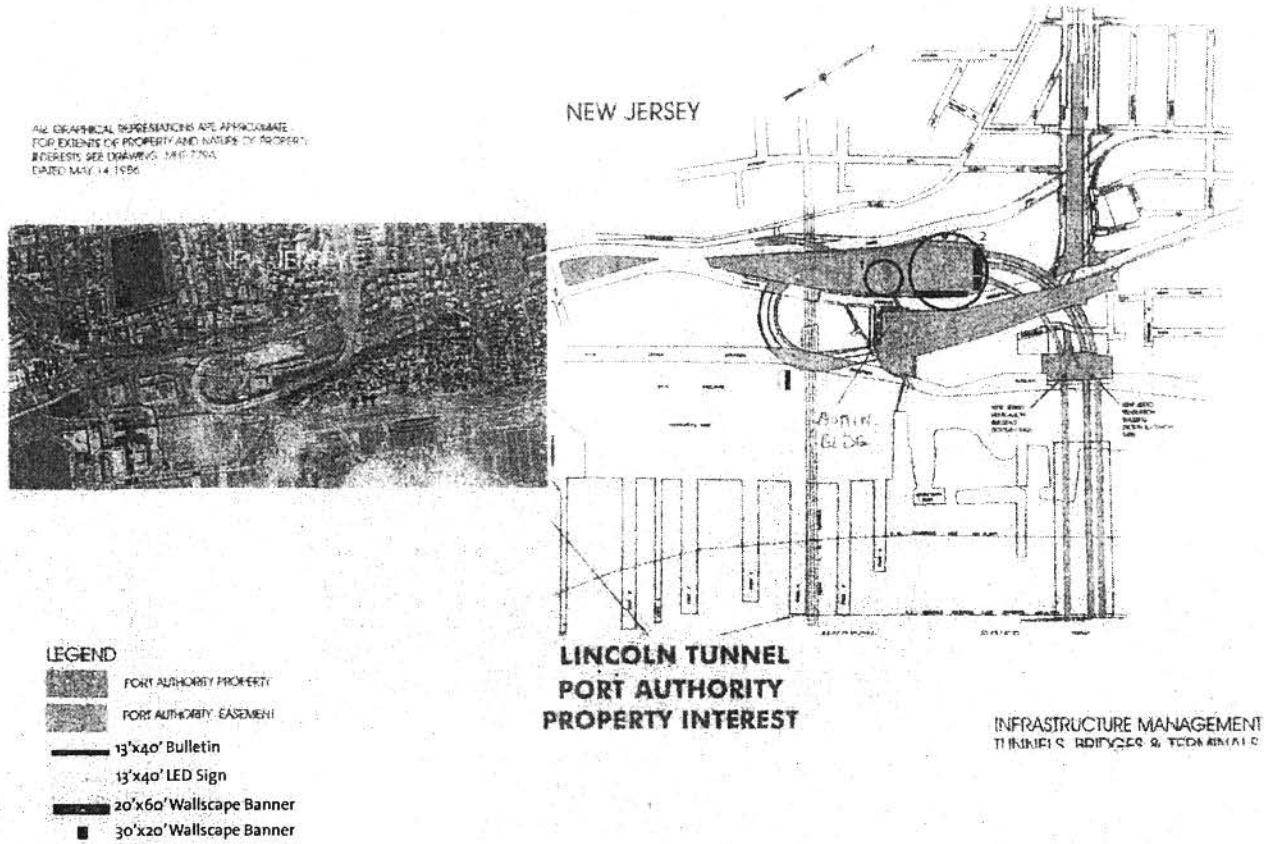
13'x40' LED Sign

HOLLAND TUNNEL
PORT AUTHORITY
PROPERTY INTEREST

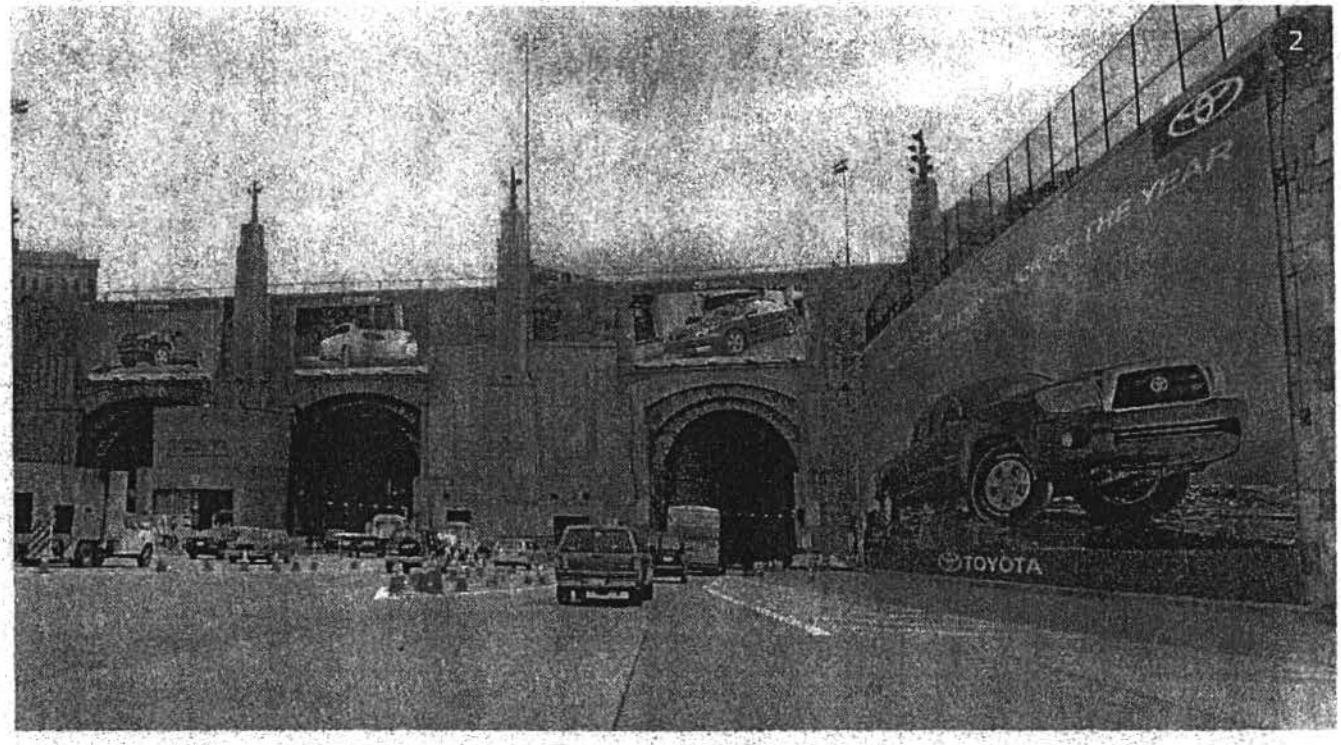
INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS

H.2 Marketing Strategy and Approach

Lincoln Tunnel

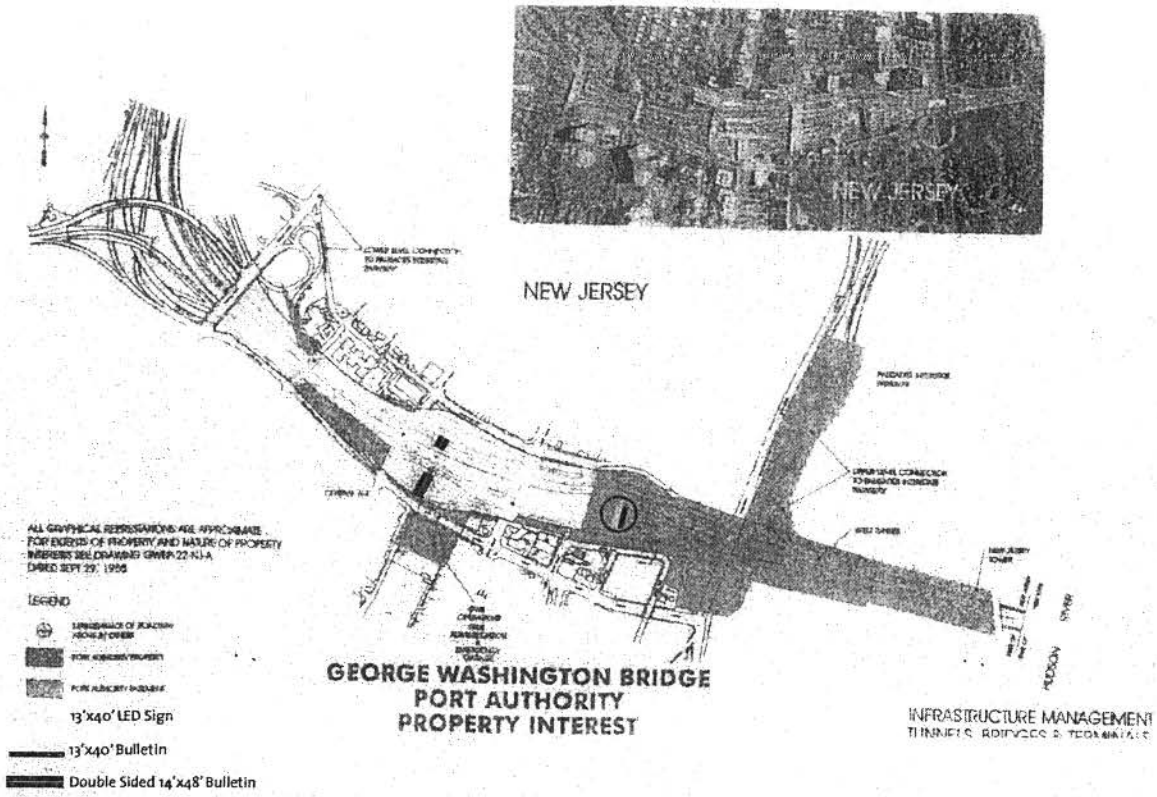


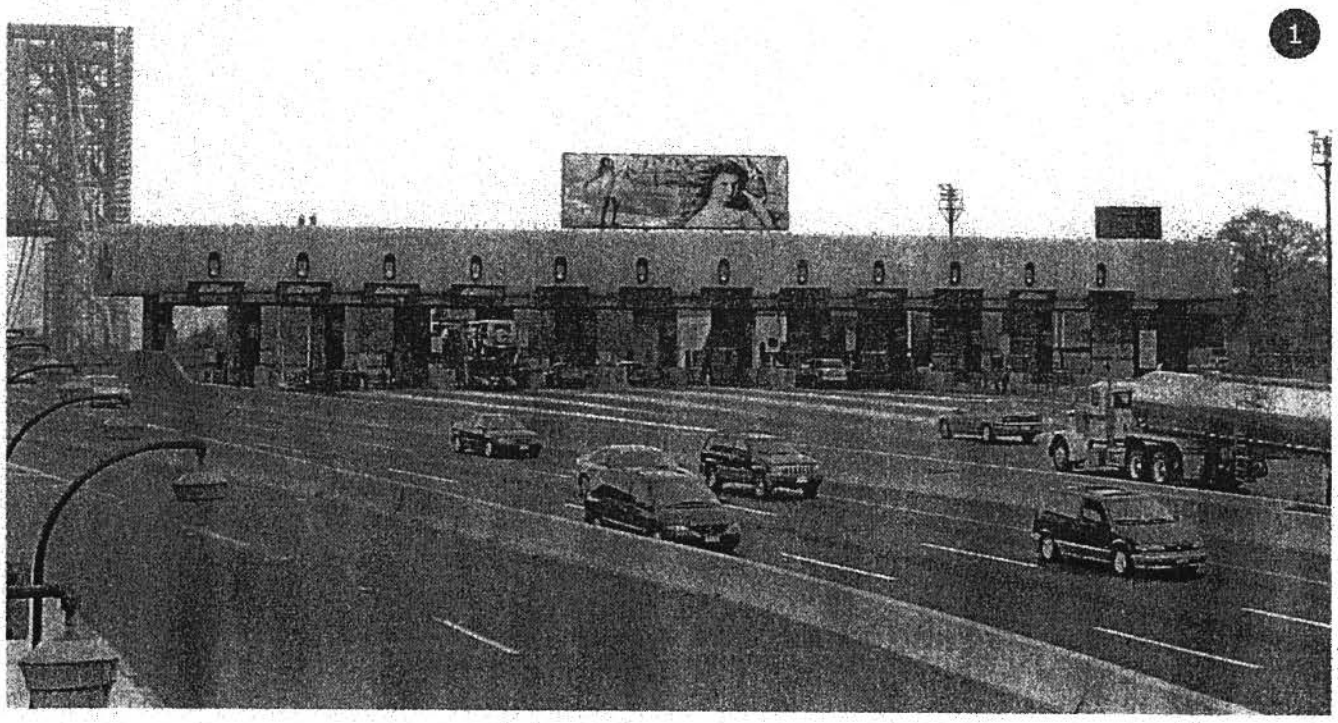
H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach

George Washington Bridge

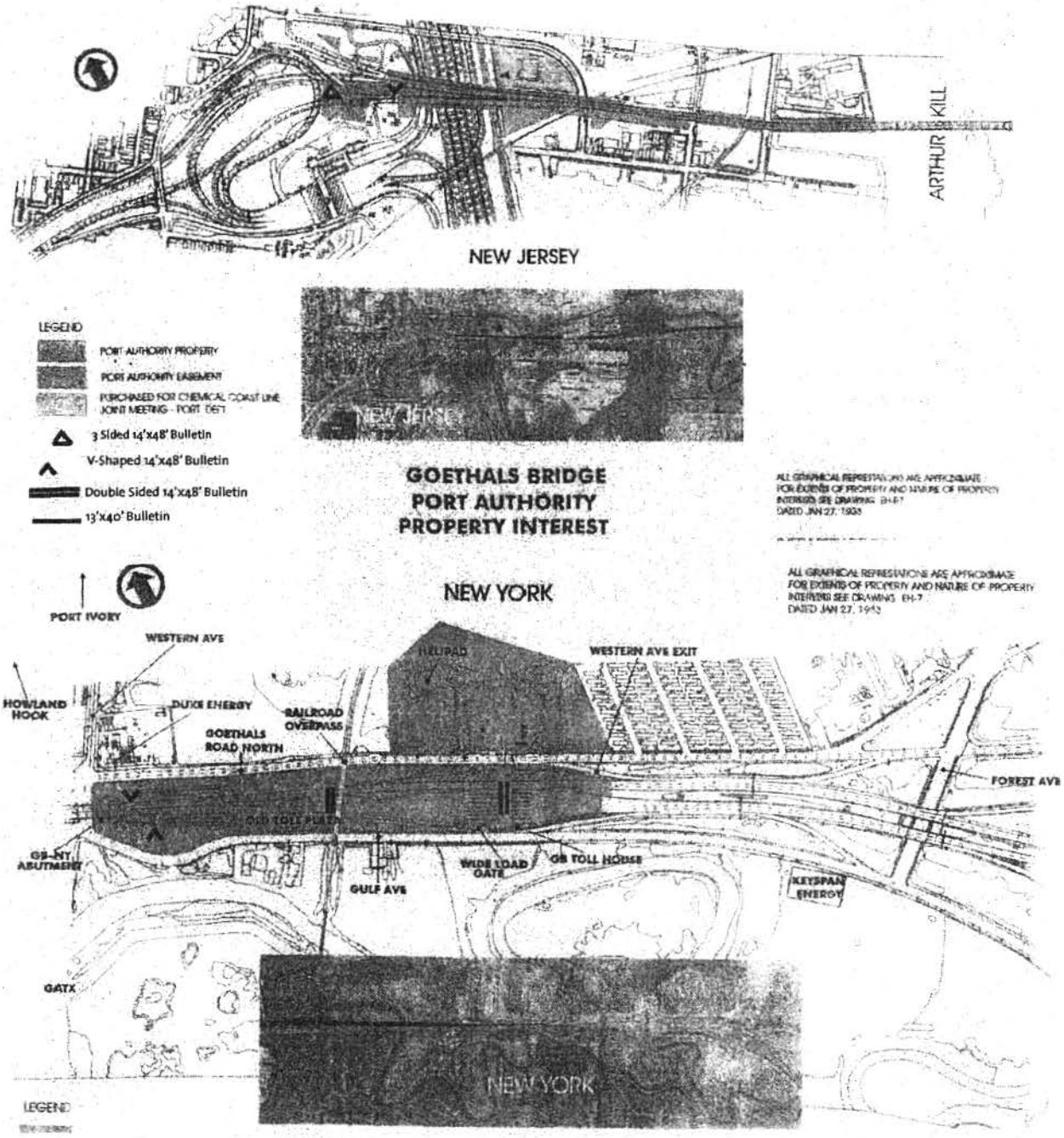




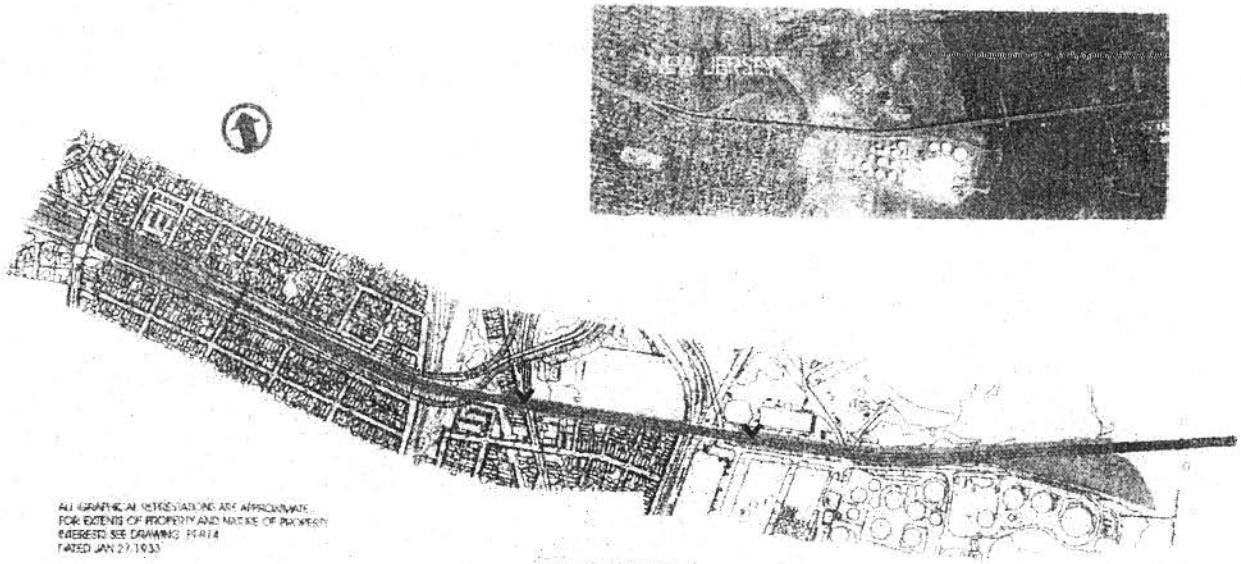
Other Display Opportunities

The other PANYNJ properties offer greater opportunities for signage when they are on or close to major thoroughfares. While not as valuable as the entrance to the Washington Bridge or the two tunnels, these locations are exposed to enough vehicular traffic to justify investing in traditional billboards.

Goethals Bridge



Outerbridge Crossing



ALL GRAPHICAL REPRESENTATIONS ARE APPROXIMATE FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING P-R114 DATED JAN 27 1933

LEGEND

PORT AUTHORITY PROPERTY

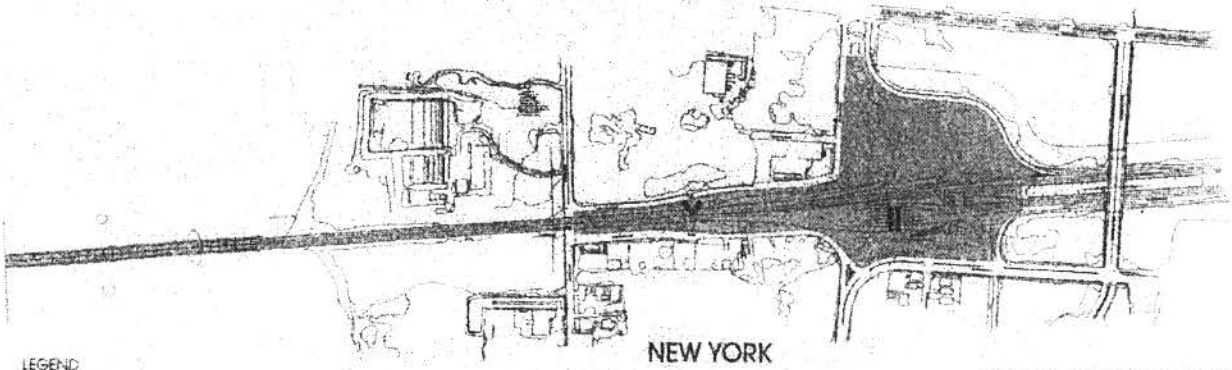
PORT AUTHORITY EASEMENT

V-Shaped 14'x48' Bulletin

NEW JERSEY

OUTERBRIDGE CROSSING
PORT AUTHORITY
PROPERTY INTEREST

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS



NEW YORK

LEGEND

PORT AUTHORITY PROPERTY

PORT AUTHORITY EASEMENT

V-Shaped 14'x48' Bulletin

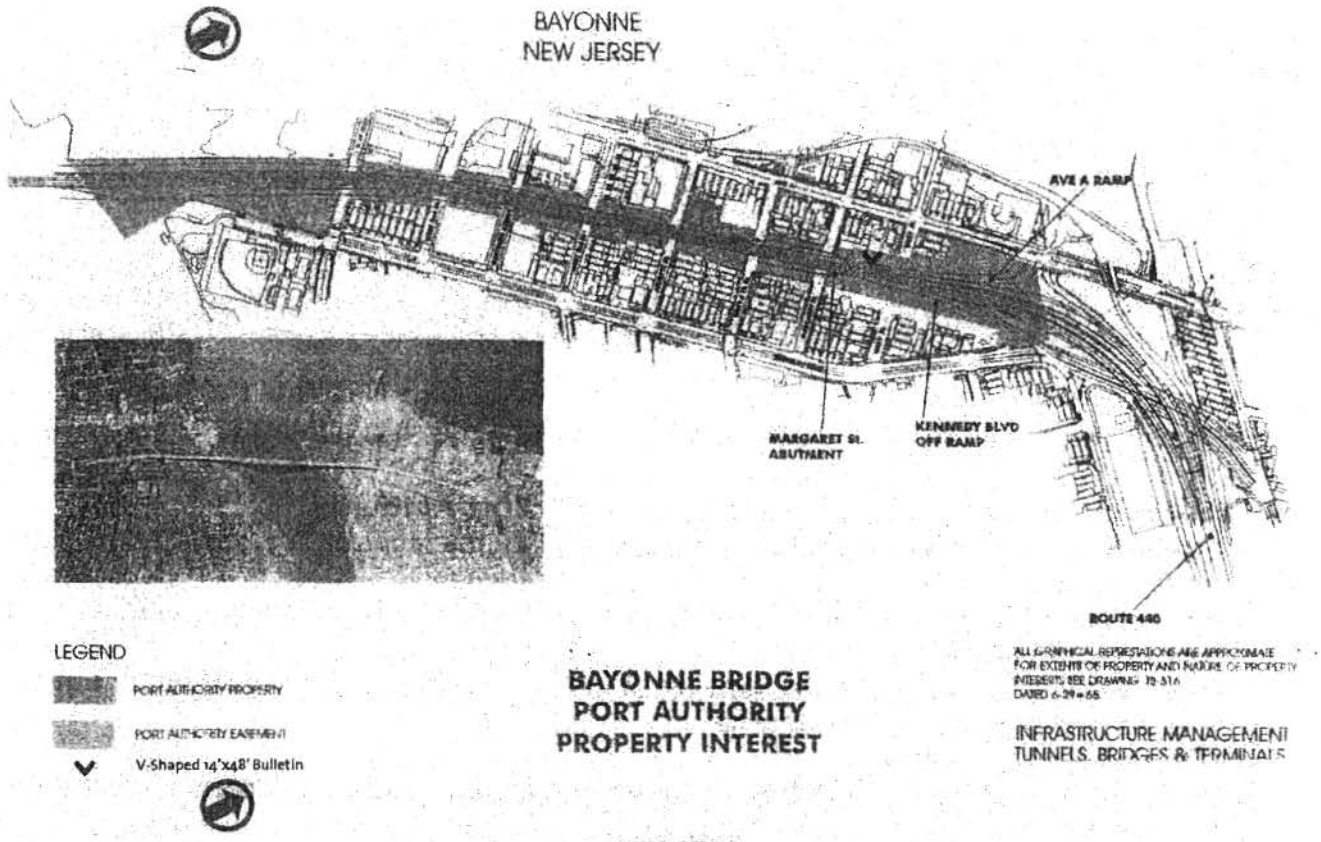
Double Sided 14'x48' Bulletin

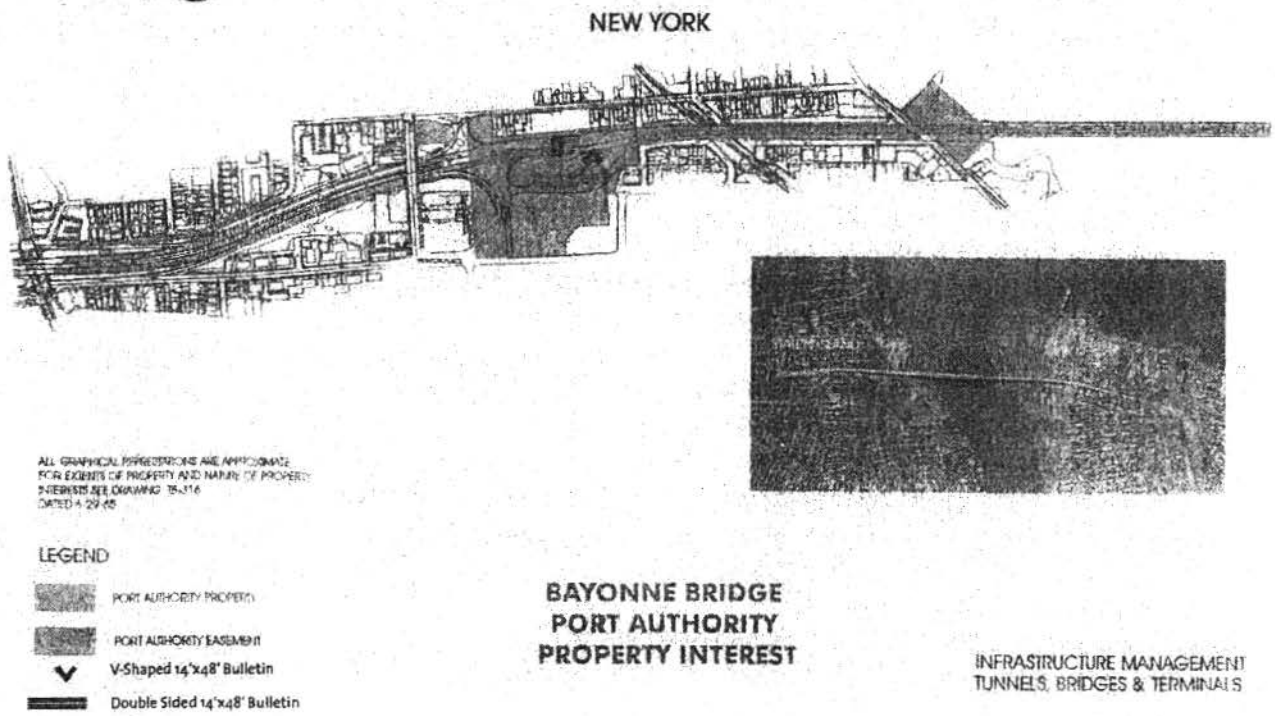
OUTERBRIDGE CROSSING
PORT AUTHORITY
PROPERTY INTEREST

ALL GRAPHICAL REPRESENTATIONS ARE APPROXIMATE FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING P-R114 DATED JAN 27 1933

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS

Bayonne Bridge





IMPLEMENTING THE PLAN

Design, Production, Installation and Operation

JCDecaux's dedicated team of engineering, manufacturing, procurement and quality assurance professionals have set up and maintained advertising programs throughout North America. This team – working under the leadership of Nicolas Clochard-Bossuet, who managed the creation of advertising furniture for our mall-advertising program as well as for the City of Chicago – can be set into motion to implement the Port Authority program as soon as we are selected. **This will ensure that the first new structures can be installed within months of award.**

As soon as the new concession contract is signed, JCDecaux will initiate the following steps for the smooth and efficient implementation of the advertising program:

Basic Assumptions Planning Sessions with the Port Authority

- Establish meetings with each Port Authority facility manager or line department and appropriate staff
- Review each project under their control to confirm details and general acceptance of process and approach
- Review any specific Port Authority/other facility projects that are proposed by others over the same projected timeframe
- Determine any conflicts
- Propose solutions to conflicts and restructure project process and approach as needed
- Reach general consensuses on projects and set targets points for reevaluation
- Obtain list of appropriate contacts and establish specific project coordinators for the PA and JCDecaux
- Follow-up meeting and updates as established to meet project targets

Site Approval, Permit and Installation Process

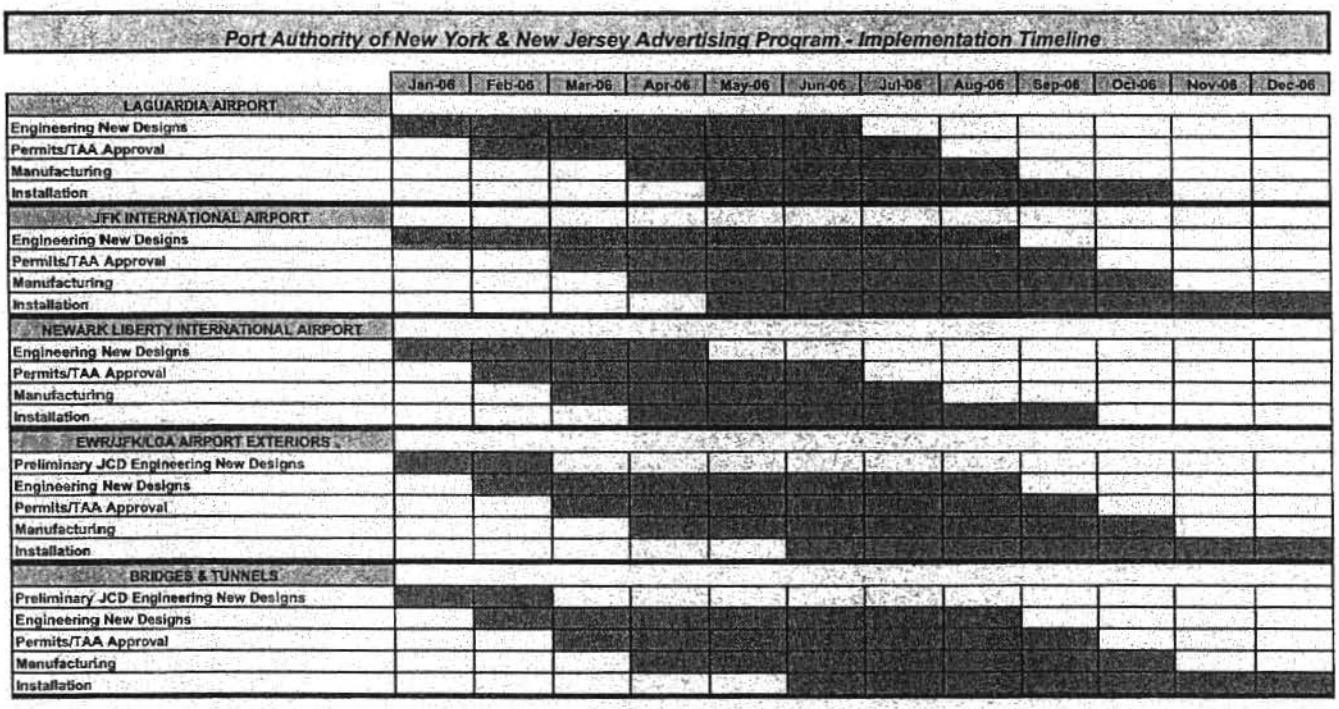
- Tour of all proposed sites by JCDecaux with Port Authority, in order to confirm each location, type of advertising fixture and final placement
- Determination of permitting and TAA process with Port Authority and specification of all supporting documents and materials required
- For each location, upon permit and TAA approval by Port Authority, manufacturing of the corresponding advertising fixture will kick off immediately along with the site preparation and electrical connection work
- All site preparation and electrical work performed maximizing the use of licensed contractors with the appropriate union affiliation, MBE/WBE certified contractors in order to meet our participation goal. Such work will be closely coordinated with the Port Authority in order to minimize the impact on the passengers (off hours work in public areas when required)
- Finalization of the on-site installation schedule based upon the delivery schedule for the fixtures, with validation from the Port Authority in order to minimize the impact on the

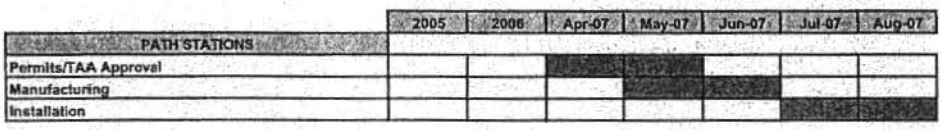
passengers and the facilities operations (off hours work in public areas when required)

- Routine meetings both internally and externally with all involved vendors, subcontractors, installers, etc. will be held to monitor (and adjust when necessary) schedules, keeping airport and specified staff updated.
- Final reception of each site with the Port Authority once the installation of the corresponding fixture is fully completed, following a thorough inspection and approval from JCDecaux Quality Assurance professionals

Display Installation

- Overseen by full-time JCDecaux managing supervisors and project managers for each property installation
- Work directly with local unions, including IBEW Local 3 (Electrical), IBEW Local 137 (Sheet Metal & Poster Hangers) and IBEW Local 164 (Electrical)
- Utilize Port Authority-certified M/WBE contractors to exceed the Port's requirements
- Work within security requirements of Port and TSA to ensure safety
- Work at hours to minimize impact on traveling public
- Maximize off-peak hours for preliminary work
- Ensure all Port procedures are followed from TAA submittal to final punch lists
- Communicate installation completion to contact person(s) when finalized





H.2 Marketing Strategy and Approach

Timing

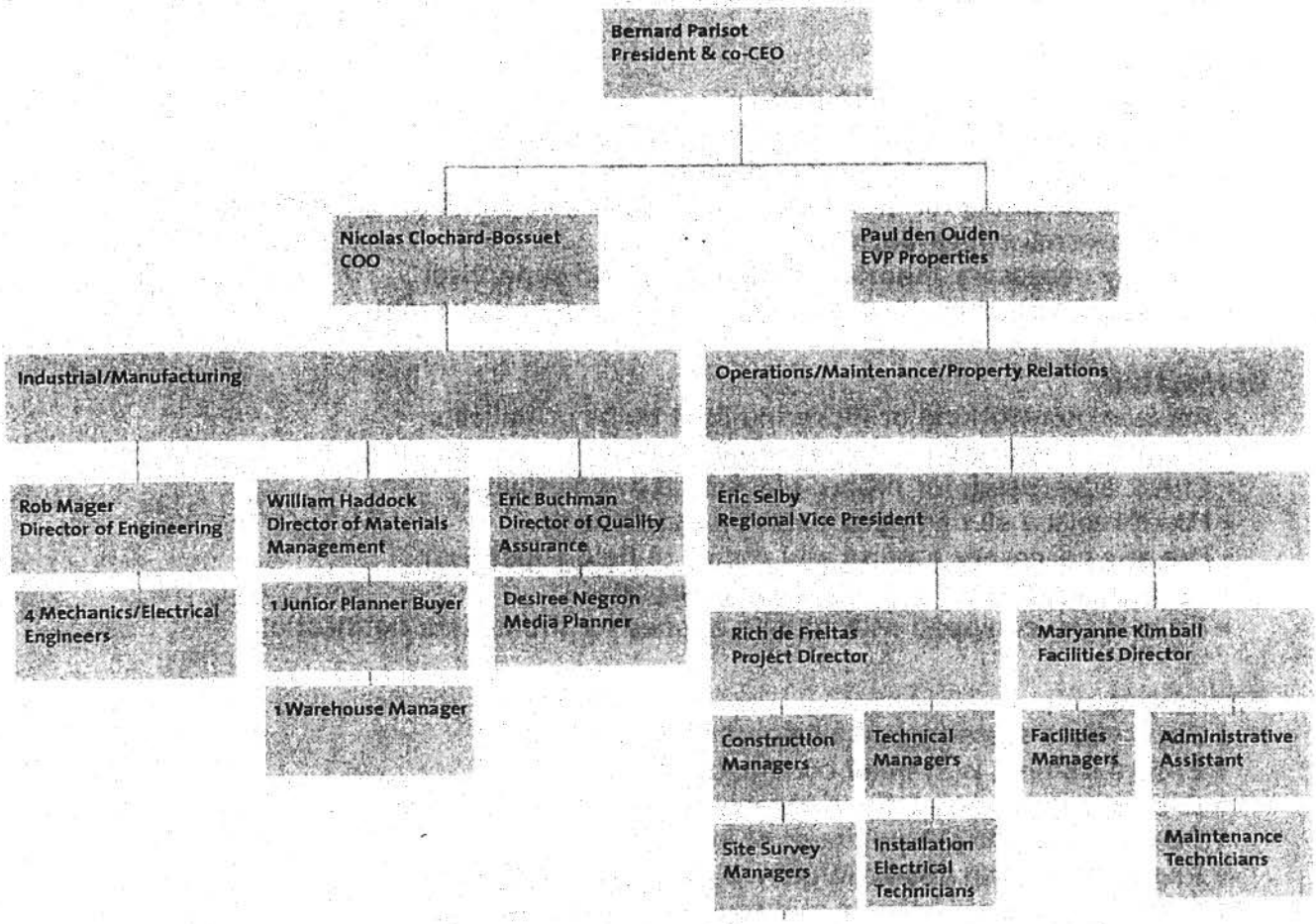
We will develop detailed schedules in conjunction with the Port Authority of NY & NJ to ensure that permitting, construction, manufacturing, and installations are all synchronized. Manufacturing suppliers will be given a rolling quarterly forecast so they can plan their production and purchase any long lead-time raw materials and components. Installation and prep-work contractors will be provided with contract schedules for grouping of displays that cover two to four months of installation volume. Site-specific weekly schedules will be provided to prep-work teams as well as to the final assembly and installation teams. JCDecaux will oversee weekly production meetings between manufacturers and the final assembly facilities.

H.2 Marketing Strategy and Approach

The Technical and Field Staff

JCDecaux has a fully dedicated, New York based operations team. Staff members are already in place with experience and dedication to our existing New York and New Jersey Operations. In the airports alone, we propose to double the Operations Department to a full-time staff of, at least, 12 members. These dedicated employees would be provided with 24-hour communication with the appropriate supervisors.

JCDecaux already has a fully dedicated industrial and manufacturing team located in New Jersey. From this location we design all of our advertising products.



H.2 Marketing Strategy and Approach

Display Maintenance
Maintenance Technicians, provided with attractive uniforms, quality tools and safety equipment as well as a well-maintained vehicles, will be fully trained in repairs, maintenance and ad panel posting.

For the airports, given the size of the 3 airports and the volume of displays under this agreement, we will divide operations into 2 regions. We will have the JFK/LGA Team, which will focus on JFK, LGA and JFK AirTrain and the EWR Team, which will focus on EWR, EWR AirTrain, the Downtown Heliport and the PATH. Each team will have it's own supervisor, technicians, vehicles and local warehouse. All Maintenance Technicians will belong to Local 137 (Sheet Metal & Poster Hangers Union).

Maintenance falls into three fundamental categories: preventive, corrective and structural:

Preventive
- Ongoing cleaning of all fixtures
- Ensure proper illumination, ballasts, circuit-breakers
- Remove unauthorized posters, stickers, etc.
- Poster installation for contracted advertisers and community information
- Check overall appearance
- File any necessary reports and report to field supervisor
- Random inspections by supervisors and management team

Corrective
- Replace non-working or flickering light bulbs or ballasts
- Remove unauthorized posters, stickers, etc.
- Check advertising for proper placement and visibility
- Fix or replace all damaged parts on our fixtures
- File any necessary reports and report to field supervisor
- Staff available 24/7 for emergency response
- Technicians equipped with mobile phones for immediate notification

Structural
- Supervisors systematically inspect all fixtures
- Ensure framing is in good condition
- Ensure acrylic/glass face is presentable
- Review mechanical soundness of equipment
- Regular electrical inspections by authorized electricians
- File any necessary reports and report to field supervisor

H.2 Marketing Strategy and Approach

JCDecaux Quality Assurance Program

JCDecaux's commitment to quality shows through in every product we produce. The company-wide policy is based on the globally recognized ISO 9001:2000 Standard. **The focus of this program is to promote quality at every level of the company through all the different departments and develop one goal: A Commitment to Excellence.**

This quality begins at the design phase, where only the finest materials and finishes are integrated into each product, ensuring not only beauty but also long-term durability for the life of the contract.

A strong partnership with each supplier ensures their Quality System meets the stringent ISO based JCDecaux Quality Standards so that Receiving, In-Process, and Final Inspection develop an all-inclusive program.

During the manufacturing stage, work instructions are developed along with inspection checklists for each step of the process. The focus is on continuous improvement and refining each step of manufacturing from in line fixturing to state-of-the-art statistical process control.

Architectural grade powder coating is used to produce U.V. stable, anti-graffiti, long-term finishes. Only certified applicators with the proper pre-treatment system are used. This entitles JCDecaux to a ten-year warranty against fading, blistering, and peeling of the powder coat finish.

An onsite inspection checklist is completed for each installation to ensure proper functionality of the units prior to leaving the site.

Through years of real world maintenance experience, JCDecaux has refined our materials and products to enable quick and efficient on-site restoration and repairs.

All supporting quality documentation is kept on file to ensure traceability throughout the life cycle of our products. This enables us to track and utilize information for the ultimate target of continuous improvement.

JCDecaux sets the standard for quality throughout the Out-Of-Home advertising industry. Our Quality Assurance Program starts at the design phase with material selection, encompasses a stringent supplier selection process, monitors all aspects of manufacturing, oversees the installation phase of the project, and takes pride in our all-embracing streamlined maintenance program.

Through strong partnerships, a comprehensive quality program, and a thorough understanding of our products, JCDecaux has the ability to consistently deliver a world-class product on a timely basis.

H.2 Marketing Strategy and Approach

Sales Administration and Marketing

An Experienced, Dedicated Professional Sales Organization
JCDecaux is unmatched in our sales efforts regionally, nationally and internationally. The Port Authority will capitalize on our sales leadership by enjoying maximum revenue potential and return. JCDecaux's national sales team is positioned in the major markets in the U.S. Headquartered in New York City, with offices in Chicago, Los Angeles, San Francisco, Boston, Miami, Dallas and Atlanta, these sales professionals have established relationships with agencies throughout the country. To focus on this new total advertising opportunity for the Port Authority we will increase our current sales organization with the addition of dedicated personnel in our New York office an in the major advertising markets.

New York is the number one advertising market in the world. The Port Authority's assets are the most viable media option in the Out-of-Home arena. The combination of these two forces will give JCDecaux's salespeople the opportunity to offer clients the finest advertising program in the world's top city.

In addition to our national cities, malls and airports sales teams, the regional sales staff based in our offices in New York; Chicago; Los Angeles; Washington D.C.; Seattle; Dallas; Boston; Atlanta; San Francisco and Miami contact local and regional advertisers and advertising agencies to secure additional revenues for key Port Authority campaigns in the top markets.

Team Effort
Our sales process is highly developed and oriented to produce maximum revenues with the highest quality sales, marketing and service organization. JCDecaux's sales teams drive the business. They do this by prospecting and contacting the advertising community, securing appointments and making detailed presentations, customizing proposals to find solutions to the advertisers special needs and securing the contract. However, the sales team cannot ultimately be successful without the combined efforts of the sales support team.

Marketing/Graphics Team
A centralized, New York based marketing team provides the essential pre and post sales tools for the national and regional sales teams. JCDecaux's proficient and efficient marketing, graphics and research staff prepare all selling materials, including but not limited to sales brochures, product information sheets, state-of-the-art CD-ROM based sales presentations, mapping programs with advanced technology, audience databases and a comprehensive library of secondary research.

Marketing Leadership
JCDecaux's' talented marketing department is unmatched in the industry. We make significant investments in our marketing and presentation materials to help clients better understand their advertising options in the Out-Of-Home marketplace. The materials we provide them will allow advertisers to make the most informed decision when it comes to selecting the Port Authority properties as a key component of their advertising plans.

H.2 Marketing Strategy and Approach

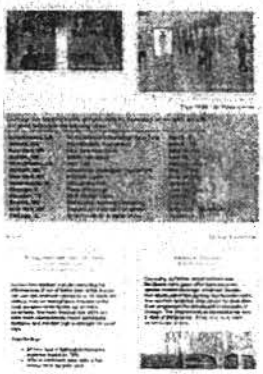
In 2004, JCDecaux launched the first-ever OOH Advertising Upfront for our Airport Division. Over 150 advertising executives from across America and Europe gathered at JFK's Terminal 4 and were presented with our latest product innovations and newly developed locations throughout our portfolio. As a result of this event, JCDecaux secured new advertisers and renewed a significant number of contracts. An estimated $4.2 million was generated from this Upfront sale, of which $2.4 million was booked at LGA and JFK.

JCDecaux reinforced its leadership position and that of the New York Airports at this event. Awards for the best airport advertising campaigns were delivered to some of our largest advertisers for their spectacular displays at JFK and LGA. This prestigious list of advertisers included American Express, Royal Bank of Scotland and National Insurance.

Marketing Materials

We design eye-catching, in-depth custom brochures for each facility in the JCDecaux Portfolio. These publications give prospective clients insights on the targeted audience, available displays, and advertising rates.

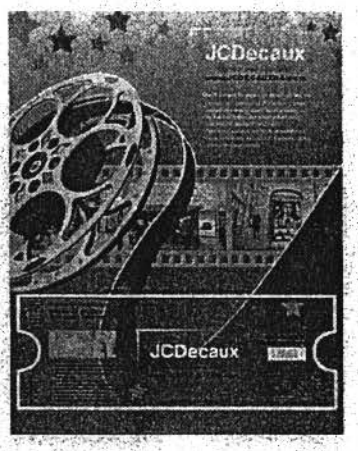
We send the JCDecaux Newsletter via e-mail to existing and prospective clients and advertising agencies, providing important and timely information about the Out-of-Home advertising business. These newsletters highlight the latest successful ad campaigns, newly acquired markets, and new product offerings. Our highly regarded newsletter allows us to continuously brand JCDecaux's various media platforms and remain top-of-mind with clients and advertising agencies.



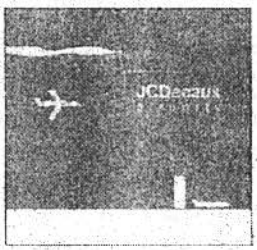
H.2 Marketing Strategy and Approach

Promotional brochures and literature are regularly sent out to clients, offering give-aways and prizes as incentives in order to remain in the forefront of our clients' thoughts in a very cluttered media world.

Our state-of the-art Web site: http//www.jcdecauxna.com/, provides an overview of the company, the markets we serve, and the products we offer in an easy to navigate and informative format.

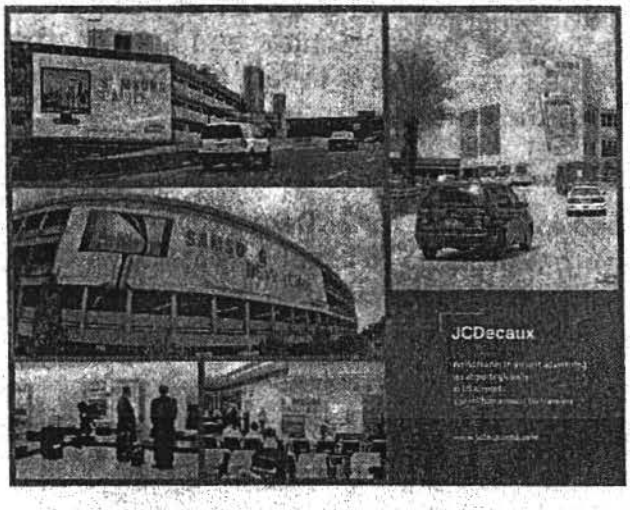


We produce targeted videos and CD ROMs in-house, showcasing outstanding creative campaigns and the reactions of people/passengers viewing them. Our interviews capture the public's views on airport advertising as a medium and how they are influenced by it. Category specific, the videos are used to convince new potential advertisers to explore the effectiveness of airport advertising.

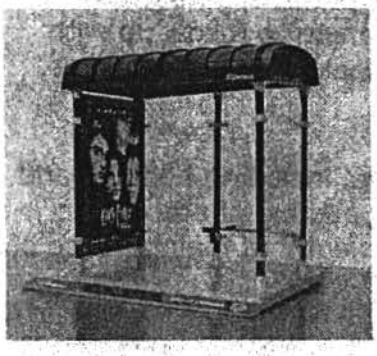


H.2 Marketing Strategy and Approach

Campaign Showcases - JCDecaux's Marketing and in-house Graphic Design team produce framed collages for major advertisers to commemorate their latest advertising programs.



We give small-scale models of our display units, with the client's ad affixed, to advertisers and agencies. Great collectors items, these gifts often are displayed on clients' desks and serve as a constant reminder of JCDecaux's high-quality standards.



H.2 Marketing Strategy and Approach

Sales Administration
Often referred to as "the keepers of the gate," the sales administration team steers the business. They take reservations and book space, manage inventory, execute contracts, instruct the operations department on what is to go where, invoice and provide proof of performance. Utilizing the sophisticated software tools of Indigo, Monitor and Epicore, the sales administration team manages all aspects of the system and is in fact the "conscience" of the department, maintaining integrity throughout the process.

Indigo and Monitor
These powerful software programs were developed exclusively for JCDecaux. They enable us to administer and monitor the sales operation from pre-sale to proof-of-posting photos, streamlining the advertising sales process so we can maximize revenues and ensure that our clients get the posting and billing efficiency they demand.

Indigo Mapping System
A proprietary mapping system developed by JCDecaux, Indigo allows our sales executives to show potential advertisers exactly where their ads would go. Enabling graphical visualization of the location and environment in which the advertising face in question sits, be it on a tunnel, at an airport or on a PATH train. Indigo's powerful search engine gives our sales professionals instant access to availability and competitive sales information. It allows our sales team to build a custom campaign easily, graphically selecting the faces to be displayed in specific locations with a simple click. Each proposed campaign is automatically saved in our booking system, allowing the sales person to follow up with several types of reports, including maps and pictures of the campaign's proposed sites.

Monitor: Management of Advertising Sales
JCDecaux's Monitor software manages all of our advertising sales, including booking and billing, tracking, the shipping and receiving of materials and the posting of ads on the appropriate structures. $300,000 is spent annually for development and maintenance of this vital system.

First our sales and marketing teams research opportunities and present to clients. Once a potential sale of space is agreed upon, the subject network (group of advertising faces) is reserved for that client while awaiting execution of the contract. When JCDecaux receives the signed contract, the commitment is confirmed, and the advertising campaign is scheduled within Monitor for posting on the appropriate date and locations.

Monitor's core activities include:

- Inventory Management – The creation and upkeep of inventory to ensure accuracy for Sales and Operations
  - Number of advertising panels in 2004 – 26,900
- Booking – Selection of faces, assist in sales planning
  - Number of advertising contracts in 2004 – 2,600
- Billing – The preparation of invoices relating to postings within a specific posting period
  - Number of invoices prepared in 2004 – 21,500

- Traffic – Communication regarding contracts and ad copy, to facilitate posting
- Data Processing – Preparation of posting activity with regards to faces and advertising materials
  - Number of faces posted in 2004 – 71,500

Posting and Billing
The JCDecaux Operations Department uses the contract information within the Monitor system to track receipt of the posters at our warehouse. Monitor also provides a detailed posting list with instructions for the specific structures for posting each client's campaign.

Once the ads have been posted, a photographer takes a digital photo of the campaign. We call this Proof-Of-Performance (POP). Our Digital POP provides assurance to our advertisers that we have delivered according to our contractual commitment through an online POP reporting tool. This tool is completely automated and streamlined for client access and is directly interfaced with our Monitor tracking system. Digital POP expedites delivery of materials to advertisers and improves the payment cycle. It provides advertisers 24-hour access to campaign information, photographs, location lists and completion information.

Epicore: Management of Financial Controls
JCDecaux employs Epicore business management software to administer collection of advertising revenues and payment of bills. This system will facilitate our reporting to the Port Authority.

Credit and Collections
No contract is scheduled for posting or reported as revenue until a detailed credit review has been performed. Only upon validation from JCDecaux's credit Department is a booking record updated to Contract status in Monitor, and scheduled for posting. For current customers, we use past payment history as well as credit analysis data. For new customers, we perform a complete credit check, using external credit reporting agencies.

In conjunction with billing, the appropriate accounts receivable data is interfaced from Monitor to JCDecaux's financial/accounting system Epicore, which furnishes data from JCDecaux's Credit and Collection Department. Information on past due or aged receivables is available to allow for follow-up via phone and letter. Client statements are prepared and mailed every month to provide information on outstanding invoices.

Traffic Department
Once a booking is elevated to Contract status in Monitor, the Traffic Department starts gathering the specific posting instructions from the customers. At this time we contact the customer's printing company to be certain that the posters will be printed correctly and will arrive on time at the proper destination. Before production of the poster begins, the Traffic Department acquires approval of the creative designs to be posted from JCDecaux management and, where necessary, from its partner companies who own/operate the properties where the designs are to be posted.

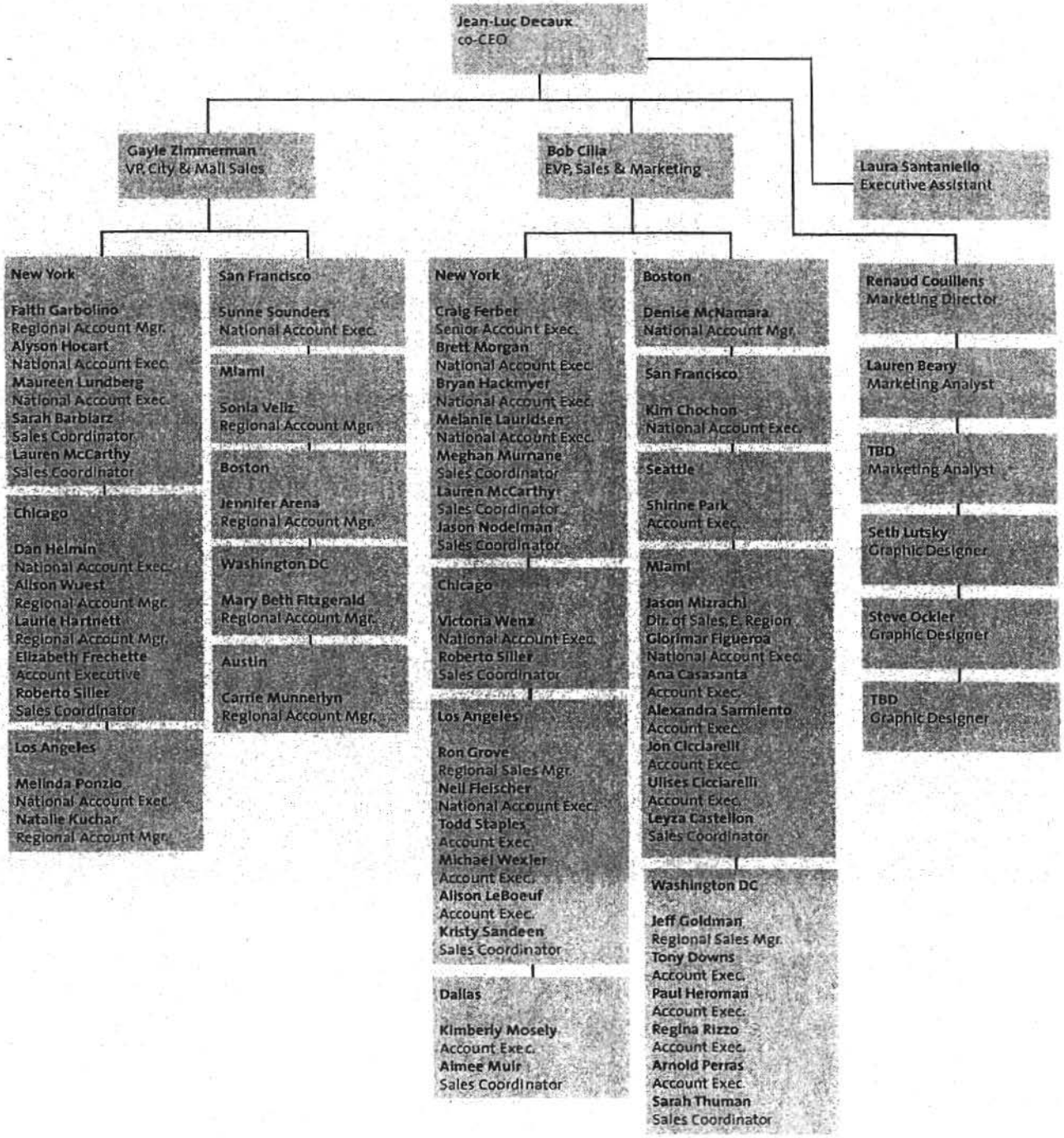
H.2 Marketing Strategy and Approach

By taking this pro-active approach, the Traffic Department is able to ensure that JCDecaux will meet the customer's expectations regarding which creative designs are to be posted and how they will be distributed. At the same time, there will be confirmation that the posters will be printed according to JCDecaux specifications and will be of the proper quantity and design. All of these steps are tracked and logged so that all relevant JCDecaux personnel can view the status and progress of any given campaign at any time.

Management of Advertising Content

JCDecaux sells its advertising to first-class clients. We screen all of the ads for good taste before they are posted. On the rare occasion when a question of taste has been raised, the ads have been promptly removed. Our years of experience in this area have allowed us to develop a great sensitivity regarding what is acceptable in a public facility.

H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach

JCDecaux has an outstanding reputation worldwide for always delivering on its promises. In fact, we are known for under-promising and over-delivering.

Over the years, we have proven our dedication to exceeding our sales and operations goals at the Port Authority's airports. From a long-term perspective, that commitment has provided significant advances in operational implementation and revenue growth. Most recently, the installation of our "Business First" project was completed on time, on budget and provided dramatic revenue increases in 2005 and beyond.

This ability to exceed our performance standards is experienced throughout the country by our municipal, airport and mall partners, as well as advertisers.

New York Airports

Since being awarded the concession at John F. Kennedy and LaGuardia airports, JCDecaux and its predecessor, SkySites, have increased revenue at an average annual compounded rate of 16% and 17.7% respectively. Right now, JFK is experiencing one of its strongest sales years ever and LGA sales have increased over 50% vs. last year.

We are proud that year in, year out, both airports lead the country in advertising revenue generated by passenger. At JFK, we continuously rank first in total advertising revenue generated in any U.S. airport.

We are also proud of the excellent working relationship we have established and maintained with the Port Authority and the Airlines. Please read the attached reference letters from American Airlines, Terminal 1 and British Airways.

June 3, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, New York 10010
Attention: T.J. Storch

Re: Reference letter for PANYNJ's Advertising RFP #0000007920

Dear Ms. Storch:

JCDecaux has operated the advertising concession at CO's Terminal E at Houston Bush Intercontinental since the opening of that facility in 2003. In addition, as the operator since 1993 of the Houston Airport System's advertising concession throughout the remainder of the Terminals at IAH, JC Decaux has been a close, albeit indirect, business partner of CO throughout the term of that contract.

In working with JCDecaux, I have found the staff to be professional, thorough and innovative. JCDecaux's approach is to deliver a well-placed advertising program that enhances the traveler's experience, while also providing revenue, consistent with Continental's goals. They are responsive to their client's needs and interests, and never fail to work cooperatively with us to find positive solutions when the inevitable operational need or construction project impacts the advertising program.

We look forward to continue to developing future advertising programs with JCDecaux and I highly recommend them to you to be your advertising partner as well. If you need any additional information please do not hesitate to contact me.

Sincerely,

Michelle Baden

Michelle Baden
Sr. Director-Airport Affairs, Global Real Estate
Continental Airlines, Inc.

(713) 324-2690
mbaden@coair.com

TERMINAL ONE
JFK INTERNATIONAL AIRPORT

May 27, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

Attention: T. J. Storch

Dear Mr. Storch:

Please allow this letter to serve as a personal recommendation for JCDecaux.

I have had the pleasure of working with the JCDecaux Team for almost six years at Terminal One.

Terminal One has a unique blend of some of the most demanding clientele in the business. As such, our standards and demands are well above the norm, and often present unique challenges for the JCDecaux Team. Advertising within our facility is closely scrutinized by the Carriers for placement and content, and can quickly meet opposition if found to be inappropriate or intrusive. Because of the international exposure of JCDecaux in many of the markets serviced by our Carriers, they thoroughly understand these cultural challenges and have been very successful at tailoring the advertising effort to meet these challenges. It is by and large due to the superb leadership, management abilities, and skills found in the JCDecaux Team that permits Terminal One to meet and exceed each and every goal set forth for advertising revenues.

Concession revenue is an increasing portion of our basic source of incremental income, income that facilities like Terminal One require to offset the ever increasing cost of doing business at JFK, costs that often cannot be passed onto the Carriers or Customers that utilize this facility. The financial condition of many Carriers have resulted in cost cutting efforts that, of course, have a trickle down effect on Terminal Operators. This has forced Terminals to place significant pressure on airport concessionaires for higher levels of revenue generation when they were experiencing their own revenue crises from less passengers, more stringent operating conditions and for some concessions, the airport environment was seen as a less desirable place to advertise or operate. Many of these same concessions became unprofitable yet continued to provide a revenue stream without any contractual alternatives.

TERMINAL ONE MANAGEMENT, INC. TERMINAL ONE JFK INTERNATIONAL AIRPORT JAMAICA, NY 11430 TEL 718.751.1700 FAX 718.751.1720

JCDecaux is one of these concessionaires. We have found that JCDecaux, our advertising partner, has worked with us from before the terminal was opened. JCDecaux worked with the Terminal One design staff to develop advertising programs that were integrated into the fabric of the building. We have worked as partners since the opening of the facility to continue to develop new advertising venues and have found that we embraced difficult opportunities that ultimately paid off for both the Port Authority and us.

As we enter the second half of 2005, I believe our challenges are even greater. We see little chance for new ways to offset higher operating costs including those driven by the Port Authority of New York and New Jersey. Our airlines have experienced unprecedented increases in fuel costs with little improvement in ticket yields. We are facing an unforeseeable future of continuing budgetary constraints with significant operating concerns.

Keeping all these issues in mind, I must recommend that JCDecaux be retained as the advertising provider for JFK. Any change would most certainly result in a learning curve for another company that could be disastrous for us financially. As I mentioned earlier, JCDecaux has worked with us to obtain the highest advertising revenues in the industry and specifically for Terminal One and JFK. They have developed a niche advertising market at JFK that I doubt could be replicated by any other advertising vendor and, therefore, would not deliver the same revenues. Taking such a risk at anytime would be cause for concern but, under our current circumstances, could result in the loss of millions of dollars to Terminal One.

All of this can be avoided by allowing JCDecaux to remain as the advertising permitee at JFK. Additionally, allowing them a sufficient term to permit a redevelopment of a substantially new JFK would serve both The PANY&NJ and Terminal One with enhanced advertising programs. They are a well established, New York City based, company that has shown innovation in developing revenue while being responsive to the airport and Terminals special needs.

I request that you consider this letter as support and a reference for JCDecaux and the great work they have done here at Terminal 1.

Sincerely,

Edward J. Paquette
Executive Director

TERMINAL ONE
JFK INTERNATIONAL AIRPORT

May 27, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

Attention: T. J. Storch

Dear Mr. Storch:

Please allow this letter to serve as a personal recommendation for JCDecaux.

I have had the pleasure of working with the JCDecaux Team for almost six years at Terminal One.

Terminal One has a unique blend of some of the most demanding clientele in the business. As such, our standards and demands are well above the norm, and often present unique challenges for the JCDecaux Team. Advertising within our facility is closely scrutinized by the Carriers for placement and content, and can quickly meet opposition if found to be inappropriate or intrusive. Because of the international exposure of JCDecaux in many of the markets serviced by our Carriers, they thoroughly understand these cultural challenges and have been very successful at tailoring the advertising effort to meet these challenges. It is by and large due to the superb leadership, management abilities, and skills found in the JCDecaux Team that permits Terminal One to meet and exceed each and every goal set forth for advertising revenues.

Concession revenue is an increasing portion of our basic source of incremental income, income that facilities like Terminal One require to offset the ever increasing cost of doing business at JFK, costs that often cannot be passed onto the Carriers or Customers that utilize this facility. The financial condition of many Carriers have resulted in cost cutting efforts that, of course, have a trickle down effect on Terminal Operators. This has forced Terminals to place significant pressure on airport concessionaires for higher levels of revenue generation when they were experiencing their own revenue crises from less passengers, more stringent operating conditions and for some concessions, the airport environment was seen as a less desirable place to advertise or operate. Many of these same concessions became unprofitable yet continued to provide a revenue stream without any contractual alternatives.

TERMINAL ONE MANAGEMENT, INC. TERMINAL ONE JFK INTERNATIONAL AIRPORT JAMAICA, NY 11430 TEL 718.751.1700 FAX 718.751.1720

Port Authority of New York & New Jersey
Purchasing Services Division
Page 2

JCDecaux is one of these concessionaires. We have found that JCDecaux, our advertising partner, has worked with us from before the terminal was opened. JCDecaux worked with the Terminal One design staff to develop advertising programs that were integrated into the fabric of the building. We have worked as partners since the opening of the facility to continue to develop new advertising venues and have found that we embraced difficult opportunities that ultimately paid off for both the Port Authority and us.

As we enter the second half of 2005, I believe our challenges are even greater. We see little chance for new ways to offset higher operating costs including those driven by the Port Authority of New York and New Jersey. Our airlines have experienced unprecedented increases in fuel costs with little improvement in ticket yields. We are facing an unforeseeable future of continuing budgetary constraints with significant operating concerns.

Keeping all these issues in mind, I must recommend that JCDecaux be retained as the advertising provider for JFK. Any change would most certainly result in a learning curve for another company that could be disastrous for us financially. As I mentioned earlier, JCDecaux has worked with us to obtain the highest advertising revenues in the industry and specifically for Terminal One and JFK. They have developed a niche advertising market at JFK that I doubt could be replicated by any other advertising vendor and, therefore, would not deliver the same revenues. Taking such a risk at anytime would be cause for concern but, under our current circumstances, could result in the loss of millions of dollars to Terminal One.

All of this can be avoided by allowing JCDecaux to remain as the advertising permitee at JFK. Additionally, allowing them a sufficient term to permit a redevelopment of a substantially new JFK would serve both The PANY&NJ and Terminal One with enhanced advertising programs. They are a well established, New York City based, company that has shown innovation in developing revenue while being responsive to the airport and Terminals special needs.

I request that you consider this letter as support and a reference for JCDecaux and the great work they have done here at Terminal 1.

Sincerely,

Edward J. Paquette
Executive Director

BRITISH AIRWAYS

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Ave, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

ATTN: T.J. Storch

British Airways is pleased to write this letter of recommendation on behalf of JCDecaux, Airport Inc.

We have worked with JCDecaux over the past 15 years to develop our in-terminal advertising program in Terminal 7 at JFK. Over this period of time we have formed a partnership that has remained viable because of JCDecaux's unique understanding of the international advertising marketplace and their worldwide presence. They bring to our facility the premium companies that find real value in the high-end passenger traffic we handle and deliver the revenue to prove it.

On a day-to-day basis we have found JCDecaux willing to work with us regardless of the circumstances or situation. When our facility was going through the throws of construction, the Decaux staff could always be counted on to make whatever adjustments to their schedule the changes dictated. With virtually no notice units were removed and relocated to accommodate the revenue of our advertisers and accommodate our passengers during construction. This type of action has been the basis of our relationship as we work together to deliver the much needed non-airline revenue to support Terminal 7's operating costs.

JCDecaux works at keeping its equipment in top shape. Cleaning and maintenance are as important to them as the advertising sale. As part of their renewal program they have added equipment that keeps the building looking fresh and introduced new technology when it is appropriate for the venue and marketplace.

Sincerely

Donna Oliver-Walker
Director Supplier Development NA

Email: donna.oliver-walker@britishairways.com

oneworld

75-20 Astoria Boulevard, Jackson Heights, New York 11370

British Airways Plc *Registered office:* Waterside, P.O. Box 365, Harmondsworth, UB7 OGB *Registered in England No.* 17777777

BRITISH AIRWAYS

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
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New York, NY 10010

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British Airways Plc Registered office, Waterside, P.O. Box 365, Harmondsworth, UB7 0GB Registered in England No. 1777777

AmericanAirlines®

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Ave, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

ATTN: T.J. Storch

Over the course of the past few years, American Airlines staff at JFK has been working with JCDecaux to maintain important advertising revenues under difficult circumstances. JCDecaux worked with us during the comeback period following 9/11 as well as the ensuing period of terminal construction to keep the critical advertising revenue flowing. We found that JCDecaux was always looking for new sources of revenue as the landscape in and around Terminals 8 and 9 changed. We have become accustomed to the exceptional revenue stream they have provided us under these difficult circumstances.

As we approach the prospect of moving in to our new Terminal this summer, JCDecaux has committed capital and marketing resources to put the advertising plan in place that we have jointly worked on. This includes an iconic electronic art system that they have proposed which they will be unable to do without an assurance of not being the advertising concession at JFK. American is anticipating that the electronic Art System going into our Terminal will become as recognizable to our Terminal and JFK as the "Ticker Tape" sign is to Times Square. Of greater importance is that we secure the increased revenue that we expect as a result of their efforts and the new advertising program and structures they will put in place.

JCDecaux has made us aware that their concession permit will expire at the end of 2005. This would expose us to the potential of a new advertising concessionaire just 5 months after our new facility opens and at a mid-point of our complete redevelopment program. This presents us with a serious revenue concern.

The experience, advertising knowledge and airport familiarity, at JFK, that have been developed over many years of partnering with JCDecaux have brought a solid revenue stream to American and is worthy to be continued, with planned growth into the future.

I request you consider this letter as a reference in support of JCDecaux based on or working with them for almost 15 years. I believe that they are the right choice and with renewal of their contract will allow them to develop a long-term strategic plan for additional revenue growth for American at JFK.

Sincerely,

D.P. Smith
Manager-Facilities Maintenance
JFK

CC:

M. Dupont-JFK

AmericanAirlines

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
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Sincerely,

D.P. Smith
Manager-Facilities Maintenance
JFK

CC:

M. Dupont-JFK

H.2 Marketing Strategy and Approach

City of Chicago Installation

In 2002, JCDecaux signed a coordinated street furniture contract with the City of Chicago to manufacture, install and maintain approximately 2,500 fixtures. JCDecaux selected and contracted with local vendors to ensure local manufacturing and final assembly of the equipment occurred within the City. Through this selection process, we exceeded the initial MBE/WBE requirements (30% participation) set by the City and guaranteed to reach a minimum of 37% over the entire duration of the contract.

The installation phase started ahead of the contractual schedule, with a record-time implementation of more than 1,500 bus-shelters installed in less than 18 months. We are operating a 50,000 sq. feet facility 7-days-a-week in the SW side of the City. This facility is fully operational to service all installed units Citywide 24/7, with a staff of 40 fully trained JCDecaux Maintenance Technicians dispatched every day to service the needs of the program.

H.2 Marketing Strategy and Approach

OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 17, 2004

To Whom It May Concern:

As Mayor and on behalf of the City of Chicago, I write to commend JCDecaux for its manufacture and installation of street furniture in Chicago.

In June of 2002, the City of Chicago signed a contract with JCDecaux to provide and maintain 2,175 bus shelters, 26 news stands, 110 news racks and other street furniture. The installation of the bus shelters began in December of 2002. To date, JCDecaux has installed over 1,500 bus shelters and shows every indication that the entire complement of bus shelters will be installed by the end of this year, as required by contract. The remaining street furniture is also being installed in a timely manner.

The bus shelters are beautiful and have garnered wide public acclaim. We are pleased with JCDecaux and their staff. Thank you for your kind consideration.

Best wishes,

Richard M. Daley

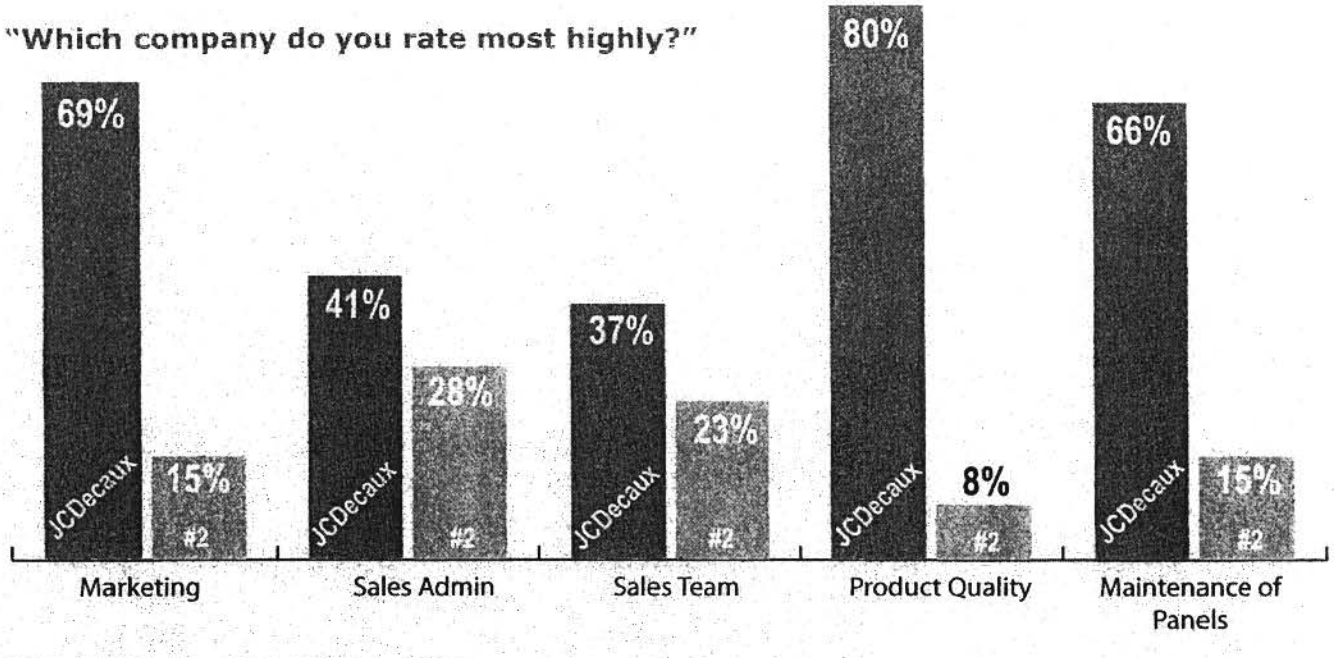
Mayor

H.2 Marketing Strategy and Approach

Industry Opinion

Customer Satisfaction Survey of Outdoor Media Owner
Conducted by PSB Associates, Fall 2004

"Which company do you rate most highly?"



PSB Customer Satisfaction Survey

Overall Business Impact Score

1. JCDecaux	184
2. Clear Channel	112
3. Viacom	105
4. Van Wagner	86
5. Metrolite	37
6. Titan Outdoor	31
7. Cemusa	5

Maximum score = 203
PSB Customer Satisfaction Survey

H.2 Marketing Strategy and Approach

H.2 Marketing Strategy and Approach

Airport Advertiser Testimonals

Royal Bank of Scotland

Jim Marshall, Group Head Brand Communication, Royal Bank of Scotland Group

"We believe Airport advertising is a cost effective way of reaching up-scale consumers and we are delighted with the impact created by our new branding campaign at JFK and LaGuardia Airports."

H.2 Marketing Strategy and Approach

L'Oreal

Joffrey Chartier, L'Oreal Area Manager, North America

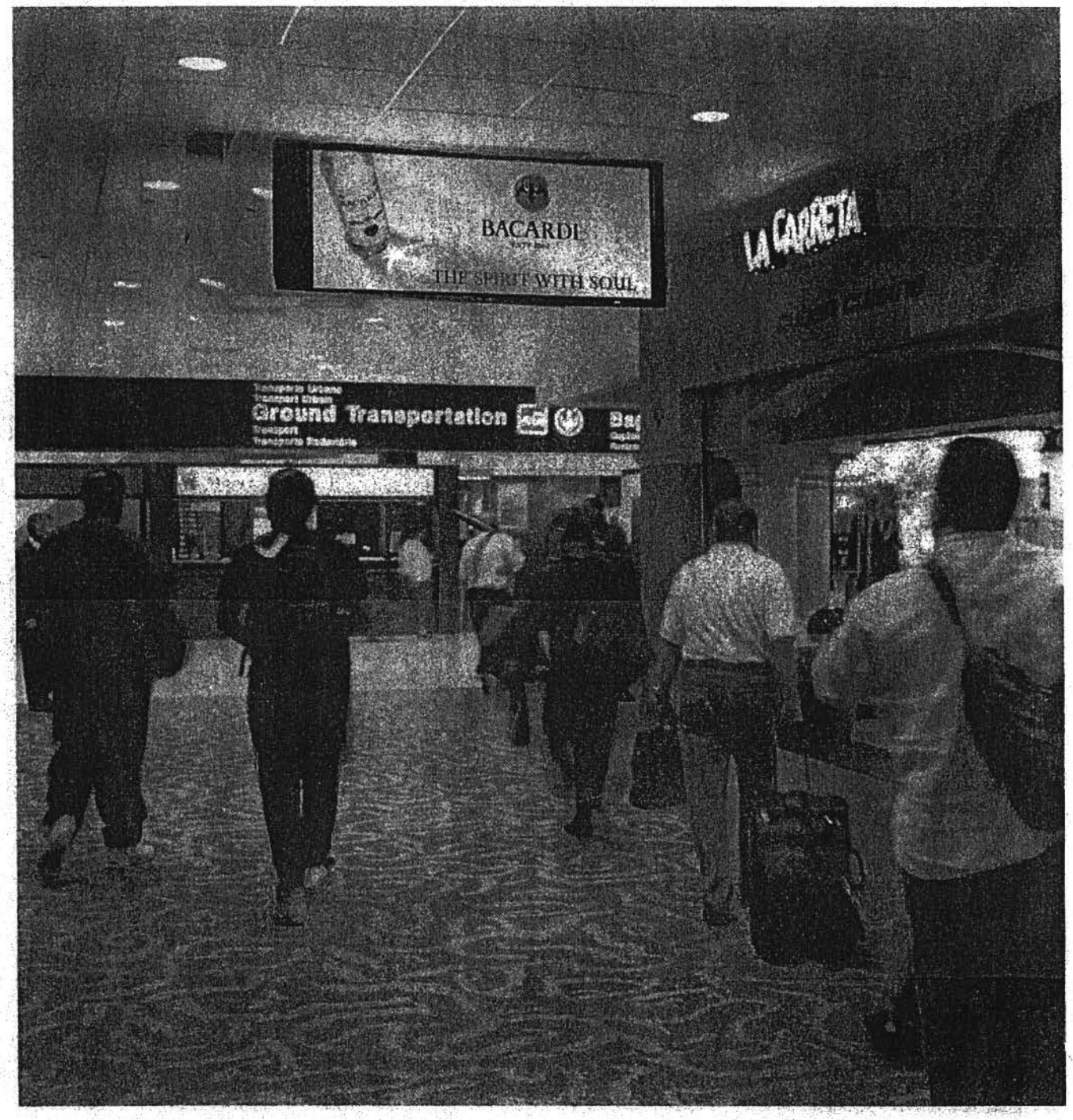
"Attraction ended up being #1 during the month of the launch. The whole advertising package definitely helped us building an awareness towards the product."

H.2 Marketing Strategy and Approach

Bacardi

Maggie Matias, Travel Marketing Director for Bacardi Global Brand

"JCDecaux partnered with our team in helping the Bacardi Global Brand achieve its objectives. Our campaign was very impactful in both reaching consumers and in driving sales."

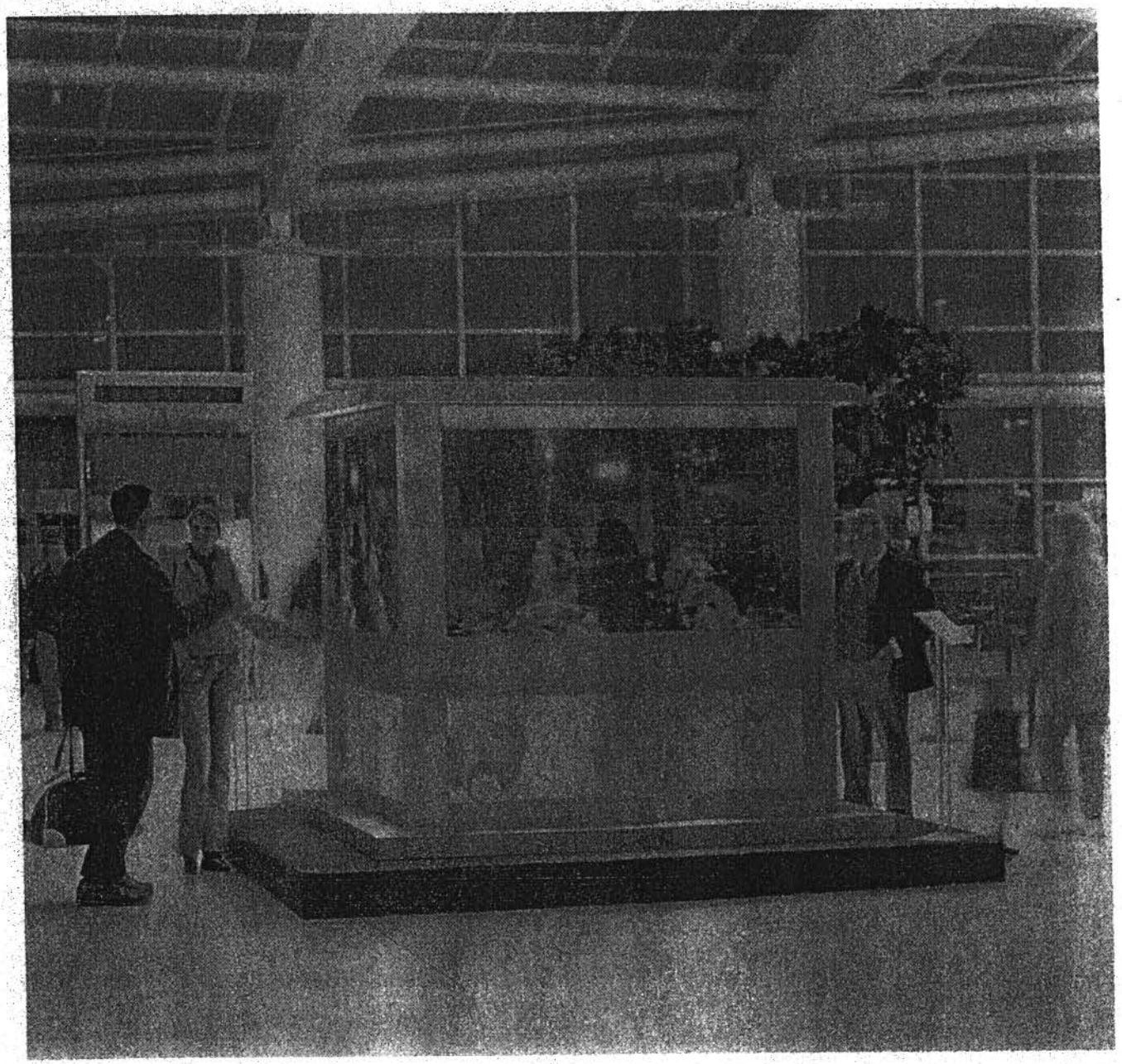


H.2 Marketing Strategy and Approach

Bacardi

Jose Chao, VP Travel Retail Marketing Bacardi Global Brands

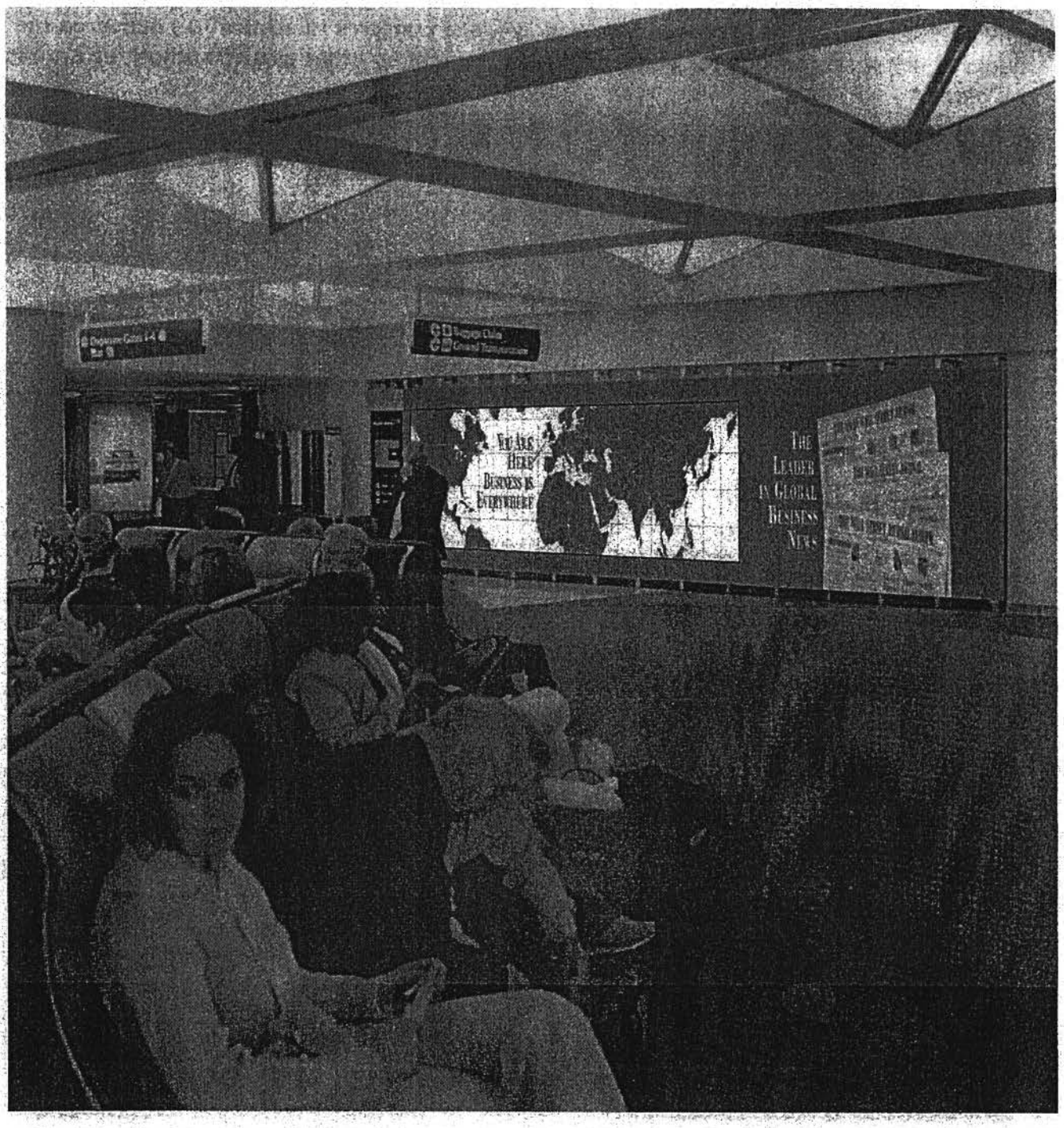
"Reaching travel consumers and making sure advertising works hard at driving awareness was one of the challenges Bombay Sapphire Gin faced when considering their media strategy. Delivering the WOW factor was essential, thus the development of the 7-ton fish tank exhibit. The tank installed in New York JFK and London's Heathrow has delivered the media punch it was looking for and is now being sought by other airport authorities around the globe."



H.2 Marketing Strategy and Approach

Wall Street Journal
Jessica Hirsch at WSJ's Trahan Burden & Charles

"JCDecaux's global capabilities allowed us to effectively plan and execute the airport campaign."

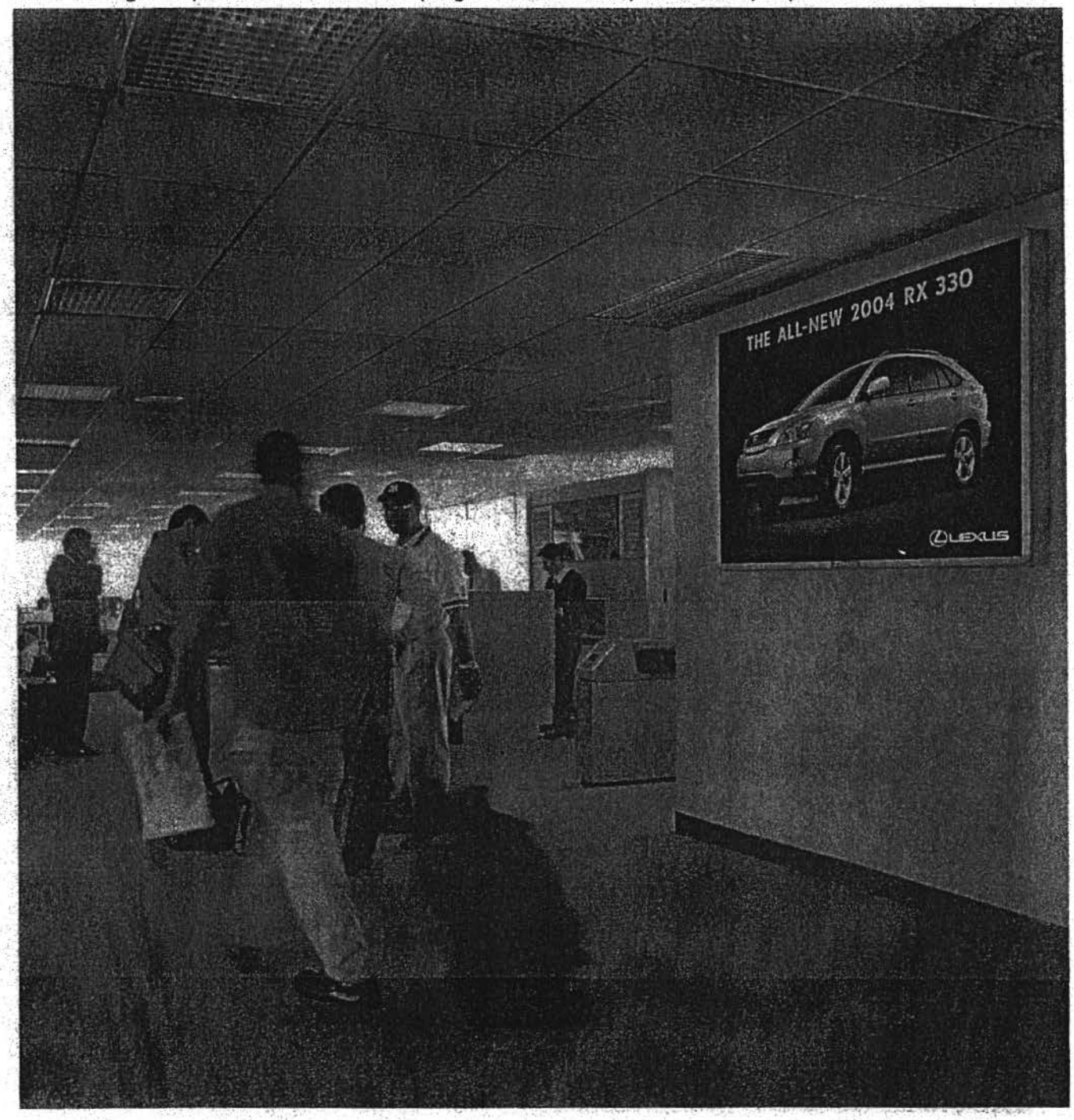


H.2 Marketing Strategy and Approach

Lexus

Carolyn K. Walkin, VP Associate Director, Zenith Media

"JCDecaux Airports provides an excellent advertising package. In-particular the creative treatments look great in the backlit diorama structures. The ability to reach our core audience at a great price made this campaign an extremely valuable proposition."



H.2 Marketing Strategy and Approach

EMC Outdoor

Betsy McLarney, CEO of EMC Outdoor

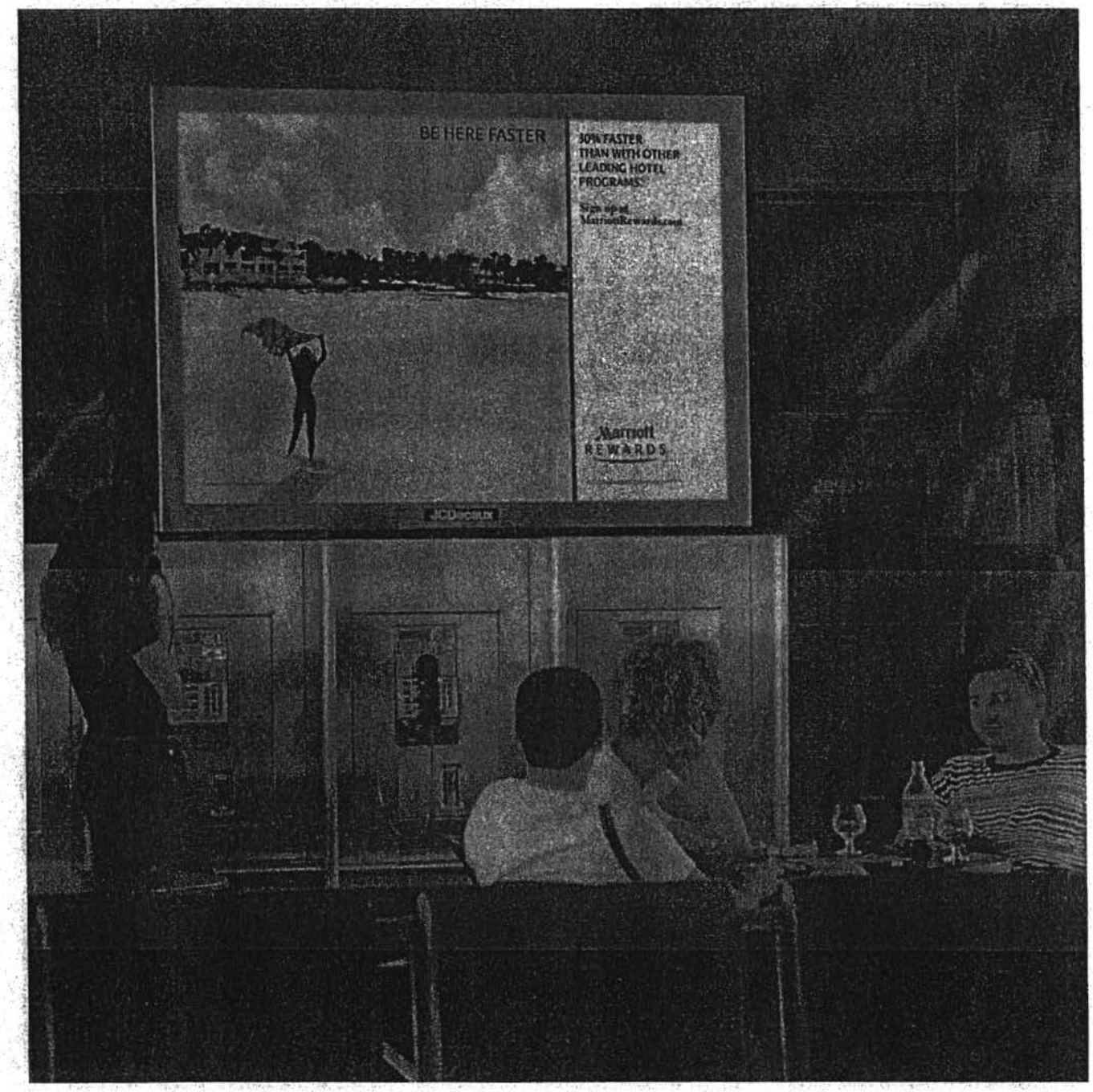
"Our pharmaceutical clients find that Airport Advertising is a very effective medium for reaching their target audience, either for event marketing or brand recognition purposes. Our partnership with JCDecaux to deliver these campaigns has always produced great results."

H.2 Marketing Strategy and Approach

Outdoor Vision

Mary Prisco, Out of Home Expert, Outdoor Vision

"Airports provide advertisers the opportunity to reach a consumer in a quality environment versus traditional out of home. Additionally, airport displays are intrusive, they are in close radius to the consumer with placements on walkways and check in areas. Lastly, the airport traveler is always a good demographic to reach."



The Media Kitchen

Paul Woolmington, Head Chef, The Media Kitchen

"JCDecaux's airport advertising provides The Media Kitchen and our clients with a unique angle at reaching today's elusive and busy consumers. Airport advertising through the open minded and innovative JCDecaux company allows for interesting targeting opportunities and capabilities. It also guarantees viewership of our clients messages and added involvement within a highly relative environment."

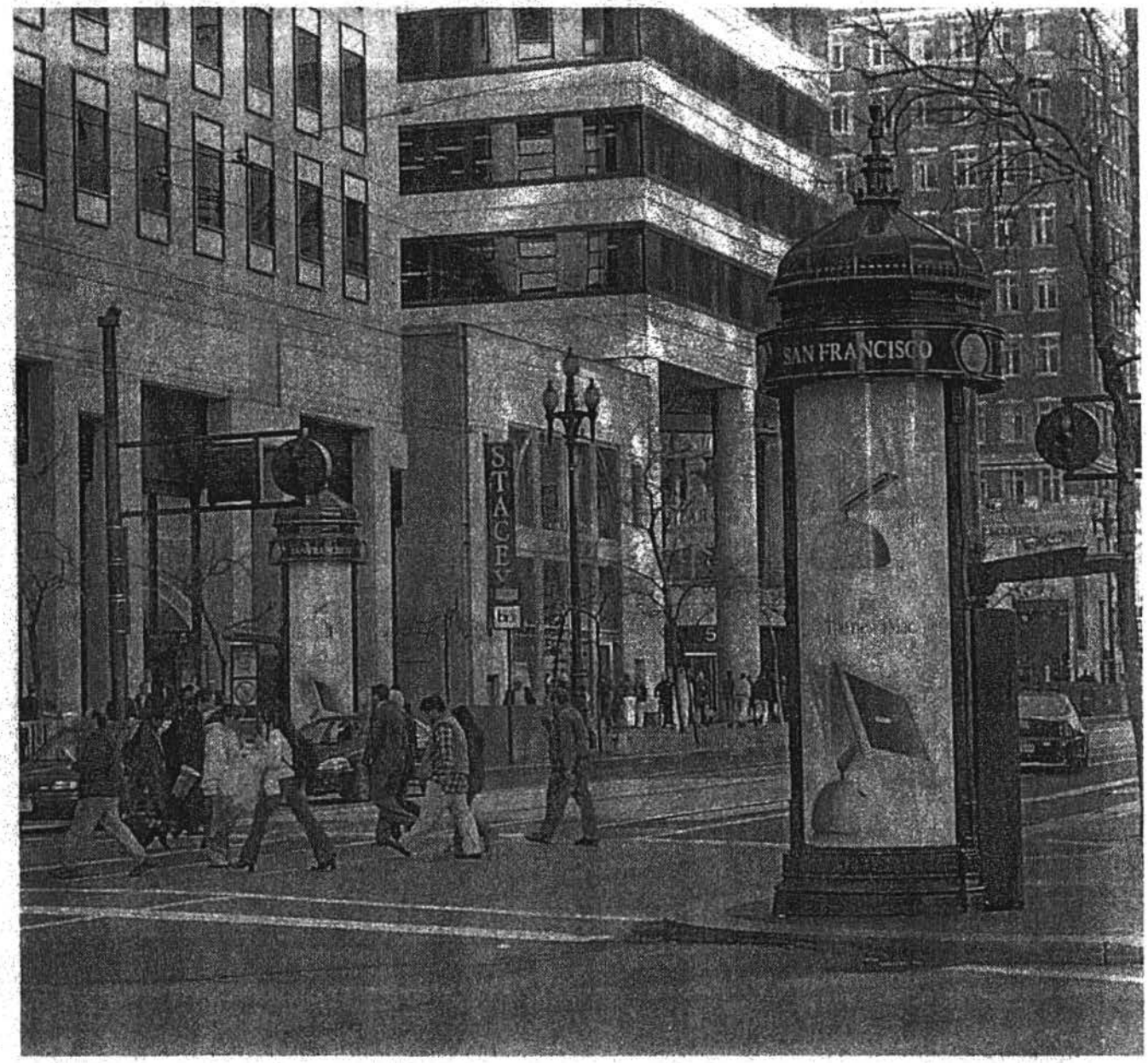
H.2 Marketing Strategy and Approach

San Francisco Advertiser Testimonial

Apple Computer

Christine Weil, Worldwide Advertising Manager, Apple

"At Apple, we like to do things in the biggest and best way possible. With the launch of the new flat-panel iMac at MacWorld San Francisco in January, we wanted to blanket the city with the revolutionary news. The vast, citywide coverage and superior design of the JCDecaux Kiosks were the only natural fit to deliver this message. The incredible response from our customers and the people of San Francisco confirmed the success of the program and our committment to our partnership with JCDecaux."



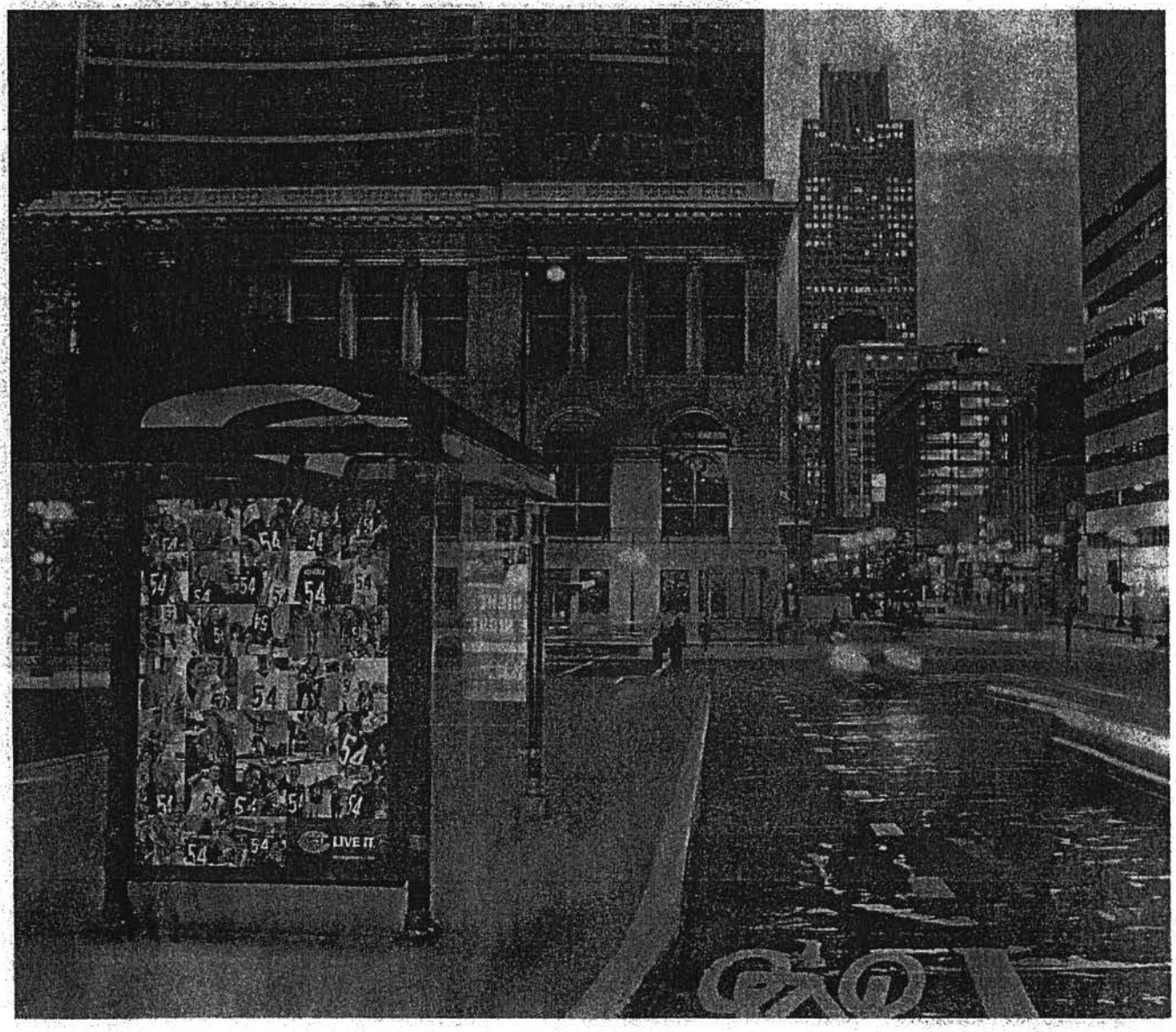
H.2 Marketing Strategy and Approach

Chicago Advertiser Testimonals

Chicago Bears

Linda Connors, Director of Marketing and Communications, Chicago Bears Football Club

"The opening of the new stadium marked a new era in the Bears' rich tradition and history. JCDecaux bus shelters were an effective part of the Chicago Bears '03 marketing campaign. The bus shelters provided a perfect palate to showcase fan loyalty, deliver the story of the Chicago Bears and celebrate the next chapter in the franchise's history. It definitely enhanced the Bears' overall branding message as it added a strong visual, grass roots community component to the media mix. In addition, the JCDecaux staff is professional, responsive and knows their business. They, quite simply, manage expectations and get the job done."



H.2 Marketing Strategy and Approach

Ferragamo
Jean-Marc Gallot, President, Ferragamo USA

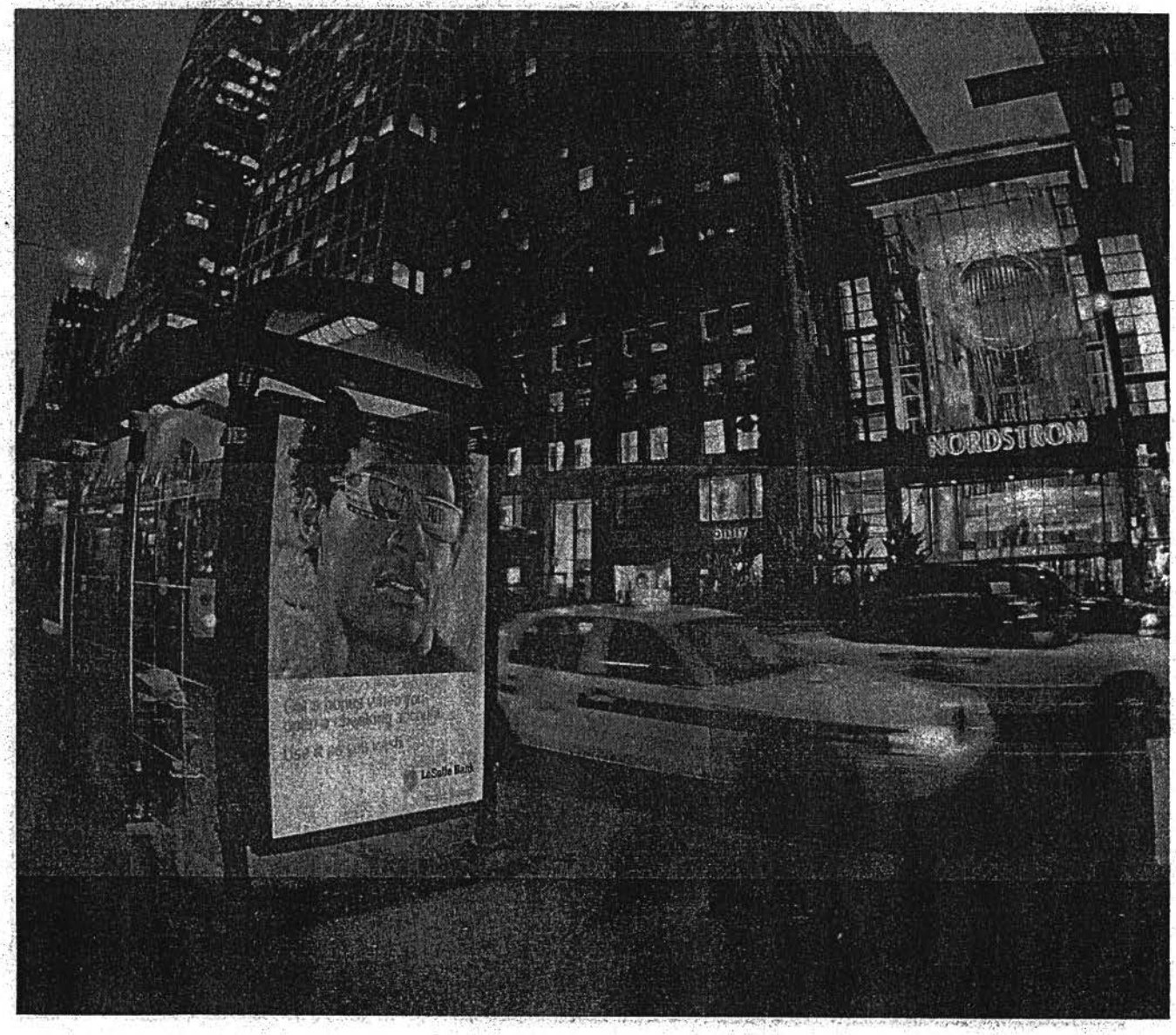
"We seized the opportunity to be a part of the Chicago street furniture launch and work with Decaux's passionate and professional sales team and we don't regret it: 50% increase in our boutique traffic during the campaign and a sales increase of more than 20%! Certainly our biggest local success in a long time."

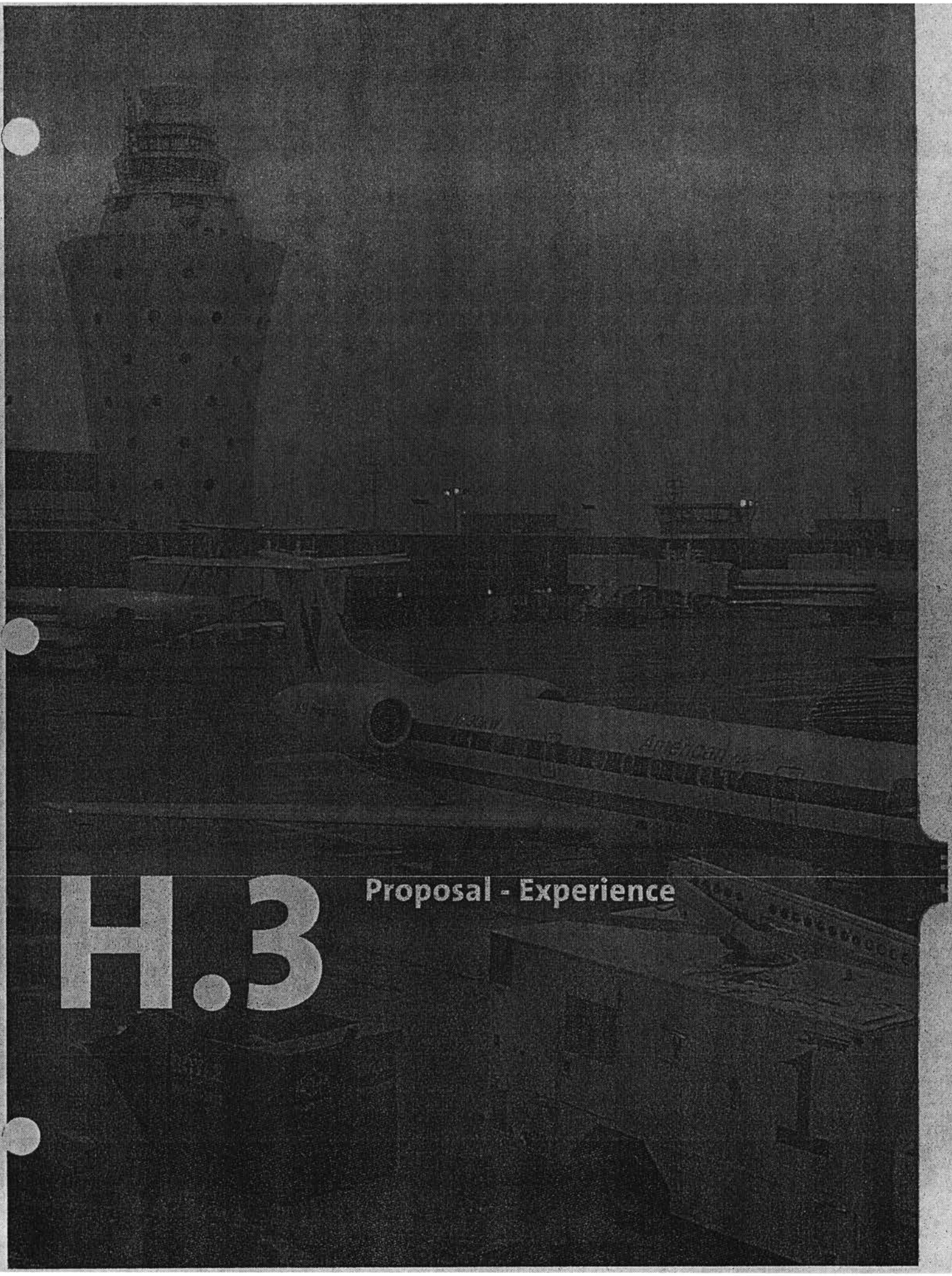
H.2 Marketing Strategy and Approach

Outdoor Media Group

Alison Kruse with Outdoor Media Group

"I want to express to you my continued satisfaction in working with JCDecaux's media opportunities. We've always been able to come back to you year after year for all types of airport signage for Emerson and Standard Federal Bank. We've also seen our regional McDonald's and LaSalle Bank clients advertise on your beautiful bus shelters. I've been really excited just in the past few months to see our new clients utilize many of JCDecaux's opportunities. For example, we've had regional McDonald's, LaSalle and Standard Federal Banks to advertise in your malls and we have had Chicago Tribune advertise on your shelters just in the past four months! To see our clients see the benefits of what your company has to offer and to see them be pleased with the results is very gratifying."





H.3 Proposal - Experience

A Global Player

JCDecaux is a true global player in the Out-Of-Home industry:

- #1 worldwide in transport advertising
- #1 worldwide in street furniture advertising
- #1 in Europe in billboard advertising

An international leader, our company has the largest presence of all Out-Of-Home advertising companies in world capital cities and major international airports.

JCDecaux's unique approach to the Out-of-Home business is characterized by:

- Constant innovation to better serve the public and advertisers
- Highest quality standards – in designs, construction and maintenance
- Best advertising product – we deliver the highest value to advertisers
- Highest yield – we deliver more revenue than anyone else to our public authority partners
- Ability to work with public authorities and maximize revenues for them while respecting their primary mission
- Financial strength – a family company and listed on the Paris stock exchange, JCDecaux is the most profitable of the 3 largest OOH companies in the world.

Here at Home

JCDecaux has had a strong local presence in New York and New Jersey for over 10 years. We have in depth knowledge of the area and the market.

We have worked with the Port Authority for many years, at JFK since 1990 and at LaGuardia since 1996. JCDecaux has established strong partnerships with the Port Authority's staff and the Airlines, who are key players in the airport advertising concessions. We know the Airlines needs, their constraints, and how best to serve them.

JCDecaux has delivered the highest advertising revenue performance for the Port Authority. Since being awarded the concession, we have increased revenues at an average annual compound rate of 16% at JFK and 17.7% at LGA. Revenues per passenger at these two airports are the highest of any major U.S. Airport.

A Highly Qualified Team

We have a local, national and international presence. The Port Authority will benefit from the synergy of our global and local experience – in airports, billboards, cities and transportation systems. Our people are the most experienced, most dedicated, with track records proving our years of sales success.

H.3 Overall Experience and Financial Capability

Our U.S. team is the most qualified in the industry to design, build, operate and market all the components of this multi-faceted program. In addition, the Port Authority will benefit from the experience of other JCDecaux entities around the world that have relevant experience and know-how that can be transferred and applied here. For example:

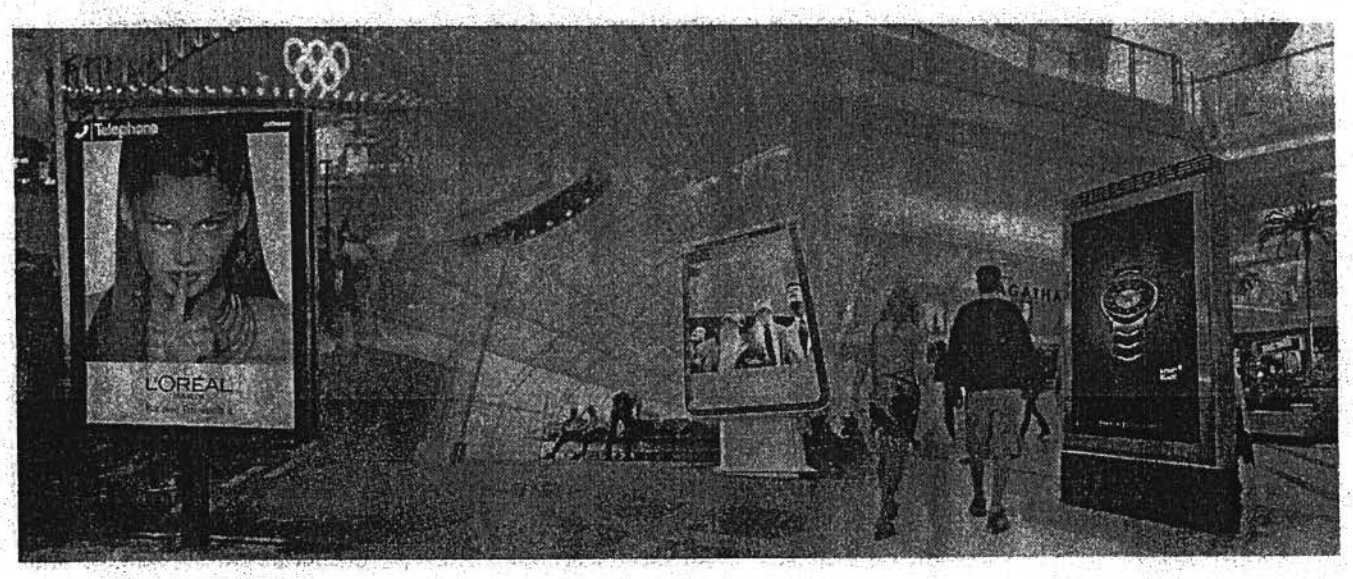
- Our comprehensive advertising and sponsorship program for the Mass Transit Railway System in Hong Kong
- Wrapping of the Sydney (Australia) monorail cars
- Digital projection technology in the Vienna (Austria) subway system
- Large, spectacular wallscape wraps and stretched banners in Europe
- Digital screen networks in London Heathrow, Paris Charles de Gaulle and Frankfurt International airports

Committed to Constant Improvements

JCDecaux is committed to improving and implementing new products, services and technologies as advances become available that can help generate more revenue and/or deliver a better service to the Port and the public. This is what we have done at JFK and LGA over the past 15 years, and now propose to implement for all of the Port Authority's Properties. For this program alone, we are proposing the deployment of several brand new, innovative products that will deliver valuable services, excitement and increased revenues.

Take the Full Tour

The brief highlights above should already give you a good idea of who we are and how we will achieve and surpass the Port Authority's goals. The following pages, which describe our experience in more detail, will give you even more reasons to select JCDecaux as your long-term partner for a total advertising solution.



H.3 Overall Experience and Financial Capability

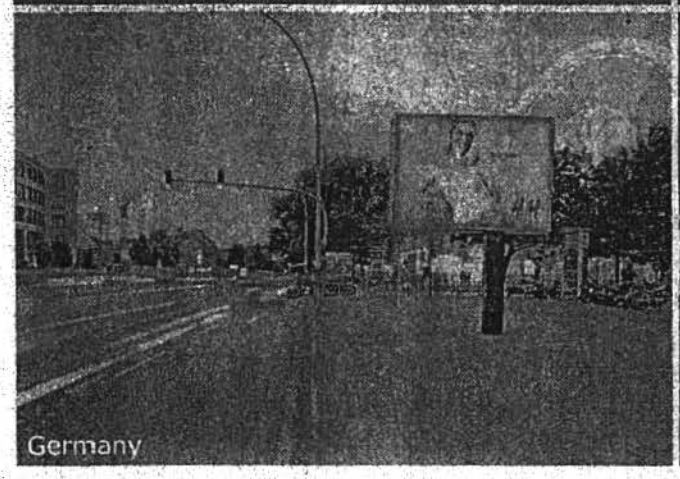
JCDecaux: A World Leader in Outdoor Advertising

A Few Facts about JCDecaux SA

- 658,000 advertising faces in airports, transit, street furniture and billboards, reaching 170-million people every day in 45 countries, 3,500 cities.
- 6,900 employees worldwide
- Public company, listed on Euronext (Paris Bourse)
  (See enclosed 2004 corporate annual report for additional information)
- Worldwide Revenue $2.1 billion - 2004
- #1 in Transport advertising worldwide – 150 airports and more than 150 transport contracts in metros, buses, trains and tramways (157,000 faces)
- #1 Street Furniture advertising company worldwide – (304,000 faces)
- #1 in Billboard advertising in Europe (197,000 faces)

France

Australia

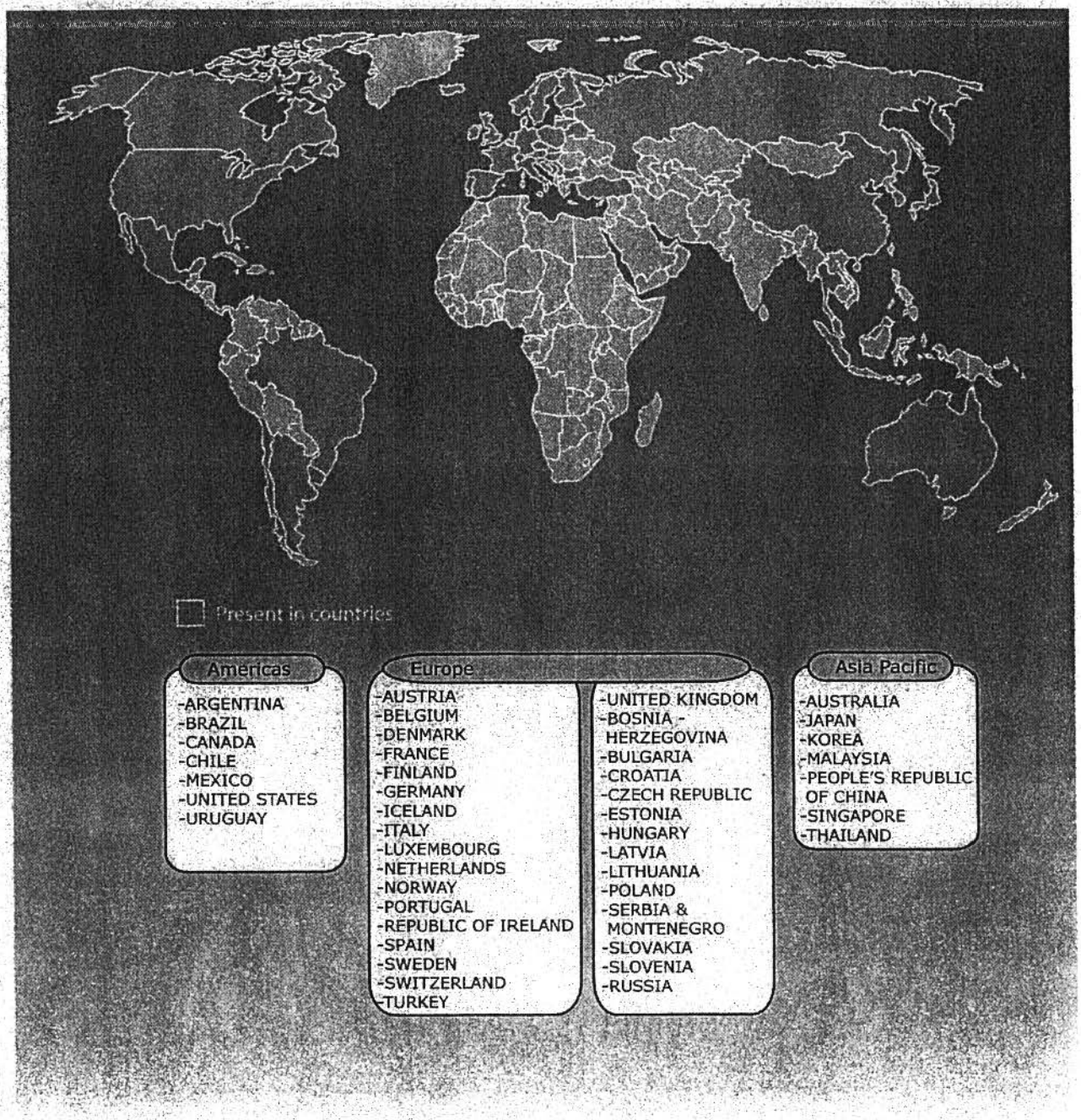

Germany

Thailand

H.3 Overall Experience and Financial Capability

Global presence

JCDecaux reaches over **170 million** people in **45** countries every day



H.3 Overall Experience and Financial Capability

World Leader in Transport Advertising

JCDecaux has applied its international experience and commitment to quality advertising to securing numerous concessions for airports, subways, trains, trams, buses and monorail stations and platforms, both inside and outside. In each country, JCDecaux focuses on the individual assets to create and best place displays that will give clients the coverage they demand. In each instance JCDecaux delivers quality infrastructure and service to the asset owner.

JCDecaux's transport advertising covers 4 continents. 66% of our transport activities are in airports. We have a presence in 150 airports in 13 countries; in 9 underground networks, 1,800 buses and 200 trams in 14 countries. This is a grand total of more than 156,700 transport advertising panels in 20 countries.

Heathrow, UK

Frankfurt Main, Germany

H.3 Overall Experience and Financial Capability

JCDecaux Airports Around the World – 13 Countries, 150 Airports*

USA

Baltimore
Baton Rouge
Birmingham
Boston
Cleveland
Des Moines
Great Falls
Hilo
Honolulu
Houston - Bush
Houston - Hobby
Indianapolis
Kahului
Kapalua
Knoxville
Kona - Keahole
Lafayette
Lihue
Long Island, New York
Love Field, Dallas
Washington D.C. - Dulles
Washington D.C. - Reagan
Madison
Memphis
Miami
New York - JFK Int.
New York - LaGuardia
Oklahoma
Omaha
Orange County
Orlando
Philadelphia
Pittsburgh
Salt Lake City
San Jose
Seattle
Tampa

France

Agen
Angoulême
Avignon
Bâle Mulhouse
Beauvais
Biarritz
Bordeaux
Caen
Cannes
Chambery
Clermont Ferrand
Colmar
Deauville
Dijon
Nice
Nîmes
Paris - CDG
Paris - Orly
Périgueux
Perpignan
Epinal
Grenoble
La Rochelle
Le Havre
Le Puy
Lille
Limoges
Lorient
Lyon - Bron
Lyon - St.Exupéry
Marseille
Metz / Nancy
Montpellier
Nantes-St Nazaire
Rennes
Roanne - Renaison
Rouen
Strasbourg
Tarbes
Toulon
Poitiers
Reims
Toulouse
Vannes - Meucon

UK

Aberdeen
Heathrow
Edinburgh
Glasgow
Stansted
London - Southampton
London-Gatwick
London - Luton

Spain

Alicante
Almeria
Barcelona
Bilbao
Girona
Granada
Leon
Malaga
Melilla
Murcia
Pamplona
Reús, Es
Sabadell
San Sebastian
Valencia
Vitoria
Zaragoza

Portugal

Faro
Flores
Horta
Ponta Delgada
Lisbon
Madeira
Porto OPO
Porto Santo
Santa Maria

Poland

Gdansk
Katowice
Krakow
Poznan
Warsaw
Wroclaw

Mexico

Cancun
Cozumel
Huatulco
Merida
Minatitlan
Oaxaca
Tapachula
Veracruz
Villahermosa

Italy

Bergamo
Milan - Linate
Milan - Malpensa
Pescara
Rome - Piumicino

Germany

Frankfurt - Hahn
Frankfurt - Mainz
Saarbruecken

China

Hong Kong
Shanghai

Sweden

Stockholm -
Arlanda
Bromma
Skavsta

Norway

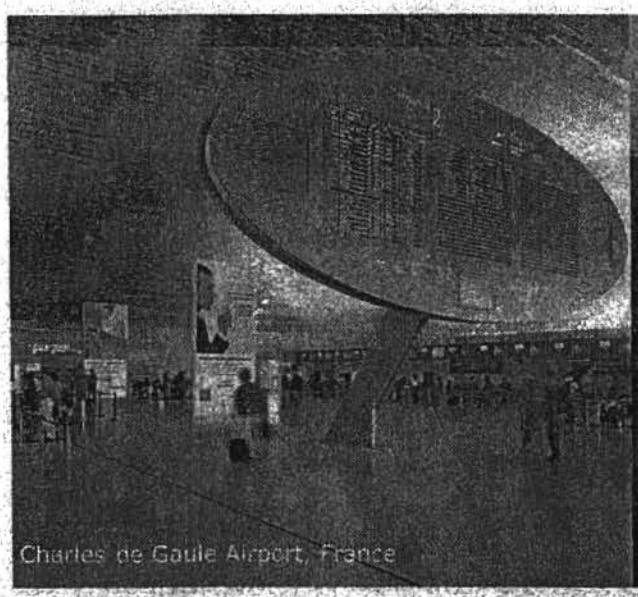
Bergen
Haugesund
Kristiansand
Stavanger
Trondheim

Denmark

Copenhagen

* as of June 2005

H.3 Overall Experience and Financial Capability



Charles de Gaulle Airport, France

Heathrow Airport, United Kingdom

- **JCDecaux manages advertising concessions in six of the World's top ten aviation markets (London, New York,Paris, Dallas, Frankfurt, Houston)**
- **35% market share of the world air travelers**
- **Reaching 972 million passengers a year**

Warsaw, Poland

Frankfurt, Germany

H.3 Overall Experience and Financial Capability

World Leader in Neon Signs and Wallscapes Innovation

JCDecaux's ARTvertising division deploys eye-catching wall wraps and neonlights that really stand out. These displays create true added value that magnifies the power of the advertising message. Our spectacular signs are placed in high visibility locations in and around major urban centers.

- Our creative use of the neon tube, has made JCDecaux the leading player in this advertising sector.
- The format and locations of JCDecaux ARTvertising wall wraps offer unique space solutions, guaranteeing maximum visibility and impact. Strategically located in high-flow areas, JCDecaux ARTvertising displays are guaranteed to be noticed. Premium locations ensure they are seen by the largest audience possible, maximizing visibility and therefore advertising revenue.

JCDecaux ARTvertising has over 150 sites across the world, including 62 in France. These units are among the most innovative in the market, combining quality and originality to benefit the brands they serve and the exceptionally busy environments in which they are placed.

Paris, France

Paris, France

Paris, France

H.3 Overall Experience and Financial Capability

The World Leader in Street Furniture

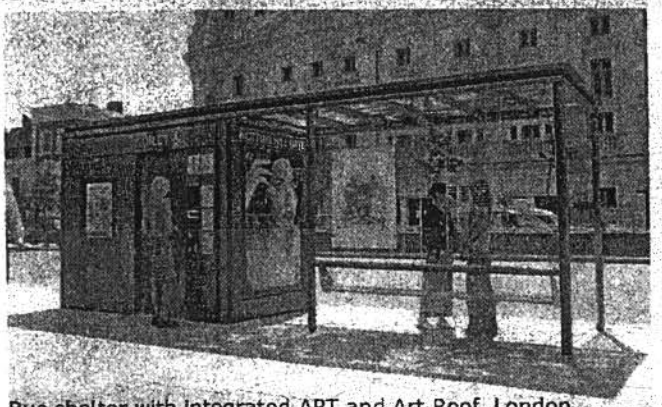
First-class design combined with first-class maintenance attracts first-class advertisers.

JCDecaux street furniture is found in 1,500 cities in 36 countries

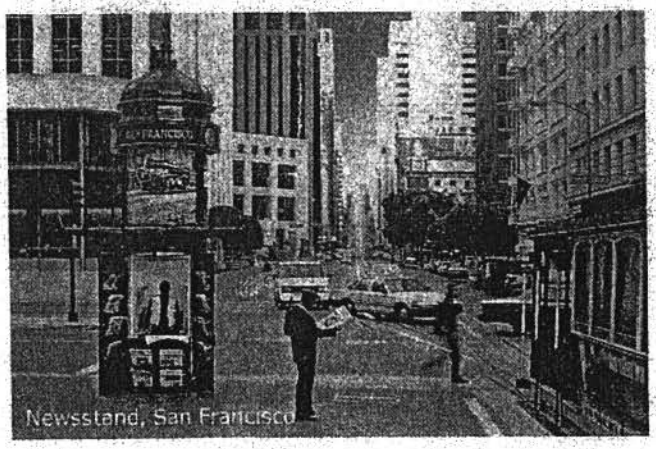
- 74,000 bus shelters
- 3,000 automatic public toilets (in 500 cities)
- Countless vending kiosks, multiple news racks, trash receptacles, lampposts, benches, recycling bins
- Over 304,000 street furniture ad panels worldwide

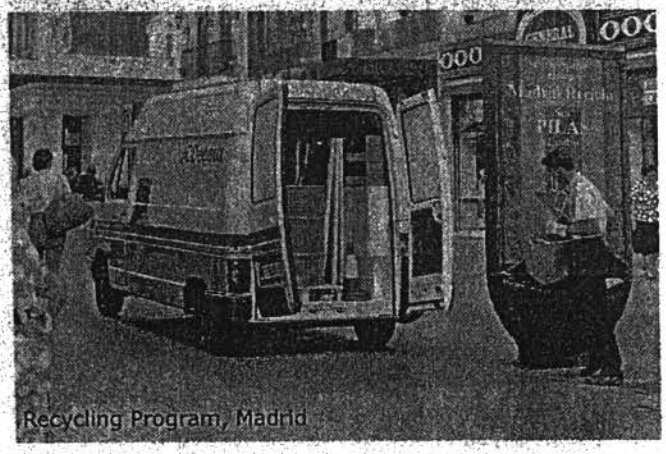
Flower Stand, Sydney

Paris


Bus shelter with Integrated APT and Art Roof, London

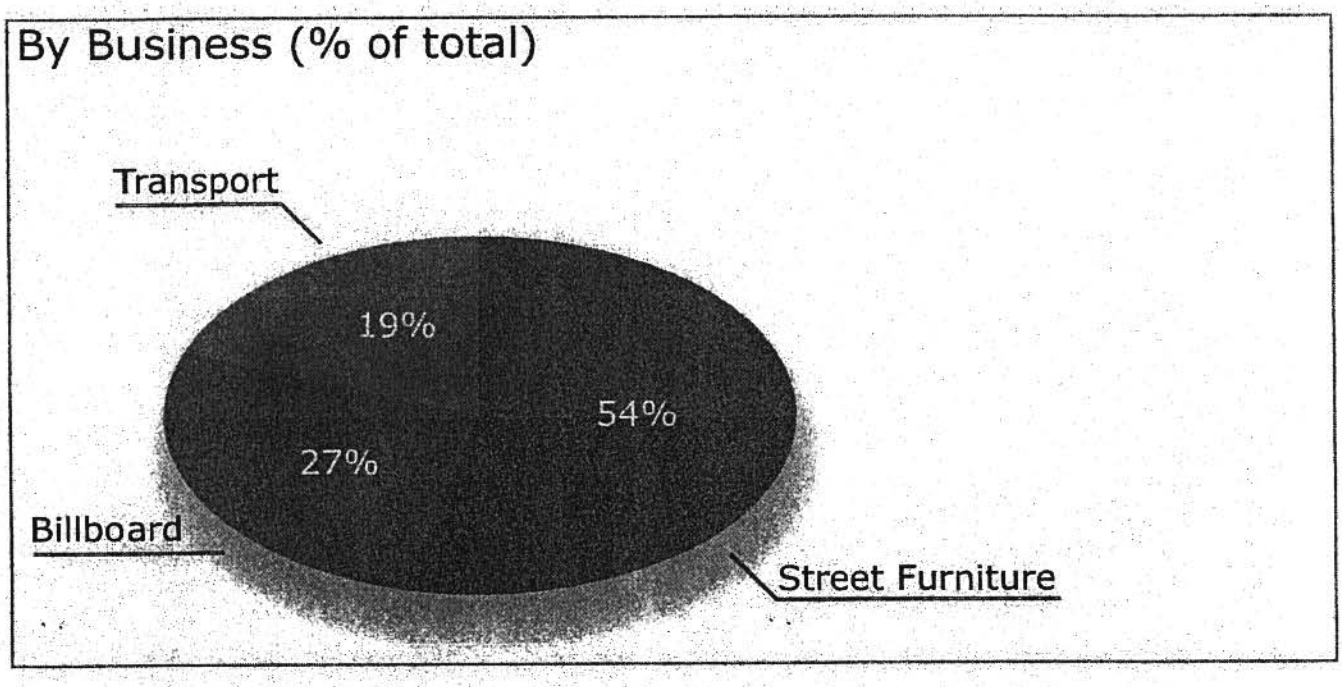
Vancouver

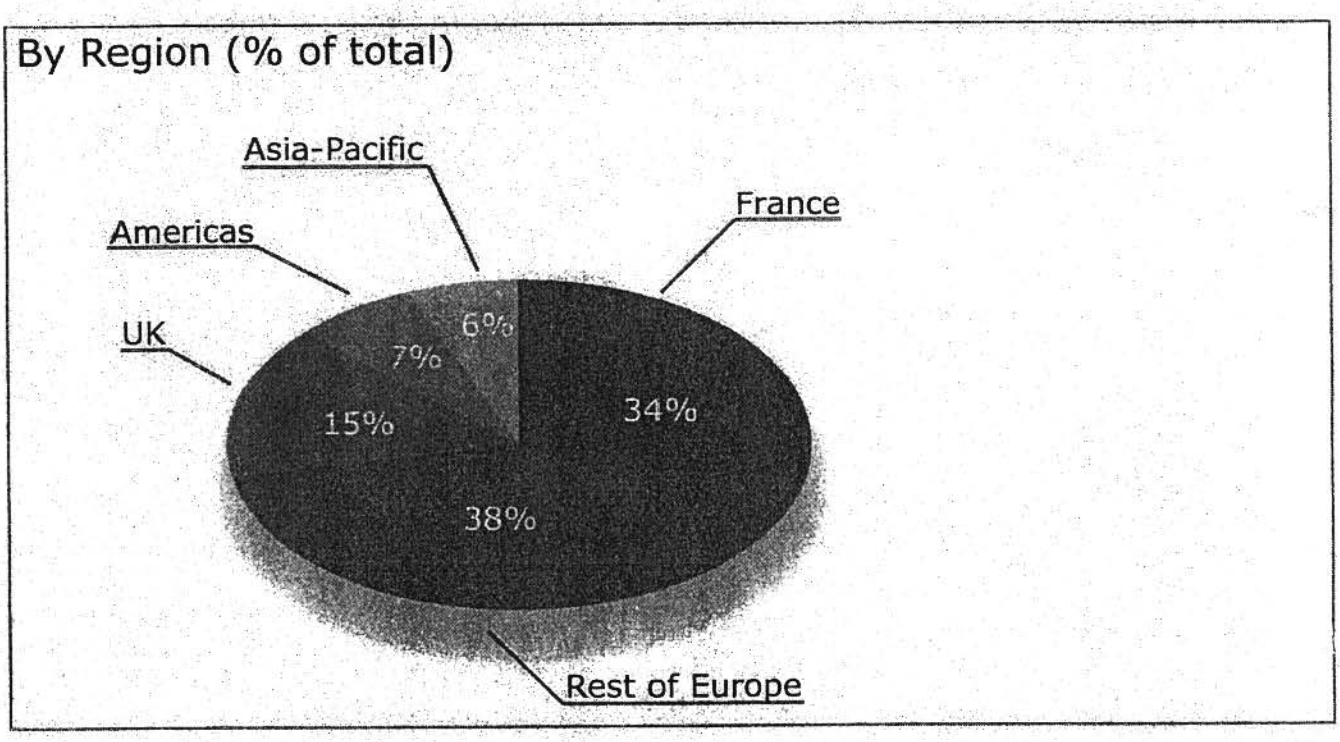

Newsstand, San Francisco


Recycling Program, Madrid

H.3 Overall Experience and Financial Capability

2004 REVENUES - $2.1 billion



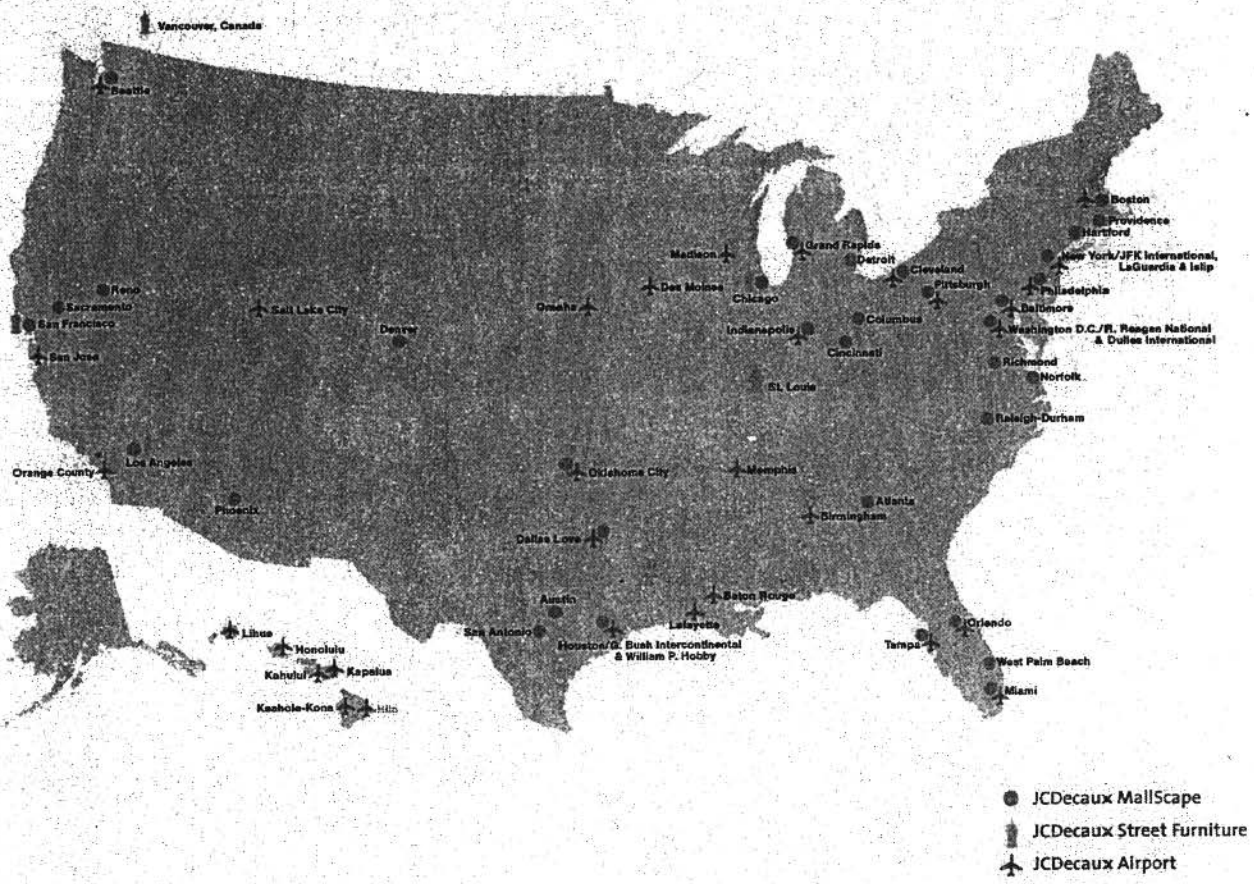


H.3 Overall Experience and Financial Capability

JCDecaux North America: Leader in Airport, Mall and Street Furniture Advertising

While JCDecaux has set a standard in cities across Europe for more than four decades, the success of its entry into U.S. cities over ten years ago proves that JCDecaux's products and services are equally well received here.

JCDecaux entered into the U.S. market in 1992, with a demonstration of its automatic public toilets in New York City. This changed the way cities all over the U.S. looked at their street furniture programs. Today, the U.S. division has Airport Advertising, Street Furniture, and Mall Structures in some 56 North American cities. JCDecaux North America was incorporated in 1994, and today has over 180 employees.



H.3 Overall Experience and Financial Capability

JCDecaux Airport: Leader in Airport Advertising

JCDecaux operates advertising concessions in 37 U.S. airports, including JFK and LaGuardia, Miami International, and Bush International in Houston.

JCDecaux Airport is by far the most experienced developer and operator of display advertising concessions in airports across the U.S., with over 6,000 ad panels.

The JCDecaux Airport division, called Sky Sites until 2001, was founded in August, 1990, with the award of the contract at New York's JFK International Airport. The contract for LaGuardia followed in 1996.

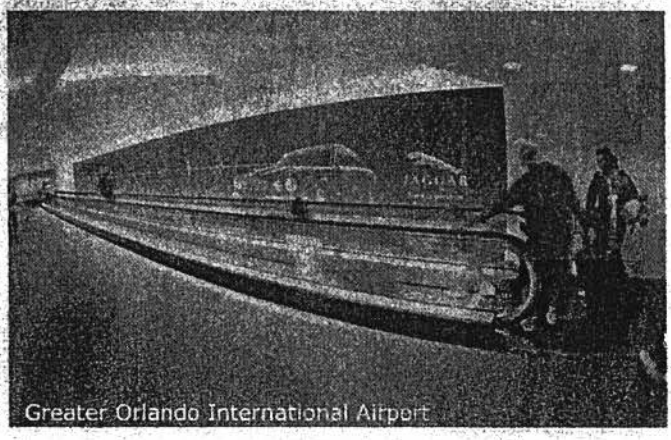
John F. Kennedy International Airport

LaGuardia Airport

Miami International Airport

George Bush/Houston Intercontinental Airport

Seattle-Tacoma International Airport


Greater Orlando International Airport

JCDecaux Airport

Miami International Airport

George Bush/Houston Intercontinental Airport

- Airports in 7 of the top 10 United States DMAs
- Comprehensive DMA coverage with majority of Origin & Destination airports
- International coverage with airports that are gateways to and from the U.S. (i.e. JFK, Miami, and Houston Intercontinental)

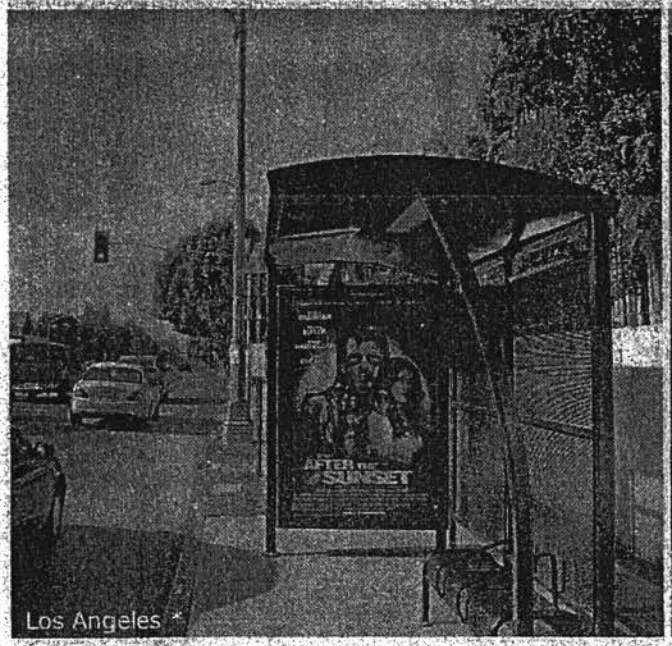
John F. Kennedy International Airport

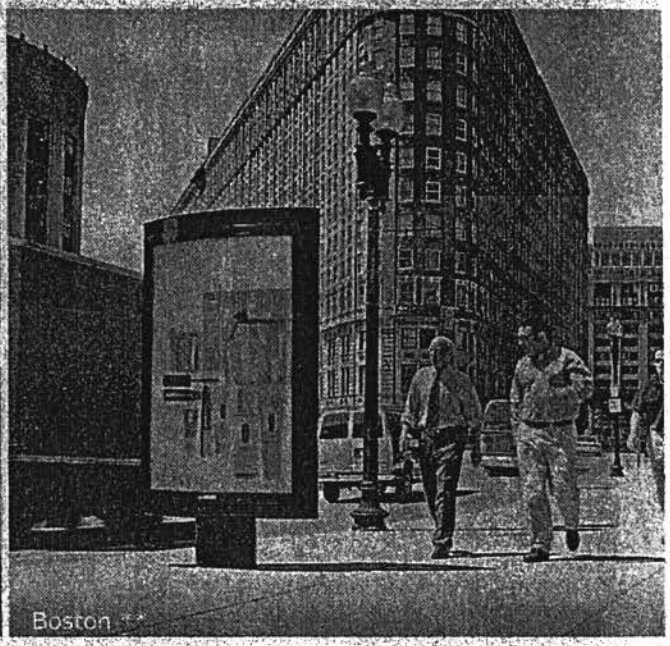
JCDecaux North America: Leader in Street Furniture

With street furniture contracts in San Francisco, Chicago, Los Angeles, Boston and Vancouver - JCDecaux North America has won more street furniture contracts than any of the other U.S. bidders.

Chicago

San Francisco


Los Angeles *


Boston **

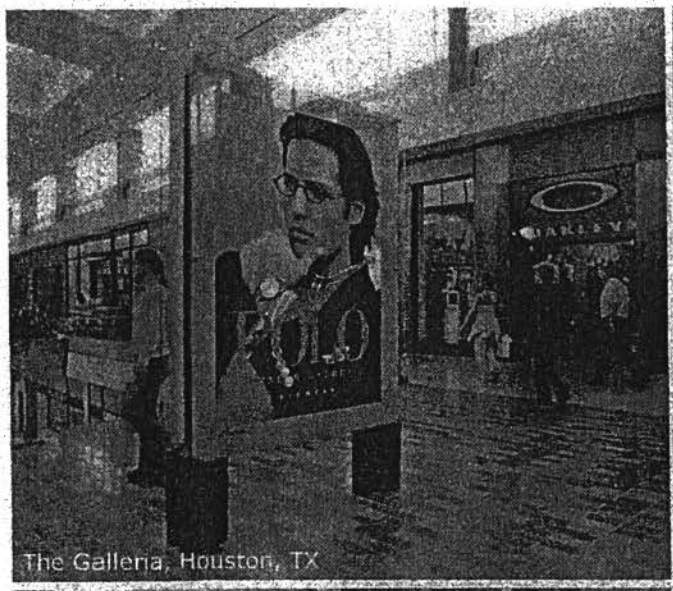
* Viacom Decaux – JCDecaux North America, Inc. is a 50/50 owner-operator with Viacom Outdoor, Inc. in the Los Angeles street furniture program. The completed program will have 2,500 bus shelters, 150 automatic public toilets, 100 newsstands, 500 City Information Panels, and more.

** JCDecaux North America owns 50% of Wall USA and is the exclusive advertising sales representative for Wall's street furniture programs in the U.S. In Boston, the completed program will have 250 bus shelters, 4 newsstands, 8 automatic public toilets, 71 City Information Panels, 15 telephone pillars, 5 map pillars, 9 information pillars.

JCDecaux MallScape: Leader in Shopping Mall Advertising

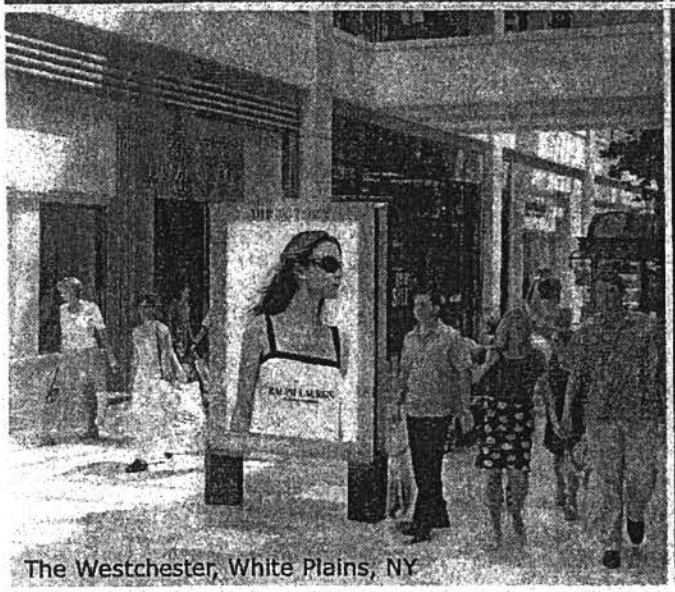
99 prestigious shopping malls in the top U.S. markets

JCDecaux MallScape LLC, was established in 1998. It began as an ambitious program to position the mall as a new advertising medium integrating elegantly designed structures with amenities at malls in the top U.S. markets. Today it has a nationwide network of over 7,000 panels in the most sought-after markets around the U.S., reaching 108 million visitors every month. In the New York area, JCDecaux MallScape operates advertising programs in 17 malls, including such high-profile properties as The Mall at Short Hills (NJ), Roosevelt Field in Long Island and The Westchester in White Plains (NY).

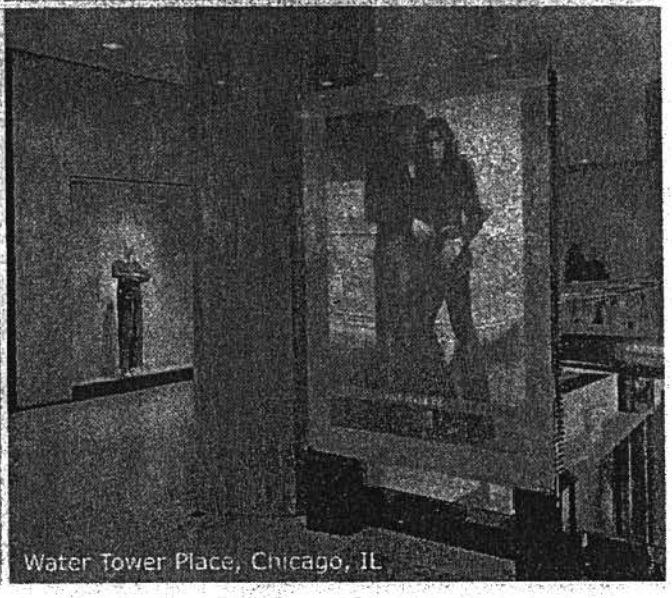


The Galleria, Houston, TX

International Plaza, Tampa, FL



The Westchester, White Plains, NY



Water Tower Place, Chicago, IL

H.3 Overall Experience and Financial Capability

MallScape Portfolio: New York City - Tri-state Area DMA

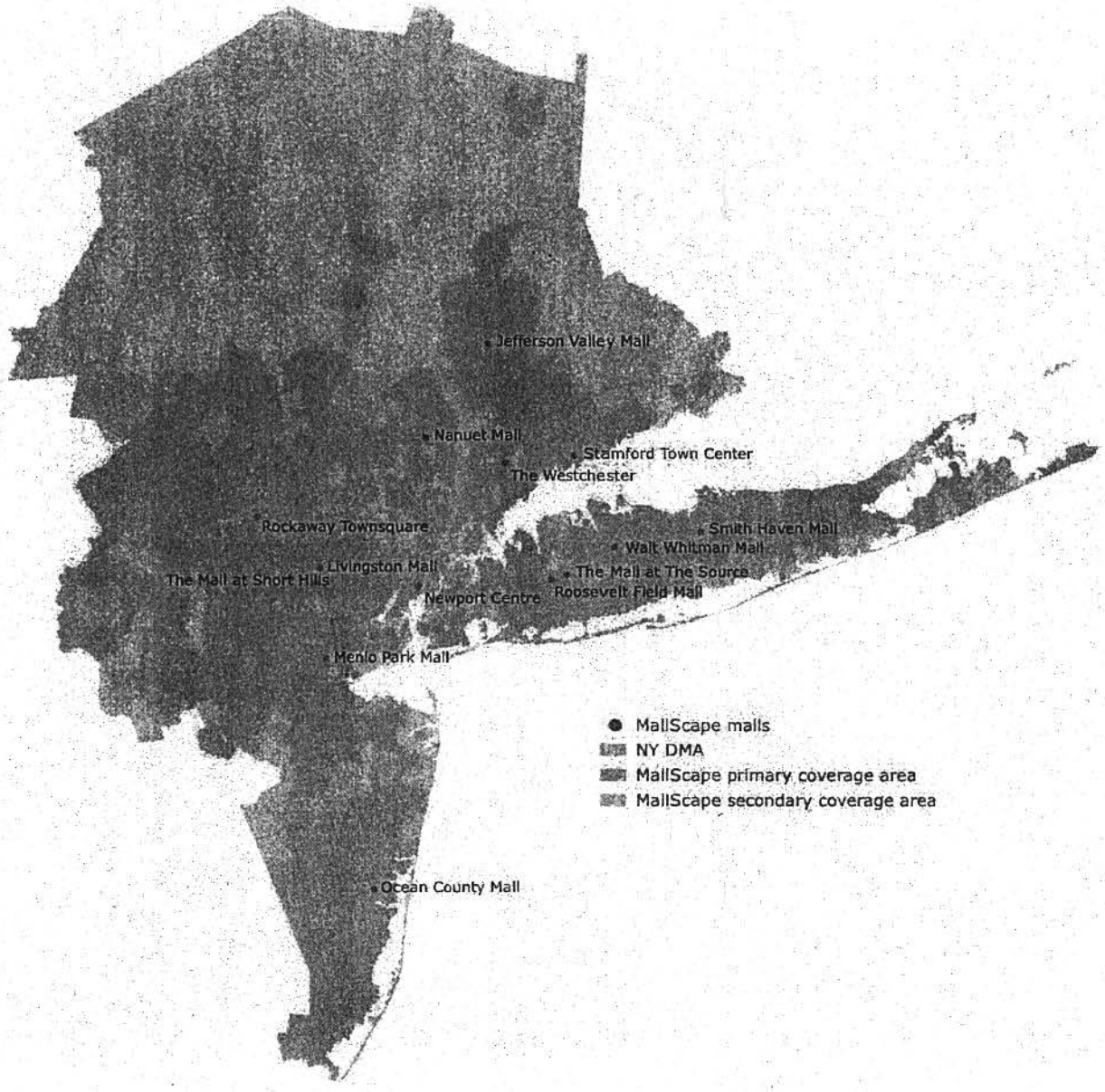
market overview

50% of all mall shoppers and over one third (35%) of all adults in the MallScape primary coverage area shop at a MallScape mall at least once a month.

fast facts

Total DMA adult population	14,926,940
Primary coverage area population*	9,524,505
Share of upscale malls	52%
Total average visits per month	15,985,000

**MallScape shoppers represent 50% or more of all mall shoppers*



Relevant Experience Around the World

Miami International Airport

City: Miami

Contract: Date started: 1994
Date to end: month to month

Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors

H.3 Overall Experience and Financial Capability

William P. Hobby and George Bush Intercontinental Airports

City: Houston

Contract: Date started: 1981
Date to end: 2009

Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors

William B. Hobby International Airport

George Bush Intercontinental Airport

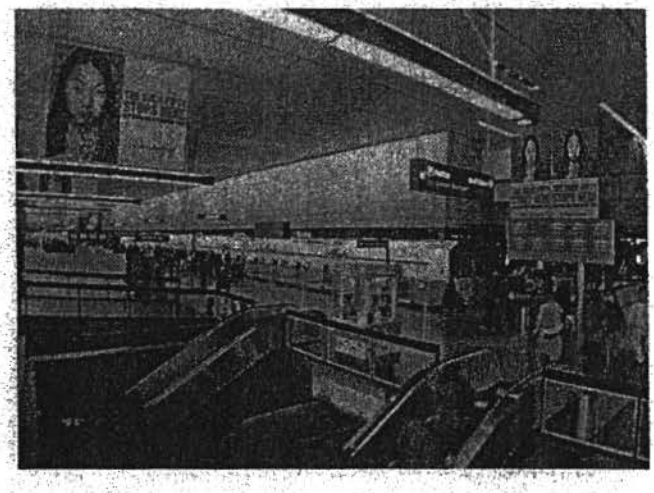
George Bush Intercontinental Airport

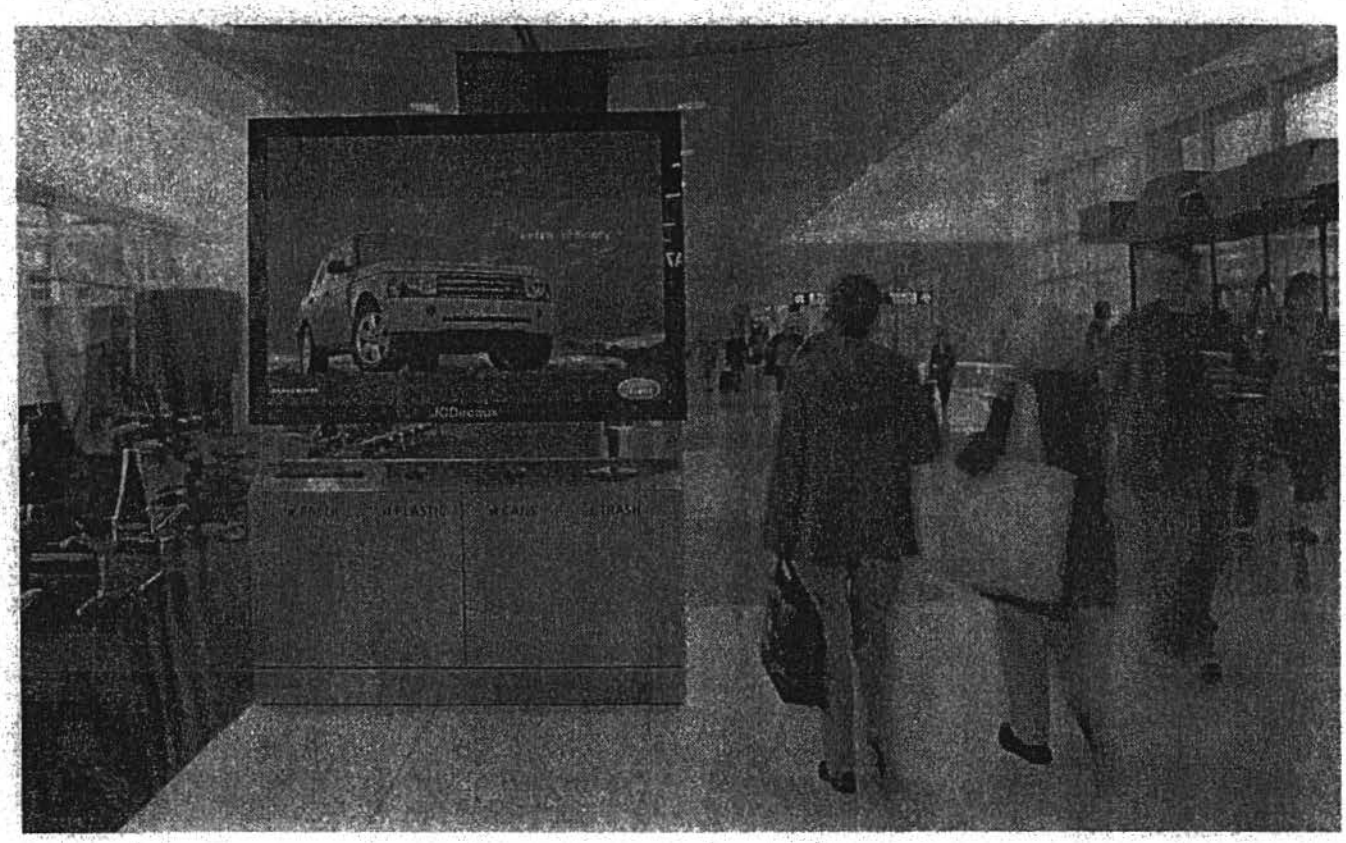
Seattle-Tacoma International Airport

City: Seattle

Contract: Date started: 1996
Date to end: 2007

Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors





H.3 Overall Experience and Financial Capability

Ronald Reagan Washington National Airport
Washington Dulles International Airport

City: Washington, DC
Contract: Date started: 1993
Date to end: 2009
Locations: Panels throughout the airport, including ticketing, baggage claim and concourses

Washington Dulles International Airport

Ronald Reagan Washington National Airport

Ronald Reagan Washington National Airport

H.3 Overall Experience and Financial Capability

UK Airports:
Heathrow, Gatwick, Stansted, Edinburgh, Glasgow, Luton, Aberdeen.
Contract also includes Heathrow Express and London Eurotunnel (see following pages)
Contract – Date started: 1988
Date to end: 2007
Locations: Exclusive rights to all signage locations inside and outside all terminals

JCDecaux has had a special relationship with the British Airport Authority (BAA) for the past 17 years. We provide advertising opportunities in their eight airport terminals, in the Heathrow Express "train to the plane" from Central London, and we service the Eurotunnel that connects Paris and London.

Together, through this important collaboration with BAA, we have transformed the face of commercial signage and media opportunities in the airport advertising industry all over the world.

Our partnership has generated numerous "firsts" that have since become accepted standards in the industry:

- At London Heathrow, we pioneered the introduction of large **spectacular signage** with the British Airways "Concord " site. This spectacular offering continues today with the recent opening of the "RBS Welcome" location. Outdoor units of this nature now represent almost $16 million in annual gross revenue.
- In 1995, we introduced the concept of **campaign networks** across all BAA airports, greatly increasing revenues across all eight of their properties.
- **Scrolling units**, able to display three separate advertisers, were placed in our most desired areas enabling our network campaigns such as "Business First" to generate in excess of $3 million a year for just 41 locations.

Today, our entrepreneurial approach continues with the formation of "Sphere", an in-house specialist division of JCDecaux that was created specifically to maximize revenues from special promotions and exhibitions.

Heathrow Airport

Gatwick Airport

H.3 Overall Experience and Financial Capability

Heathrow Express

City:	London
Geographic area covered:	Heathrow to Central London
Contract: Date started:	1988
Date to end:	2007
Locations:	Escalator panels, platform signs, wall panels, on-board train signs

London - Heathrow scrolling panels

London - Heathrow 3-Dimensional panels

London - Heathrow platform panels

London - Heathrow on-board train

London - Heathrow wall

H.3 Overall Experience and Financial Capability

London Eurotunnel

City: Folkestone, UK & Coquelles, France

Geographic area covered: Terminals at Folkstone, UK & Coquelles, France

Contract: Date started: February 1, 2000
Date to end: April 30, 2010

Locations: Mainly outside terminal buildings (some inside)

London - Eurostar floor media

London - Eurotunnel Natwest Check-in

London - Heathrow escalator path

H.3 Overall Experience and Financial Capability

Paris Airports: Charles de Gaulle International Airport and Orly Airport
Contract: Date started: 1972
Date to end: 2011

Locations: Exclusive rights to all signage locations inside and outside both terminals

Elegant and sophisticated design has been at the core of our relationship with Aéroports de Paris. Working together, we have developed unique structures that complement the visual characteristics of the airport. The "voyage" or "sail" theme that is interwoven throughout the airport was extended to include the design of our exterior advertising units. The curvature of the units, as well as its mounting and support mechanism, resemble a giant sail, mast and rigging. This care and attention to visual aesthetics and beauty enables JCDecaux to attract the world-class, prestigious brand advertisers who regularly buy the units.

These same advertisers also purchase the newest addition to our airport furniture portfolio: the Totem. These tasteful vertical units were specifically developed to complement the magnificent dome structure of the new terminal 2E.

Charles de Gaulle International Airport

Charles de Gaulle International Airport

Orly Airport

Orly Airport

H.3 Overall Experience and Financial Capability

Hong Kong International Airport

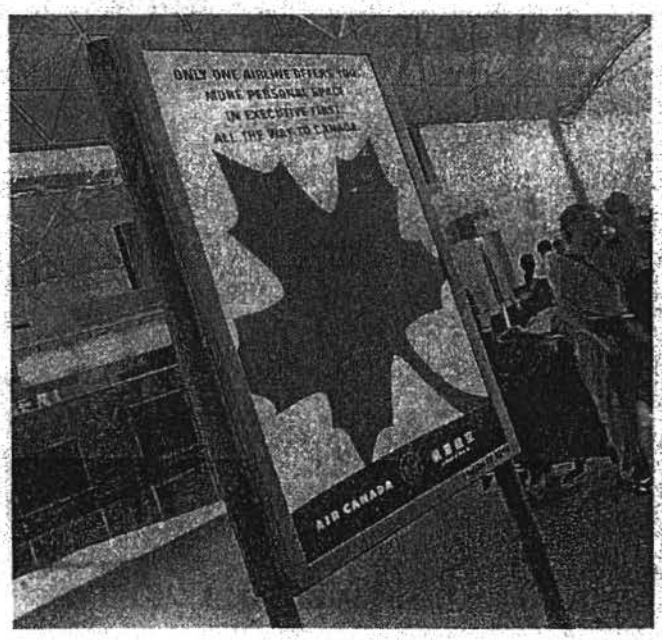
Contract: Date started: 1998
Date to end: 2008

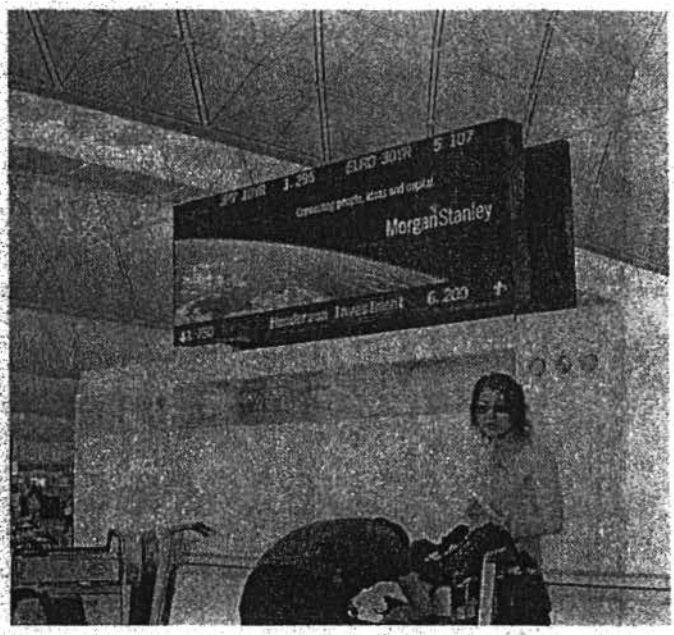
Locations: All interior advertising signage locations, including baggage trolleys

At the Hong Kong International Airport, we have managed and operated the in-terminal advertising concession for 211 fixed advertising sites and 8,000 baggage trolleys on behalf of the Hong Kong Airport Authority since the airport opened. During this time JCDecaux has consistently maintained an average sold position of over 75%. The Airport contract showcases a variety of advertising formats including bulkhead lightboxes; landside trolleys; banners on columns; display stands; and exhibition areas throughout the airport.

Resilience and perseverance have been the hallmarks of our operation in Hong Kong over the past three years. From the terrible tragedy of September 11th to the debilitating SARS outbreak, JCDecaux worked tirelessly to maintain advertisers' confidence in the territory and its airport.

Faced with a 35% drop in scheduled flights, JCDecaux quickly devised and implemented new sales initiatives. Advertisers were approached with unique proposals to encourage their continued expenditure at the airport. In 2004, we were delighted to report that revenues had surpassed all expectations.



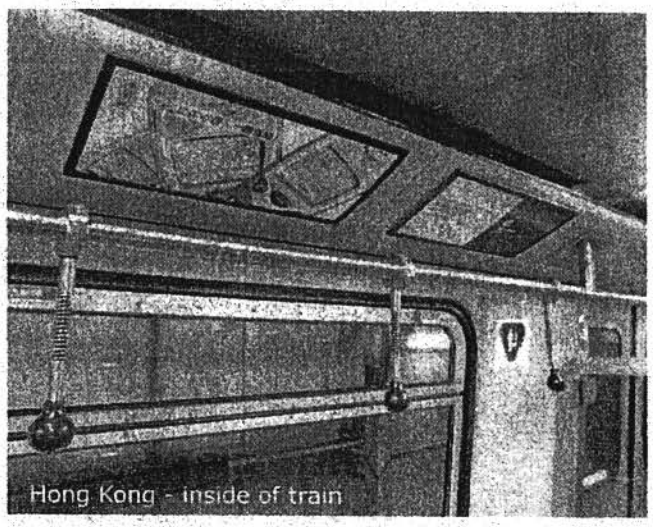


H.3 Overall Experience and Financial Capability

Hong Kong Mass Transit Railway (MTR)
JCDecaux Pearl & Dean subsidiary holds the advertising contract for the Hong Kong Airport as well as the largest and most prestigious out of home transit contract in Hong Kong, the Mass Transit Railway (MTR). Pearl & Dean has been operating in the Far East for over 40 years, with bases in seven countries. Over the last 19 years the company has developed into the largest outdoor advertising company in the Asian region.

The MTR contract consists of 25,000 panels across 43 stations. JCDecaux Pearl and Dean has introduced, marketed and sold both long term and short-term campaigns to a local and international client base. The contract showcases all forms of advertising within the MTR system - including 12 sheet and 4 sheet panels in the form of free-standing and wall-mounted backlit Lightboxes; Escalator Crown Panels; Train Card Panels; Special Size Panels; Ultravision Panels; LED Infopanels; Ride'n'Save Guide; Rollavision; Motion Duratran; Station Exhibitions; Product Showcases; Ticket Advertising and outdoor advertisements on existing MTR structures.

The MTR is the largest out-of-home contract as well as the largest transport contract in Hong Kong. Rail, not bus, is the dominant form of public transportation in this city. We have maximized the revenue since 1980, with emphasis on maintaining and projecting further the MTR's interests.


Hong Kong - inside of train

Hong Kong - subway wall panels

H.3 Overall Experience and Financial Capability

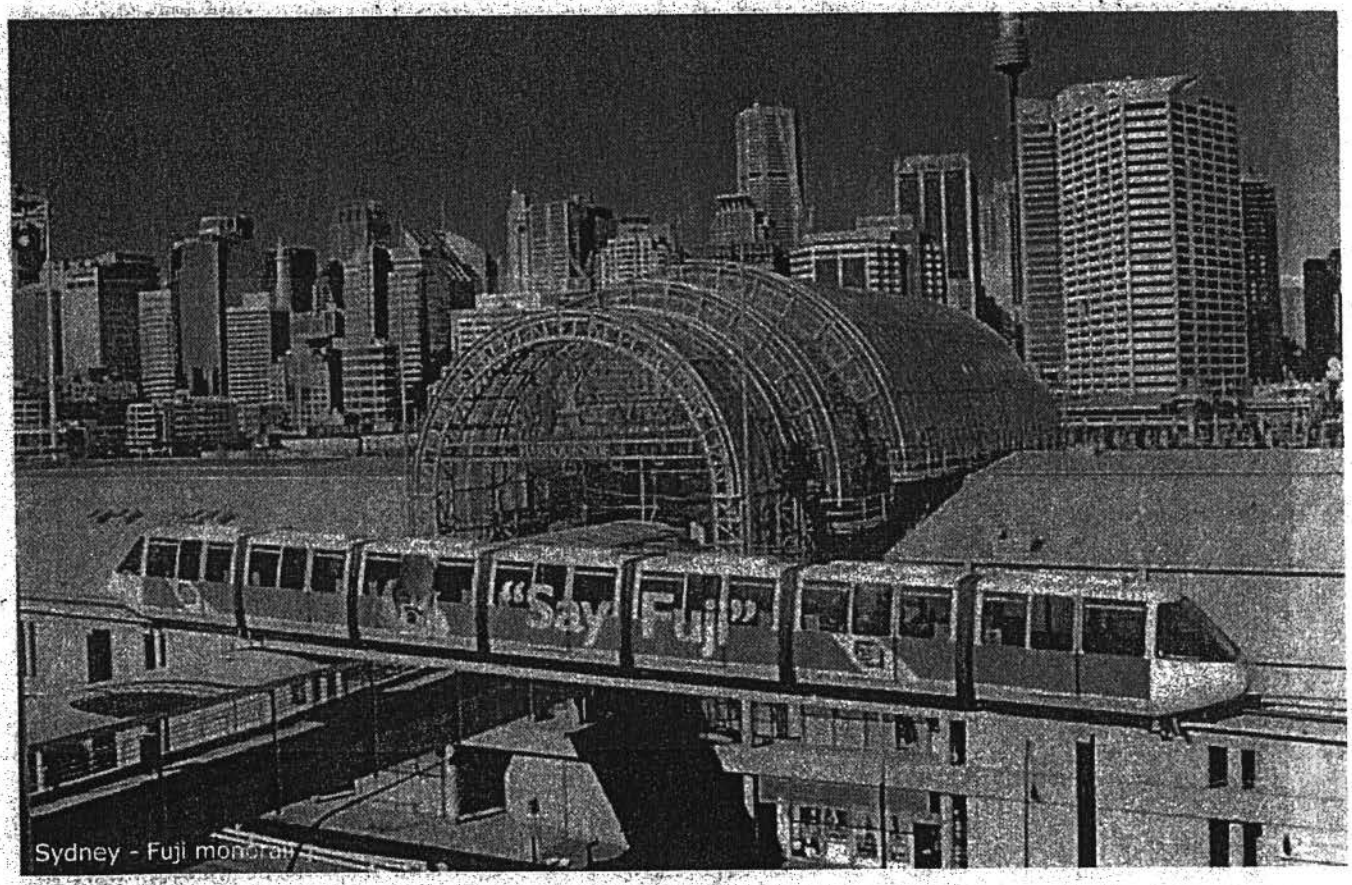
Australia
In Australia, JCDecaux operates several different Transport contracts:

Sydney Monorail
The Monorail in Darling Harbour attracts over 16-million visitors per year. It is one of Sydney's main attractions. JCDecaux's contract covers advertising outside the cars, as well as on the platforms.

Melbourne
The Yarra (area) Trams are a Melbourne icon. JCDecaux has the advertising contract for the roof, side, back and full car wraps on the Yarra Trams.

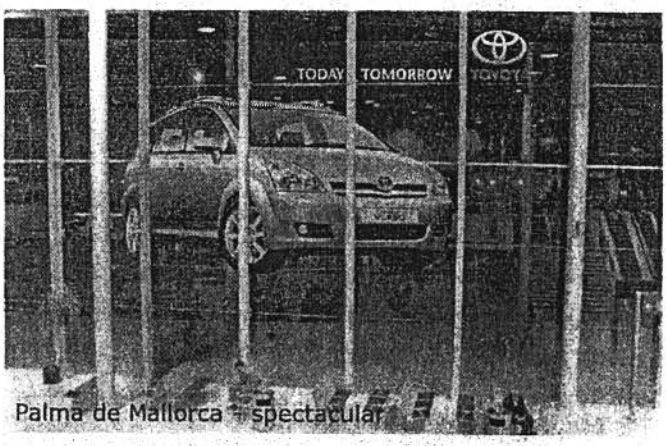
Melbourne
Trains and Train Stations - JCDecaux has the advertising contract for station displays, train interiors and train exteriors for the Connex Rail network in the north, north-eastern and eastern suburbs of Melbourne. The network consists of 90 railway stations that transport over 1 million passengers per week throughout the Central Business District of Melbourne.

Adelaide Buses
750 buses service the city. The bus system is Adelaide's major public transportation medium, making 3.5-million passenger trips per month. Advertising opportunities include numerous bus advertising panel sizes as well as interiors, bumper stickers and fully wrapped buses.



Sydney - Fuji monorail

Spain
Palma de Mallorca Airport
City: Palma de Mallorca
Contract: Date started: 2005
Date to end: 2010
Locations: Scrolling panels, rotating columns, suspended panels, murals, outdoor billboards,"spectaculars," parking garage wraps, walkway wraps, stands



Palma de Mallorca - spectacular

Palma de Mallorca - exterior wrap

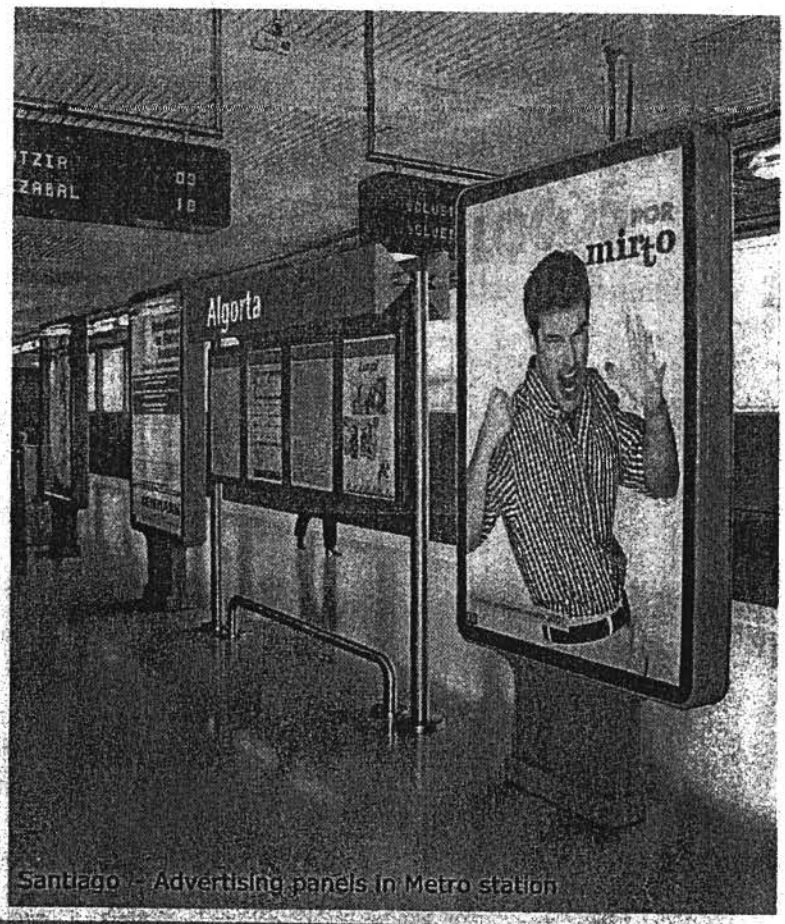
Palma de Mallorca - scrolling panel

Spain
Barcelona Subway
City: Barcelona
Contract: Date started: 1997
Date ended: 2003
Renewed: 2004
Date to end: 2008
Locations: Freestanding displays on subway platforms, escalator panels, billboards

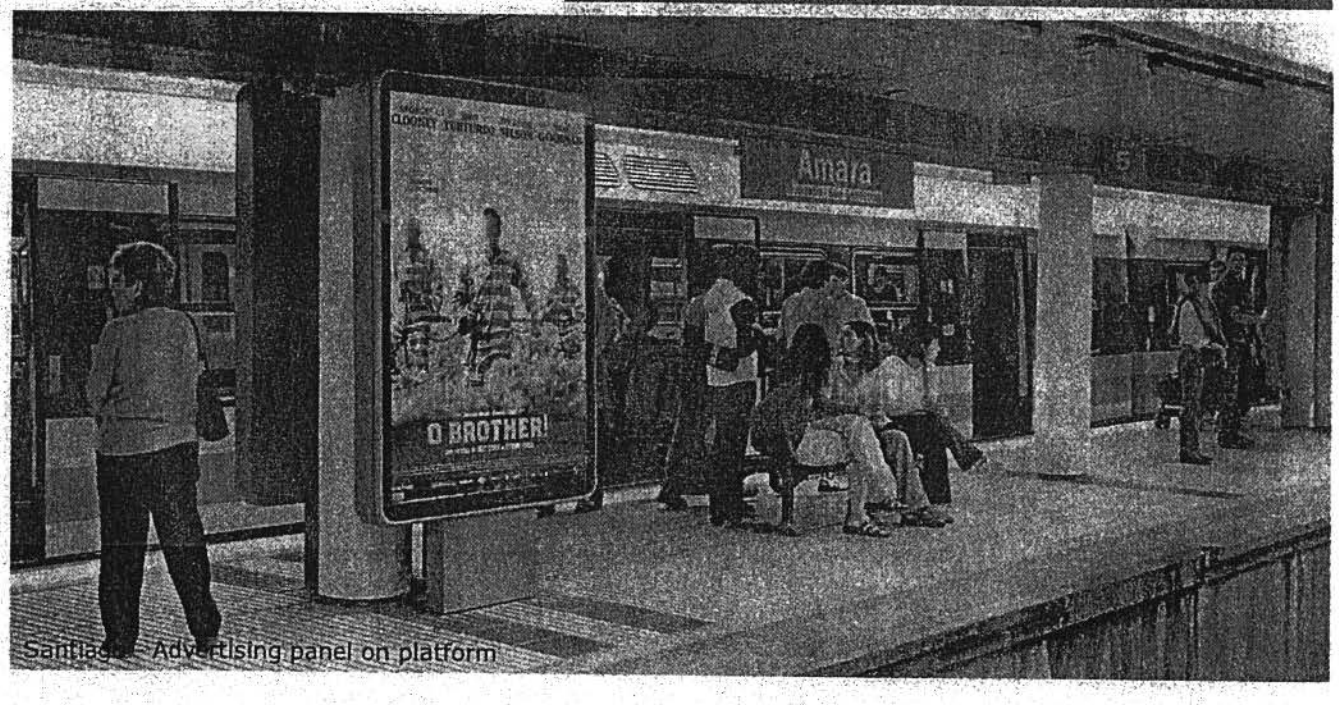
Barcelona Metro - wall posters

Santiago de Chile Subway

City: Santiago de Chile
Contract: Date started: 2002
Date to end: 2012
Locations: Interior subway panels



Santiago - Advertising panels in Metro station

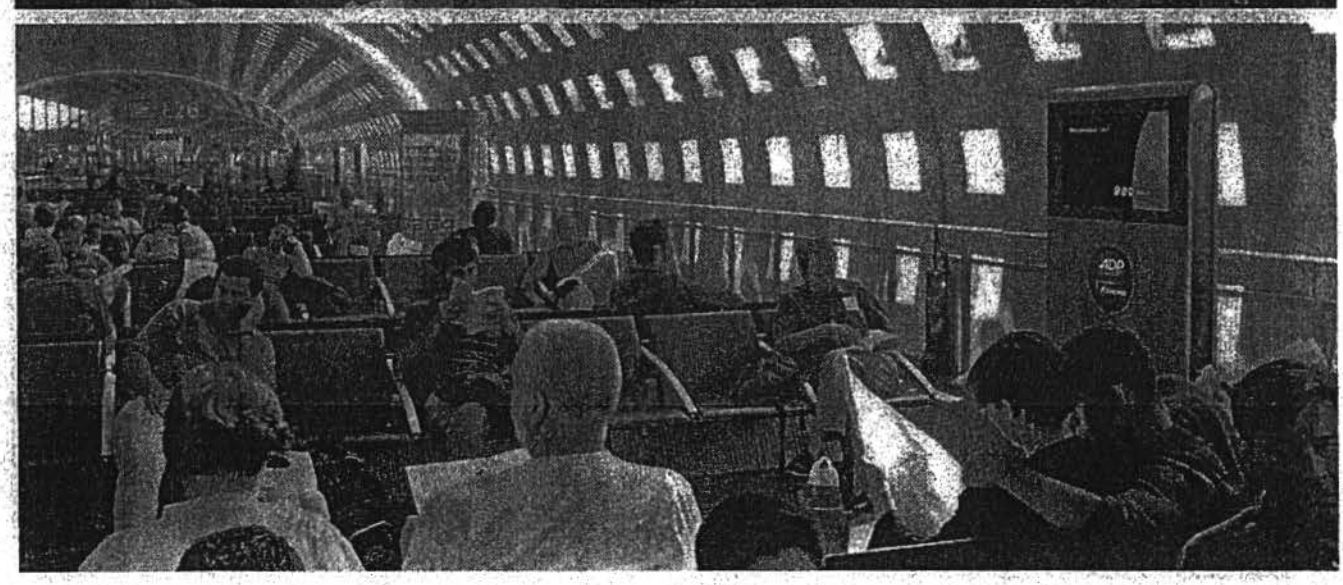


Santiago - Advertising panel on platform

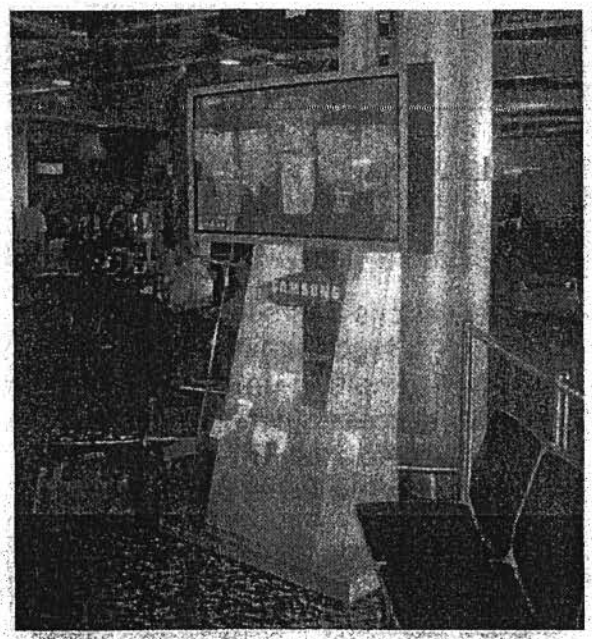
Leader in International Technology

JCDecaux has a history of developing innovative products using the newest technologies available. **All of our developments are made with both the public and the advertisers in mind.** Technology for the sake of technology is useless, technology with purpose is what counts. There is not a single company that can compete with the technological advances made by JCDecaux. Below are examples of our technological feats:

Aéo – the first TV medium dedicated to airport passenger relations was successfully introduced in 2003 to inform and entertain air travelers. Aéo, a high-tech medium offering rich information content, makes it possible to "give meaning" to waiting time. Aéo has 75% editorial programs and 25% advertising, it has proved highly successful with advertisers. Aéo has been installed in Roissy-Charles deGaulle airport where 40-inch TFT screens, and a bank of screens taking up an entire wall, have been installed in the heart of the new 2E terminal.

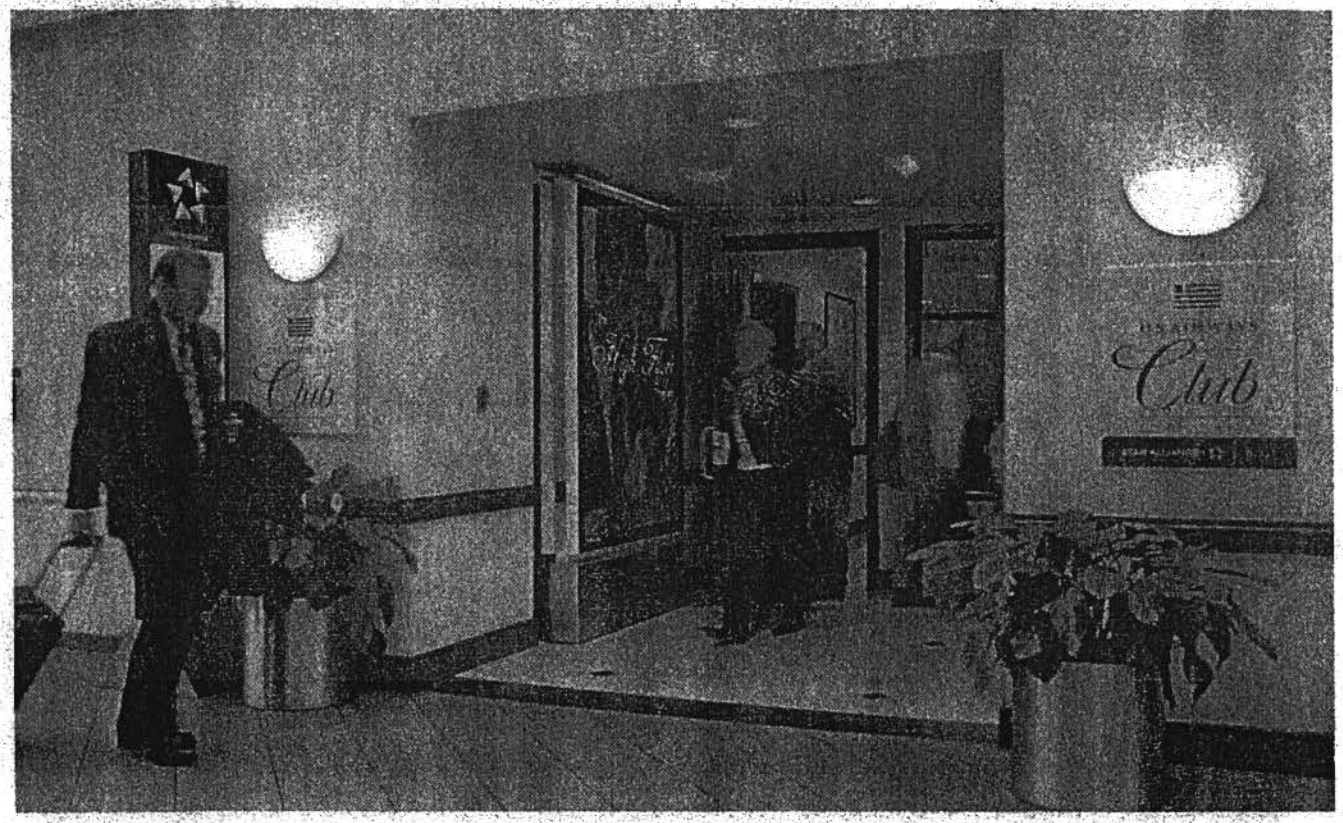


H.3 Overall Experience and Financial Capability



In 2004, JCDecaux pioneered a new revenue stream for both Heathrow and Frankfurt airports by introducing the **"Gate Hold" TV network**. At Heathrow, this unique agreement combined programming content from the BBC and hardware from Samsung. The deal became a substantial revenue generator for our partner, the BAA. In addition to donating the screens, Samsung also entered into a multi-year media deal.

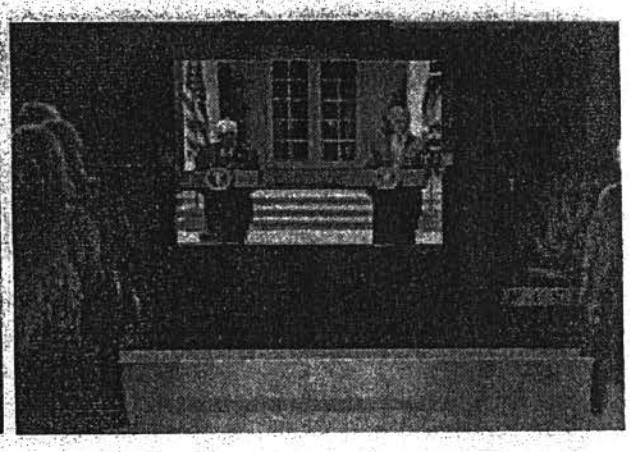
JCDecaux invented and perfected the **scrolling technology**, allowing us to maximize revenues from the best advertising locations. This product is utilized in our Business First Networks.



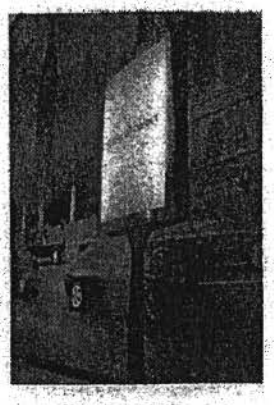
H.3 Overall Experience and Financial Capability

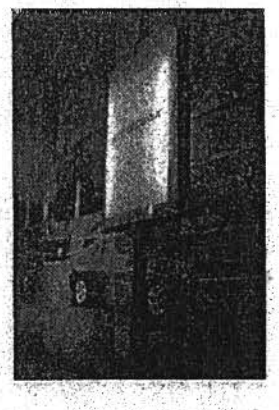
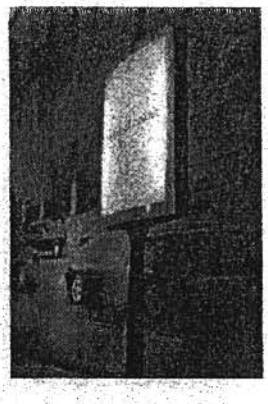
In partnership with 3M we pioneered the use of removable **wall wrap technologies** in airports, including new materials and adhesives.

INFOSCREEN is a high-tech information channel that is projected overhead onto two bright screens across the tracks on each platform in the Vienna (Austria) Subway System. INFOSCREEN shows a 7-minute varied program of news, weather, culture, and current events, as well as public transportation information and interactive games - to the waiting passengers. The information content fills 70% of the loop, with advertising filling the other 30%.

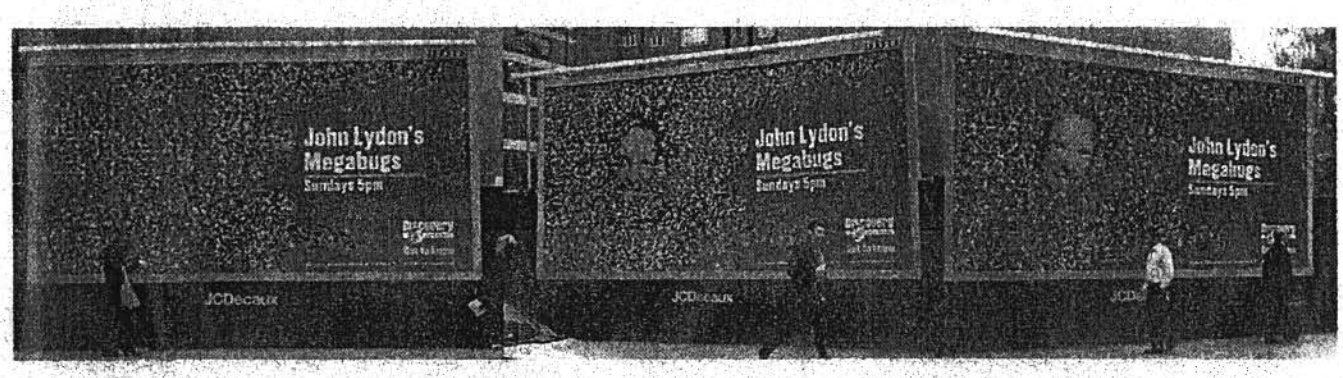


Color Scene – We have used special lighting effects to illuminate creative ideas. Color changing mood lighting smoothly transforms from one color to the next.



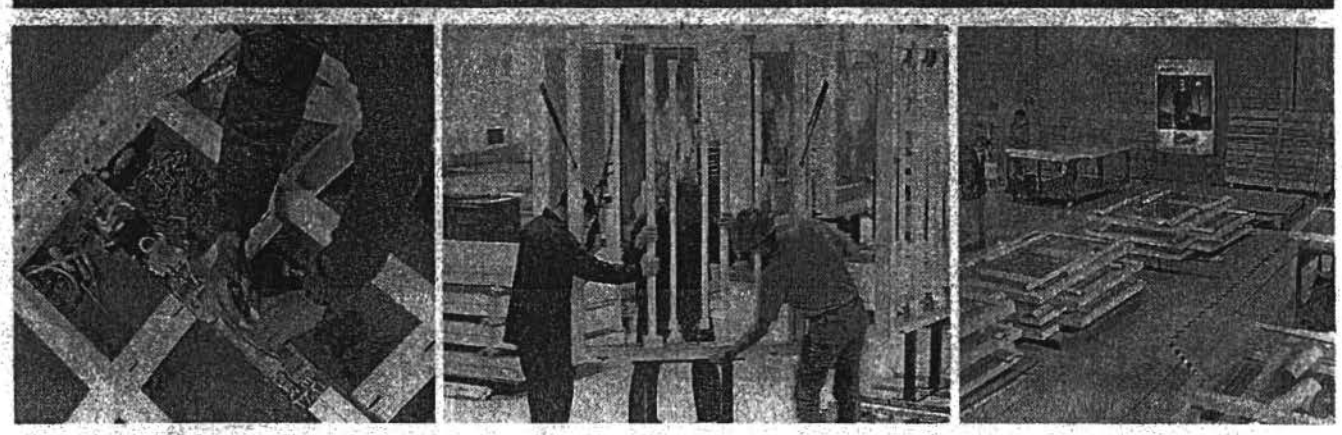
Billboard Lenticular – In the UK, we customized an outdoor campaign for the Discovery Network to provide real added value. The advertising was made more eye catching by inserting lenticular panels in the center of the posters.



Emphasis on Aesthetic Excellence, Functionality, Durability, and Quality of Advertisements

Aesthetic excellence and durability: All JCDecaux equipment is designed and built to last for generations to come. Every piece of equipment is made with the best materials, not only because they are the most beautiful, but they also have to withstand the hardships of street life. An example is our street furniture where the structures are exposed to rain, sun and snow. Our billboards and other outdoor equipment must be resistant to minor forms of vandalism. Even in the protected indoor locations of our airport and shopping mall equipment we hold to these quality standards. Additionally, our displays be able to stand up to the rigorous requirements of changing posters and servicing the equipment on a regular basis. The design and choice of materials for all of our products is therefore largely influenced by their ability to be efficiently maintained by our trained technicians.

Every advertising panel is designed by our in-house design team to provide the advertising client with a first-class frame in which to present their advertising message. Every structure is designed with long-term durability in mind ensuring that it will provide the public and the advertising client, day after day, with the same level of quality services and product information.



Functionality: JCDecaux is an Out-of-Home advertising company with a public service focus. Wherever possible and practical, we design our advertising structures to provide an integrated service. In airport structures this could include electronic information directories, touch-screens, Wi-Fi or recycling bins. See Section G – for more details on the functionality of our products.

Quality of Advertisements: JCDecaux believes that quality display panels attract quality advertisers. JCDecaux sells its advertising to first-class clients. We screen the ads for good taste before they are posted. Our years of experience in the Out-of-Home advertising business have allowed us to develop a great sensitivity regarding what is acceptable in a public environment.

Demonstrated Ability to Achieve Results: The PANYNJ Example

JCDecaux has been the Port Authority's advertising concessionaire at JFK and LGA airports for 15 and 9 years respectively. Over those years, we have achieved results for the Port that are vastly superior to our competitors':

Unequaled Revenues:

- **Since being awarded the concession we have increased revenues at an average annual compound rate of 16% at JFK and 17.7% at LGA**
- **Our advertising revenues at JFK have consistently ranked first in the U.S., outperforming our nearest rival Chicago O'Hare by 39% in 2004**
- **With $.43 in advertising revenue per passenger, JFK clearly surpasses any other large airport in the country, with LGA taking second place at $.29 per passenger (EWR was third at $.27 in 2004)**

Constant Innovation:

- Over the years, we continuously worked with the Port Authority to develop new advertising opportunities, resulting in higher sales
- We developed and installed the first exterior advertising displays in a U.S. airport at JFK in 1994. To date, this program remains the largest exterior advertising program in any U.S. airport
- One of those exterior signs, "The Gateway Structure", won the Queens Design Award in 1998
- Recently, we developed and installed several large outdoor displays at LGA generating more than $1.3 million in revenue in 2004
- In early 2005, we installed the new Business First network at LGA. This new product immediately caught the attention of advertisers and has been sold at record rates from the day of installation

A Mutually Rewarding Partnership with the Port Authority and the Airlines

Our existing relationship with the Port Authority of New York and New Jersey provides us with an additional advantage. We already understand the unique needs of the Port Authority and have the necessary relationships with the Airlines that are a vital part of the airport advertising programs.

- With the support of the Port Authority, we have worked with the airlines at JFK, to develop new advertising displays and increase revenues in airline controlled areas
- As required to meet the specific needs for each terminal at JFK, we have developed new products while being sensitive to the needs of the public
- We have hired aviation and airline experienced employees to better understand the specific needs in the airline environment

H.3 Overall Experience and Financial Capability

- We worked with the Port Authority and airlines, to introduce the wall wrap concept to U.S. airports, resulting in new revenue streams for the airlines and the Port Authority
- We worked hand-in-hand with the Port Authority and the airlines to develop advertising concepts for the new Terminals 1, 4 and 8 and the redevelopment of Terminal 7 at JFK

Management and Staff Credentials

JCDecaux North America is headquartered in New York. There are nine additional regional offices - Boston, Chicago, Dallas, Indianapolis, Los Angeles, Miami, San Francisco, Seattle and Washington D.C., along with many additional satellite offices throughout the U.S.

The following corporate functions are based in our New York headquarters:

- Finance
- Sales Administration
- Information Technology (IT)
- Marketing
- National Sales
- Human Resources

Corporate technical support for equipment design and manufacturing, operation and maintenance (including central spare parts management and technical training) are headquartered in our New Jersey Office.

JCDecaux Staffing Philosophy and Structure

JCDecaux is an equal opportunity employer and makes all employment decisions without regard to race, color, age, religion, sex, sexual orientation, national origin, ancestry, marital status, mental or physical disability, handicap, military or veteran status or any other manner prohibited by law. JCDecaux fairly recruits without regard to gender and race/ethnic make-up in all positions within the company, focusing on skill levels and qualifications.

JCDecaux is committed to providing a work environment that is free of discrimination. It is our policy to treat all employees fairly, equitably, and with courtesy and to apply policies and procedures uniformly. In keeping with this commitment, JCDecaux maintains a strict policy, which prohibits harassment in any form, including sexual, verbal, physical, and visual harassment. This policy of non-discrimination covers all matters affecting employees and applicants for employment and all aspects of their employment relationship, including recruiting, hiring, promotion, salary or other compensation, benefits, transfers, discipline, layoffs, termination and training.

In partnership with the Port Authority, JCDecaux's Corporate and Local Teams will be involved in managing your advertising program. Every JCDecaux contract involves staff from all levels and departments of our company. By utilizing our full resources, we can ensure a smooth operation.

Through our years of experience with the Port Authority, we have developed an effective business relationship with the Port's staff and look forward to building on this strong foundation.

H.3 Overall Experience and Financial Capability

Bernard Parisot
Title: Co-CEO
Year joined JCDecaux: 1994
Relevant prior experience: Under Mr. Parisot's leadership, JCDecaux North America has become the country's fourth-largest outdoor advertising company. He directly oversees business development in the Airports and Street Furniture divisions, including negotiation and implementation of all JCDecaux North America advertising programs. He is responsible for the development of Mallscape, the first upscale mall advertising program.
Role in the Port Authority program: He will directly oversee all operations and management for the implementation and ongoing operation of the Port Authority program.

Name: Jean-Luc Decaux
Title: Co-CEO
Year joined JCDecaux: 1990
Relevant prior experience: Mr. Decaux expanded the company's advertising sales in North America with the new street furniture contracts in Chicago, Los Angeles and Vancouver. Mr. Decaux oversees sales in those cities as well as San Francisco, and Boston for the JCDecaux-Wall USA Partnership. He is also responsible for the sales and marketing effort for Airports and Mallscape.
Role in the Port Authority program: He will directly oversee all advertising sales, marketing and sales administration for the Port Authority program.

Name: Laurence Raoult
Title: Chief Financial Officer
Year joined JCDecaux: 1997
Relevant prior experience: Ms. Raoult manages all of the financial aspects of our business, including capital investment, cash management, and the issuance of profit and loss statements and balance sheets. She oversees JCDecaux's contract administration, human resources, information technology and credit control departments.
Role in the Port Authority program: She will provide the financial oversight responsibilities for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Paul den Ouden
Title: Exec. Vice President
Year joined JCDecaux: 1996
Relevant prior experience: Mr. den Ouden's career includes 25 years of senior management with a former major domestic and international airline, and was the proprietor of an aviation-focused consulting business. Now in the airport advertising business with JCDecaux, he has the overall responsibility for managing the airport relationships throughout the U.S., including property issues.
Role in the Port Authority program: He will supervise the property and airline relations for the Port Authority program.

Name: Eric Selby
Title: Regional Vice President
Year joined JCDecaux: 1993
Relevant prior experience: Mr. Selby oversees activities for JCDecaux North America properties in the Northeast region, including the management of facilities, operations and administration in the New York market. He manages the regional operational goals to assure that maximum revenue, customer service, and quality facilities are achieved for greater revenue sharing for our business partners.
Role in the Port Authority program: He will be directly responsible for the operational management for the Port Authority program.

Name: Bob Cilia
Title: Exec. Vice President, Sales
Year joined JCDecaux: 2001
Relevant prior experience: Mr. Cilia has over 20 years experience in advertising sales and marketing management, including 8 years managing New Business Development at Gannett. He has managed major national advertising accounts for some of the world's most pre-eminent advertising agencies. He manages all airport sales for North America.
Role in the Port Authority program: He will have supervisory responsibility for the sales and marketing team selling the advertising at all three airports for the Port Authority program.

Name: Gayle Zimmerman
Title: Exec. Vice President, Sales
Year joined JCDecaux: 1999
Relevant prior experience: Ms. Zimmerman is a 20-year veteran in the out-of-home industry and is the top producer for our Mall/Street Furniture division. She was responsible in 2004 for over $14-million of net sales. She manages all street furniture, transit and mall sales in North America.
Role in the Port Authority program: She will have supervisory responsibility for the sales and marketing team selling the exterior and transit advertising for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Renaud Couillens
Title: Marketing Director
Year joined JCDecaux: 1999
Relevant prior experience: Mr. Couillens heads the Marketing and Graphic Design Graphics team and was instrumental in developing all sales and marketing materials for the successful launch of JCDecaux MallScape as well as the Airport Advertising Division of JCDecaux. He and his team design and produce demographics, lifestyle reports and maps to help the sales team demonstrate the benefits of using JCDecaux's various media platforms.
Role in the Port Authority program: He will create a top-notch promotional campaign announcing the launch of the all-inclusive Port Authority program and will supervise ongoing production of targeted marketing materials and research for the Port Authority program.

Name: Nicolas Clochard-Bossuet
Title: Chief Operating Officer
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Clochard-Bossuet served as COO of the JCDecaux MallScape program, overseeing the design, fabrication, installation and maintenance of 5,000 advertising fixtures in 99 high-end shopping malls nationwide. He directly manages the overall implementation of our Street Furniture contract with the City of Chicago. Since its inception in 2002, he has overseen the design, fabrication and installation of over 1,700 bus shelters and other street furniture.
Role in the Port Authority program: He will supervise the engineering and development team for the successful implementation of the advertising fixtures, including the setting up of all assembly/ fabrication procedures and the quality inspection and approval of all fixtures prior to installation for the Port Authority program.

Name: Francois Nion
Title: Executive Vice President
Year joined JCDecaux: 1988
Relevant prior experience: Mr. Nion set up the San Francisco subsidiary and oversaw the installation and operations of the street furniture program and launched the sales and marketing effort there. Subsequently, he was responsible for securing and implementing the contracts for Los Angeles and Vancouver for our joint venture Viacom Decaux. He is responsible for JCDecaux's street furniture business development in North America.
Role in the Port Authority program: He will manage the development of the transit and exterior opportunities, including the PATH, bridges & tunnels for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Cindy Samuel
Title: Sales Planning Manager
Year joined JCDecaux: 1992
Relevant prior experience: Ms. Samuel is Sales Planning Manager for our Sales Administration Department. She supervises data entry and proof of performance coordinators; produces and reviews advertising contracts to ensure product delivery; produces invoices; and trains sales staff on JCDecaux systems and procedures.
Role in the Port Authority program: She will set up and manage the sales administration effort and supervise the team responsible for the Port Authority program.

Name: Andrew Korniczky
Title: Vice President, Business Development
Year joined JCDecaux: 1992
Relevant prior experience: Mr. Korniczky helped pioneer innovative developments at JFK Airport, such as large spectacular sites, exterior advertising, and network diorama campaigns. He left the company in 1997 to establish his own airport advertising agency in the U.S., rejoining JCDecaux in 2002. His responsibilities encompass the group's global airport sales efforts, and development of new business opportunities for JCDecaux and our business partners.
Role in the Port Authority program: He will manage the identification and ongoing development for new business opportunities as well as over-see the sponsorship projects for the Port Authority program.

Name: Stacey Ferris
Title: Business Development Manager
Year joined JCDecaux: 2002
Relevant prior experience: Ms. Ferris manages the expansion and development of the display programs and contract agreements throughout the U.S. for JCDecaux. She is involved at all levels of our business development, including on-site field surveys, capital management and business plan implementation. In addition, Ms. Ferris provides the competitor and industry analysis vital in being a leader in the out-of-home business.
Role in the Port Authority program: She will coordinate with our material management, engineering and Quality Assurance departments ensuring a timely and smooth installation as well as provide ongoing business analysis of our program to ensure that we continue maximizing revenue for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Craig Ferber
Title: Sr. Account Executive
Year joined JCDecaux: 2001
Relevant prior experience: Mr. Ferber owned a production company; writing, directing and producing TV commercials and worked as an Account Executive at two major advertising agencies. He has sold major national Out-of-Home media campaigns to major clients such as AMEX, IBM, Motorola, Yahoo, BMW, Cingular.
Role in the Port Authority program: He will cultivate and manage national advertising accounts and branding opportunities as well as manage the sales team to exceed sales goals for the Port Authority program.

Name: Denise McNamara
Title: International Sales Manager
Year joined JCDecaux: 1991
Relevant prior experience: Ms. McNamara is the International Sales Manager for JCDecaux since joining the company in 1991. 90% of her clients are booked into JFK and LaGuardia Airports. She also works with JCDecaux offices throughout the world to extend our profile of clients and learn new ideas and concepts from other large international airports.
Role in the Port Authority program: She will cultivate international advertising accounts bringing large campaign buys to the Port Authority program.

Name: Brett Morgan
Title: National Account Executive
Year joined JCDecaux: 2003
Relevant prior experience: Mr. Morgan has 14 years experience in advertising sales specializing in Out-of-Home media. He has closed many advertising contracts for backlit, exhibition and out-of-the-box concepts, such as banner programs for the Port Authority properties.
Role in the Port Authority program: He will cultivate and manage both regional and national advertising accounts focusing on EWR and the AirTrain at both EWR and JFK for the Port Authority program.

H.3 Overall Experience and Financial Capability

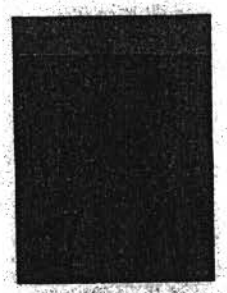
Name: Bryan Hackmeyer
Title: National Account Executive
Year joined JCDecaux: 2003
Relevant prior experience: Mr. Hackmeyer has over 13 years of media sales experience, including print, Internet and out-of-home. He sells advertising and sponsorship opportunities for the Port Authority properties and has consistently exceeded goals for the program.
Role in the Port Authority program: He will cultivate and manage regional and national advertising accounts to continue to increase revenues for the Port Authority program.

Name: Melanie Lauridsen
Title: Account Executive
Year joined JCDecaux: 2002
Relevant prior experience: Ms Lauridsen develops new clients for JFK and LaGuardia from the airport community and surrounding areas. She works with many local advertisers as well as national accounts. At LaGuardia, she maintains and develops courtesy phone center sales.
Role in the Port Authority program: She will develop local and regional prospects in the New York and New Jersey area for the Port Authority program.

Name: Faith Garbolino
Title: National Accounts Manager
Year joined JCDecaux: 2001
Relevant prior experience: Ms. Garbolino has specialized her media sales efforts on our product inventory in malls and street furniture programs. Based in the New Jersey, she develops and manages both regional and national accounts. Her ongoing commitment to providing successful, innovative and targeted campaigns for her clients has made her successful and well respected in the Out-of-Home media field.
Role in the Port Authority program: She will cultivate and manage regional and national advertising accounts and branding opportunities for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Melinda Ponzio
Title: National Sales Executive
Year joined JCDecaux: 2000
Relevant prior experience: Based in Los Angeles, Ms. Ponzio specializes her sales talents in the entertainment industry. The majority of her +15 years in the business have been focused on the motion picture business. She also has built strong relationships with the television and home video divisions of the major Los Angeles/Hollywood studios.
Role in the Port Authority program: She will capitalize on her experience and expertise in developing the entertainment sector to the Out-Of-Home opportunities for the Port Authority program.



Name: Dan Helmin
Title: National Sales Executive
Year joined JCDecaux: 1999
Relevant prior experience: Based in Chicago, Mr. Helmin is responsible for creating a significant customer base for JCDecaux in all major mid-western markets. With over a decade of experience in the out-of-home industry, Mr. Helmin is able to optimize his strong relationships with key media buyers in the mid-western region to maximize revenues.
Role in the Port Authority program: He will capitalize on his experience and expertise in closing Out-of-Home business in the mid-west U.S. market for the Port Authority program.

Name: Maryanne Kimball
Title: Director of Facilities
Year joined JCDecaux: 2000
Relevant prior experience: Ms. Kimball has 19 years experience in the aviation industry working for Trans World Airlines in New York in both Operations and Management. She directs the JCDecaux facilities team at our Port Authority properties, develops airport relations and oversees the facilities at JFK and LaGuardia.
Role in the Port Authority program: Her ongoing priority will be to maintain our commitment to quality service and maximize the presentation of our fixtures by managing the day-to-day facilities responsibilities for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Richard DeFreitas
Title: Project Manager
Year joined JCDecaux: 1999
Relevant prior experience: Mr. DeFreitas has overseen the installation of literally thousands of display fixtures throughout the country for JCDecaux. From the significant roll-out of our Mallscape program in 99 malls to the installation of our street furniture program in Chicago. Mr. DeFreitas has supervised numerous employees and contractors, including M/WBE contractors for successful implementation. Now based in New Jersey, he supervises the installation of our fixtures in the New York and New Jersey area.
Role in the Port Authority program: He will supervise the contractors and facilities personnel in the installation of the advertising fixtures, ensuring a smooth transition of the new displays for the Port Authority program.

Name: Donna Saunders-Bennett
Title: Facilities Manager
Year joined JCDecaux: 1995
Relevant prior experience: Ms. Saunders-Bennett has had a well rounded role at JCDecaux, as she has served as Account Assistant, Sales Coordinator and Tracking Manager before assuming the role of Facilities Manager. In this role, she is responsible for managing inventory, trafficking the campaigns, posting the ads and overseeing the maintenance of the display units.
Role in the Port Authority program: She will work closely with the Director of Facilities and our Maintenance Technicians to ensure that all of our displays maintain unprecedented quality and service for the Port Authority program.

Name: William Haddock
Title: Director of Materials Management
Year joined JCDecaux: 2000
Relevant prior experience: Mr. Haddock joined JCDecaux to oversee purchasing and resource planning. He is directly responsible for sourcing strategic suppliers, negotiating contracts for materials and developing our state-of-the-art production planning systems.
Role in the Port Authority program: He will source appropriate suppliers and contractors for the initial installation and ongoing plant management as well as supervise the purchasing, production planning and inventory control for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Robert Mager
Title: Director of Engineering
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Mager has over 23 years experience in design and development of products for the military, communications and manufacturing. For JCDecaux, he has engineered all products for our MallScape, City of Chicago street furniture, and Airport contracts to exacting schedules and the highest quality.
Role in the Port Authority program: He will manage the development, and design as well as engineer the new products. In addition, he will customize and refine our current products to ensure compatibility with the environments and customer needs for the Port Authority program.

Name: Eric Buchman
Title: Director of Quality Assurance
Year joined JCDecaux: 1999
Relevant prior experience: Mr. Buchman has established company-wide procedures for our production facilities, based upon the ISO Standard. He has streamlined standard processes and established a philosophy of continuous improvement. Mr. Buchman was also instrumental in our Chicago street furniture program, ensuring that the program meets the strict JCDecaux quality standards.
Role in the Port Authority program: He will establish a comprehensive Quality Control Program ensuring that the advertising display fixtures, airport amenity units, banners and wall wraps meet JCDecaux's world-class level of quality for the Port Authority program.

Name: Eric Penot
Title: Chief Information Officer
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Penot manages the Information Technology (IT) Department for the entire JCDecaux North America operation. He oversees the development of IT solutions that increase employee performance and deliver added value services to our advertising clients and Port Authority partners, including our mapping system and web portal. Mr. Penot supervises all JCDecaux digital media innovations that keep JCDecaux technically advanced from the competition.
Role in the Port Authority program: He will oversee the current digital programs as well as the development of new IT solutions to enhance both the display presentation and revenue generation for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Kristen Tsamoudakis
Title: Human Resources Director
Year joined JCDecaux: 1996
Relevant prior experience: Ms. Tsamoudakis supports the management of all JCDecaux North America activities with Human Resources initiatives within the Company. She coordinates all aspects of personnel issues, recruitment, legal, compensation budgets, staff costs, national insurance program for the business implementation, and communication of core HR strategies.
Role in the Port Authority program: She will manage the HR activities, including the management of our comprehensive benefits program, handling staff issues and ensuring compliance with our union agreement, HR policies and procedures for the Port Authority program.

Name: Louis-Philippe Cavallo
Title: Controller
Year joined JCDecaux: 1999
Relevant prior experience: After working at JCDecaux's headquarters in Paris overseeing U.S. and Australia subsidiaries, Mr. Cavallo became the Controller of the North American company in 2002 to assist in our extensive business development in the U.S. and Canada.
Role in the Port Authority program: He will coordinate all financial functions, including accounting, sales administration, billing, collections and financial reporting for the Port Authority program.

Name: Heather Krieger
Title: Manager, Sales Administration
Year joined JCDecaux: 1997
Relevant prior experience: Ms. Krieger has extensive experience in transit media administration. As a specialist in the sales and financial administration of out-of-home advertising, she provides the expertise and working knowledge to maximize information and report processing and dissemination to both our advertising clients and business partners.
Role in the Port Authority program: She will manage the booking, charting and billing while providing the utmost in customer service for the Port Authority program.

H.3 Overall Experience and Financial Capability

New York: It's Who and Where We Are!

- JCDecaux's local, regional and national headquarters are based in Manhattan
- We have many years of experience in New York's media buying community
- We are interwoven into NY/NJ's metropolitan markets & transportation facilities
- We have enjoyed our relationship with the Port Authority since 1990, upon the first award for the advertising display program at JFK International Airport
- The Port Authority increased our responsibility in 1996 by adding LaGuardia to our New York portfolio

JCDecaux understands how to work within the Port Authority environment. In fact, we thrive in it! We understand the processes and issues that must be addressed to work productively in the New York marketplace while continuing to maximize revenue for the Port Authority.

New Jersey: A Great Working Experience

- In 1998, JCDecaux created JCDecaux MallScape when it signed a 15-year contract with Simon Property Group, followed by similar deals with Urban Property Group in 1999 and The Taubman Company in 2000
- JCDecaux built and serviced the installation of thousands of advertising structures throughout the United States for these contracts
- JCDecaux established its design and assembly plant in New Jersey, employing nearly 150 people
- Our Industrial division (Engineering, Procurement and Quality Assurance) is based in Hasbrouck-Heights (NJ)
- We operate our MallScape program in 9 New Jersey malls

Whether it is working with the local unions or simply getting around the local transportation facilities, JCDecaux understands the New Jersey market and looks forward to building upon this experience.

Experience in high-volume transportation facilities

- With 150 airports and 150 other transportation systems under contract worldwide, JCDecaux has an unequalled experience of the specific demands for this type of environment
- This experience expands to two major Port Authority facilities, JFK and LGA, where we have been successfully operating for 15 and 9 years
- Our street furniture background also prepares us well for the priorities of public service
- JCDecaux understands and is sensitive to the needs of the public to ensure that safety, comfort and efficient egress are a priority

H.3 Overall Experience and Financial Capability

Open Communication with our Business Partners

Over the years, we have established a proven track record of open communication with the Port Authority. We know that this communication is vital to exceeding revenue goals. Currently, we are in constant contact at various levels, working closely with the Port Authority on an ongoing, day-to-day basis.

This commitment to communication ensures that advertising display programs and projects meet and exceed the expectations of the Port Authority and the Port's customers.

Involvement with Organizations & Events in the NY/NJ Area

JCDecaux understands that communication also means involvement. This involvement is with our business partners, our advertising clients and with our community. Over the past few years, JCDecaux participated in the following New York/New Jersey organizations and events:

- JFK Chamber of Commerce
- JFK British Airways Employee Recognition Day
- Kiwanis Club – LaGuardia Airport
- Kiwanis Club Annual Charity Ball
- Delta Airlines 75th Anniversary Celebration
- Our Lady of the Sky's Annual Luncheon
- JFK Man and Women of the Year Annual Luncheon
- Chamber of Commerce Annual Ladies Golf Outing
- Good Foundation School Art Display at LGA
- Foundation for a Better Life
- The Boys Club of Queens Luncheon
- Make-a-Wish Foundation
- Naval Reserves
- World Wild Life Foundation
- The Baptist Church of Queens Luncheon
- The Greater Queens Restaurant Association
- The Nature Conservancy
- The Samaritan Foundation
- USO
- LaGuardia Airport Airlines Management Council (LAAMCO)
- Kennedy Airport Airlines Management Council (KAAMCO)
- Association for a Better New York (ABNY)
- Downtown NYC River to River Festival
- NYC2012
- Friends of the High-Line
- The Wings Club of NY

H.3 Overall Experience and Financial Capability

JCDecaux understands that being a part of the business community requires an active role in "the community." We are proud of our local participation and organizational involvement and look forward to continuing our metropolitan commitments and public service.

Responsive and Pro-active

JCDecaux currently has a full-time, dedicated, New York-based facilities team as well as a full time, dedicated New Jersey-based operations team. This team is:

- Experienced and dedicated to the Port Authority operation
- Equipped with 24-hour communication
- Committed to replacing non-working components quickly
- Available 24/7 for emergency response
- Equipped with mobile phones for immediate notification

Committed to the Continuous Upgrade of our Products and Operations

JCDecaux has continued to redevelop its advertising program within the New York airports over our 15 years of experience. As technology and materials have changed so has our media program. Much of our success is dependent on offering our advertising clients the advertising format that best targets their specific needs. We do this by investing in new products to meet the marketplace demands. We have seen our backlit equipment become thinner and more reliable, with better illumination based on new lighting technology including our recent addition of scrolling fixtures. We were the first airport advertising company to install plasma screens in the airport environment. With the advent of the capability to print large graphics on vinyl, we developed the first airport programs with large wall and glass wraps. As a very important part of our continual updating, we are committed to having the operational know-how to keep our equipment working at top levels. We stock the spare parts that our operational staff require and train them to keep up with the changes. This remains an evolutional process that keeps us rethinking and remaking our business everyday.

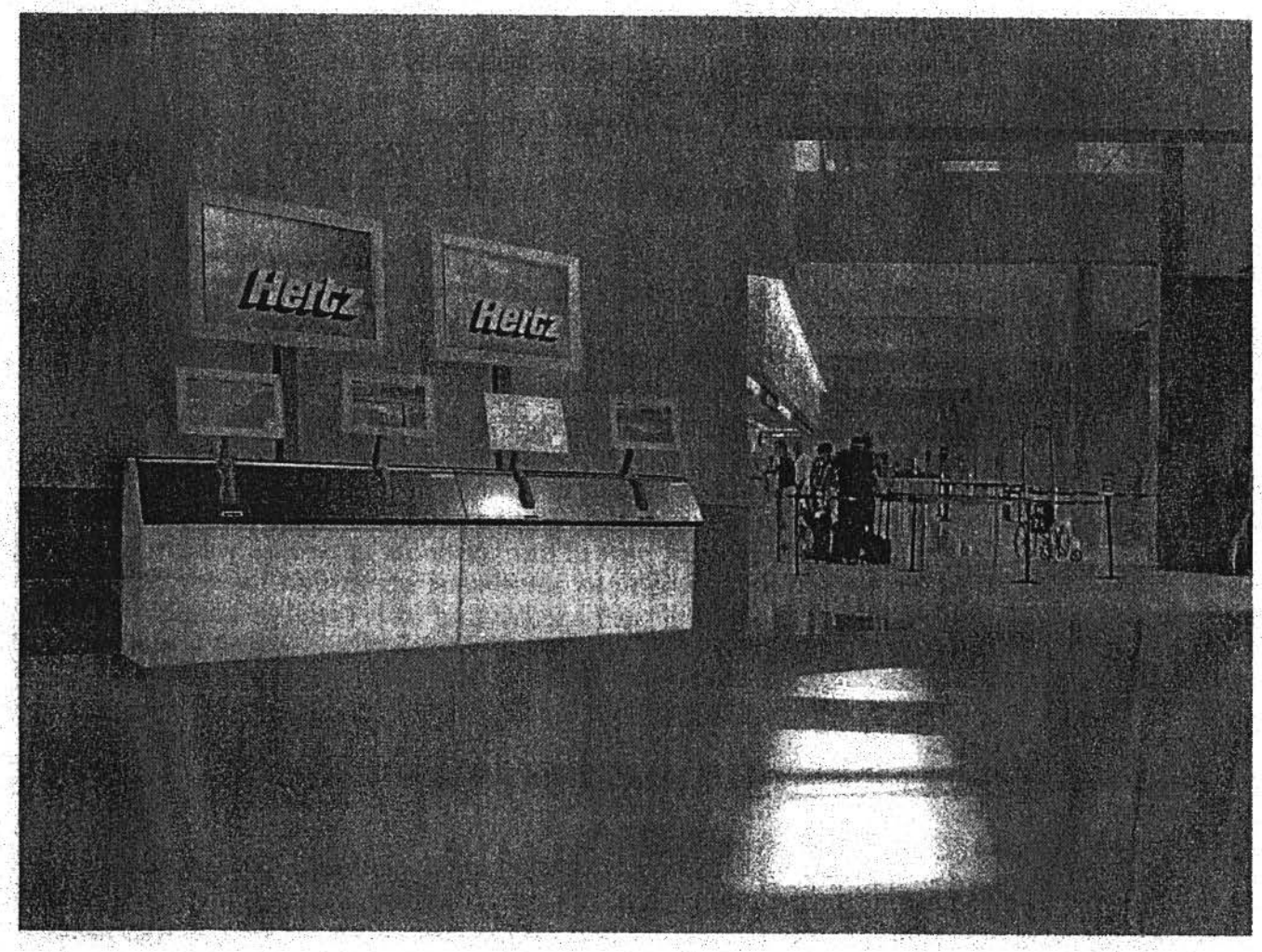
Other Recent Examples of Program Implementations by JCDecaux

John Wayne Orange County Airport (SNA)
Following the award of a new advertising concession in October 2004, JCDecaux worked with SNA staff to design specific equipment that met the aesthetic and functional needs of their transportation facility while providing for greater revenue potential. For this project, JCDecaux:

- Developed an installation schedule with the facility staff that would expedite the replacement of old equipment while minimizing public inconvenience
- Conducted most of the work in public areas during off-hours
- Coordinated the schedules of multiple subcontractors to avoid lost time and conflict of trades

H.3 Overall Experience and Financial Capability

- Made sure permitting requirements were met, allowing for timely installations
- Used vendors, that had appropriate security clearances and knowledge of working conditions and requirements in the transportation environment
- Efficiently coordinated design, construction, shipping, staging and installation in a timely fashion
- Held routine meetings both internally and externally with vendors, design team and installers to adjust schedules when necessary keeping specified staff updated at all times



H.3 Overall Experience and Financial Capability

City of Chicago

In June 2002, JCDecaux signed a 20-year contract with the City of Chicago for the design, production, installation and maintenance of 2100 bus shelters and various other pieces of street furniture, financed through the sale of advertising. JCDecaux worked with the Mayor's Office and all involved departments and agencies (DOT, Chicago Transit Authority and Park District) to finalize the design of our equipment to meet the functional needs while being sensitive to the site-specific constraints for each fixture location. For this project, JCDecaux:

- Developed an installation roll out with the City and the Chicago Transit Authority that would both expedite the setting of the new equipment, minimize the bus-riders inconvenience by temporarily relocating the old equipment and minimize the impact of the construction work in streets and sidewalks
- Closely coordinated with the City and DOT to maximize the construction and installation work to be performed at night, especially in the downtown area and the business district
- Coordinated the permitting process and subcontractors' scheduling, in order to keep the production and installation roll out on or ahead of schedule
- Selected subcontractors with all appropriate quality and safety programs and long experience of work in the public way. All subcontractors required City licenses and permits, valid MBE or WBE certification for the majority and with the appropriate trade union affiliation
- Constantly coordinated with the DOT, in order to adjust in real-time the construction and installation schedule to accommodate any City special requests (special events, holidays, etc.)

Addenda

I. Addenda

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: JCDecaux Airport, Inc.

INITIALED: _____

DATE: June 12, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

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above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: JCDecaux Airport, Inc.

INITIALED: _____

DATE: June 13, 2005

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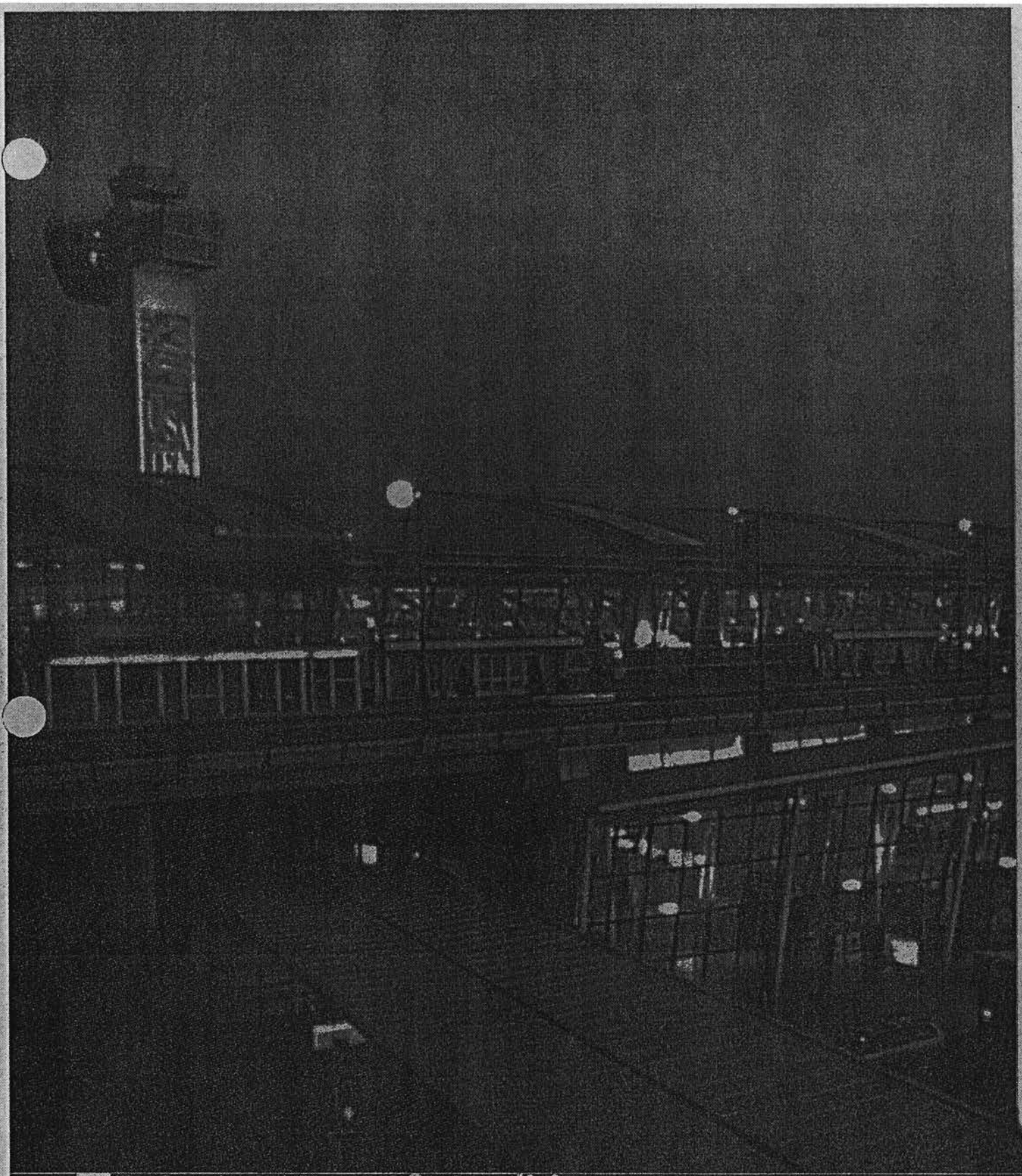
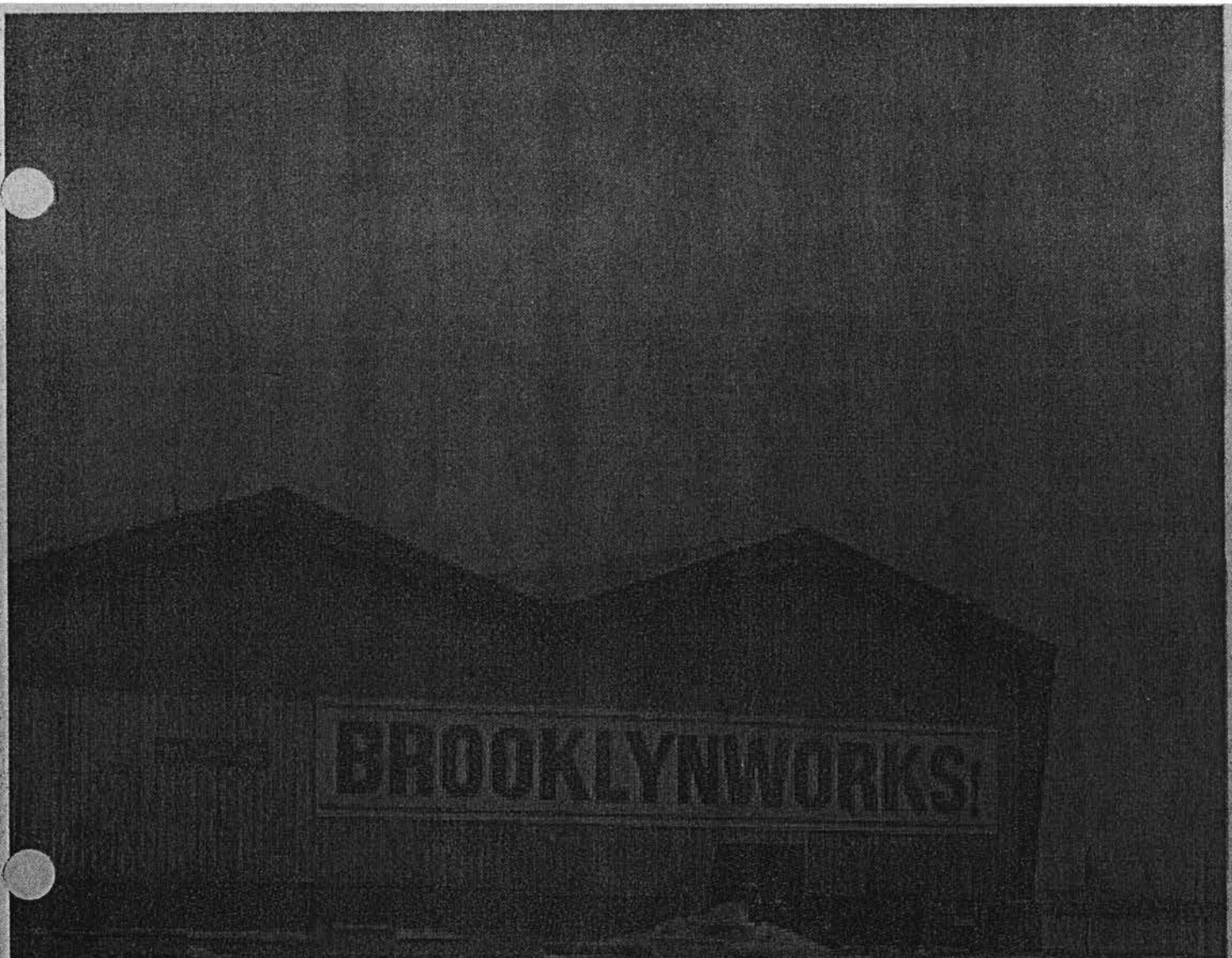


J Contract Terms & Conditions

J. Contract Terms & Conditions

At this time, JCDecaux makes no specific exceptions, however the contract is missing material terms e.g. location of billboards or terms of contract, therefore we have generally assumed that such terms will be incorporated into a completed contract in a reasonable way.



Financial Information

Financial Information

The Port Authority of NY & NJ

JCDecaux

Financial Information

We submit the following financial information for JCDecaux Airport, Inc.:

A. (1) Please find Certified Financial Statements for JCDecaux Airport, Inc. for 2004 and 2003 directly following.

B. As the aforementioned Certified Statements do not cover a period which includes a date not more than forty-five days prior to the Proposal Due Date, we have included a signed statement attesting that the present financial condition of JCDecaux Airport, Inc. is at least as good as that shown on the statements submitted. Please find the statement directly following.

C. JCDecaux Airport, Inc. currently operates advertising concessions in 37 airports in the United States. As part of these concessions, JCDecaux Airport, Inc. routinely installs new advertising displays in airports as required. Currently JCDecaux Airport, Inc. is working on the installation of new equipment at Terminal 8 in JFK as well as Memphis International Airport. JCDecaux Airport, Inc. does not have any work on hand for the implementation of any new advertising programs at this time. JCDecaux Airport, Inc. does currently have a bid outstanding for a short term advertising program at LAX, which does not require any major equipment installation.

D. The following information is for JCDecaux Airport, Inc.

Banking Institution:	JP Morgan Chase
Banking Representative:	Joseph Wassilus
Federal Identification Number:	13-3577175
Dun and Bradstreet Number:	61-874-2134

E. We are not submitting our proposal as a joint venture or partnership.

Attachment C "Proposer Reference Form" follows directly behind the financial statements.

JCDecaux

Out of Home Media

May 27, 2005

Argentina
Australia
Austria
Belgium
Bolivia
Brazil
Bulgaria
Canada
Chile
Colombia
Costa Rica
Denmark
Dubai
Finland
France
Germany
Hong Kong
Hungary
Ireland
Italy
Japan
Korea
Luxembourg
Macao
Malaysia
Mexico
Netherlands
Norway
Poland
Portugal
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Thailand
United Kingdom
United States
Uruguay
Vietnam

The Port Authority of NY and NJ

We, hereby, confirm that we are not aware of any significant events in 2005 that would significantly impair the financial position of the company JCDecaux Airport Inc. as compared to the financial situation as shown in December 31, 2004 financial statements.

Jean-Luc Decaux
Co-Chief Executive Officer

Bernard Parisot
President and Co-Chief Executive Officer

Laurence Raoult
Chief Financial Officer

JCDecaux North America, Inc
1 Park Avenue, 33rd Floor New York, NY 10016 USA
Telephone: 646 834 1200 · Fax: 646 834 1201 · www.jcdecauxna.com

Constantin Associates

Certified Public Accountants

JCDECAUX AIRPORT, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

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[redacted]

Constantin Associates

Certified Public Accountants

JCDECAUX AIRPORT, INC.

INDEX TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

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Balance Sheets	3
Statements of Operations	4
Statements of Changes in Stockholder's Equity	5
Statements of Cash Flows	6 - 7
Notes to Financial Statements	8 - 16

[redacted]

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Certified Public Accountants

Constantin Associates

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
JCDecaux Airport, Inc.
New York, New York

We have audited the accompanying balance sheets of JCDecaux Airport, Inc., (the Company) as of December 31, 2004 and 2003, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JCDecaux Airport, Inc., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Constantin Associates

Constantin Associates

New York, New York
January 14, 2005

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JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

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Certified Public Accountants

JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

ASSETS

	2004	2003
Current assets		
Cash and cash equivalents (Note 1)	$ 196,154	$ -
Accounts receivable - trade (net of allowance for doubtful accounts of $1,139,062 and $1,139,062 respectively)	9,694,100	8,569,395
Account receivable - affiliated (Note 6)	16,619,921	29,651,558
Other receivables	23,848	62,280
Prepaid expenses	1,445,813	1,660,712
Inventories	21,053	-
Deferred tax asset (Notes 1 and 4)	624,000	1,553,200
Total current assets	28,624,889	41,497,145
Property and equipment less accumulated depreciation (Notes 1 and 2)	6,012,135	7,421,898
Deposits	721,476	748,100
Deferred tax asset (Notes 1 and 4)	7,259,632	3,117,200
Intangible assets		
Contract value, net (Note 1)	10,023,875	17,607,553
Total non current assets	24,017,118	28,894,751
Total assets	$ 52,642,007	$ 70,391,896

See accompanying notes to financial statements.

JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

LIABILITIES AND STOCKHOLDER'S EQUITY

	2004	2003
Current liabilities		
Accounts payable	3,504,796	2,859,702
Accrued expenses	6,743,787	9,742,229
Capital lease obligation - Current portion (Notes 1 and7)	37,770	-
Deferred revenue (Note 8)	2,003,665	1,139,908
Due to affiliates (Note 6)	7,262,343	29,723,097
Total current liabilities	19,552,361	43,464,936
Long-term liabilities		
Deferred rent	185,475	166,925
Capital lease obligation - long-term portion (Notes 1 and 7)	103,878	-
Debt - affiliated	48,529,992	-
Note payable (Note 6)	-	37,000,000
Total long term liabilities	48,819,345	37,166,925
Total liabilities	68,371,706	80,631,861
Commitments and contingencies (Note 5)		
Stockholders' equity		
Common stock: $1 par value, 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	9,000	9,000
Retained earnings	(15,739,699)	(10,249,965)
Total stockholders' equity	(15,729,699)	(10,239,965)
Total liabilities and Stockholders' equity	$ 52,642,007	$ 70,391,896

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JCDECAUX AIRPORT, INC.

STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004 and 2003

	2004	2003
Net sales (Note 1)	$ 62,991,335	$ 62,899,218
Cost of sales	47,393,991	49,899,019
Gross profit	15,597,344	13,000,199
Operating expenses:		
Selling, general and administrative expense	12,724,236	11,307,774
Depreciation expense (Notes 1 and 2)	2,507,017	2,589,282
Amortization expense (Note 3)	7,583,678	4,871,549
Total operating expense	22,814,931	18,768,605
Loss from operations	(7,217,587)	(5,768,406)
Other expense		
Interest expense (net of interest income of $5,124 and $15,083, respectively)	(1,128,951)	(223,028)
Result on disposal of fixed assets	(404,156)	(153,523)
Total other expense	(1,533,107)	(376,551)
Loss before provision for income taxes	(8,750,694)	(6,144,957)
Provision for income tax (benefit) expense (Notes 1 and 4)	(3,260,960)	(5,759,894)
Net loss	$ (5,489,734)	$ (385,063)

See accompanying notes to financial statements.

Constantin & Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR YEAR ENDED DECEMBER 31, 2004 and 2003

	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, January 1, 2003	$ 1,000	$ 1,000	$ 9,000	$ (9,864,902)	$ (9,854,902)
Net loss, December 31, 2003	-	-	-	(385,063)	(385,063)
Balance, December 31, 2003	$ 1,000	$ 1,000	$ 9,000	$(10,249,965)	$(10,239,965)
Net loss, December 31, 2004	-	-	-	(5,489,734)	(5,489,734)
Balance, December 31, 2004	$ 1,000	$ 1,000	$ 9,000	$(15,739,699)	$(15,729,699)

See accompanying notes to financial statements.

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Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
Cash flows from operating activities:		
Net income (loss)	$ (5,489,734)	$ (385,063)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,507,017	2,615,591
Contract valuation amortization	1,853,398	571,180
Contract valuation write-down	5,730,280	4,274,060
Loss on disposal of fixed assets	417,709	153,523
Deferred income tax	(3,213,232)	(4,670,400)
(Increase) decrease in:		
Accounts receivable - trade	(1,124,703)	(2,228,438)
Accounts receivable - affiliated (Note 6)	13,031,636	(23,349,705)
Other receivables	38,432	(7;435)
Prepaid expenses	214,900	(212,906)
Inventories	(21,053)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,353,347)	2,931,683
Other current liabilities	-	(277,654)
Deferred revenue	863,757	296,984
Deferred rent	18,550	(52,962)
Due to affiliates (Note 6)	(22,460,755)	22,089,188
Net cash (used in) provided by operating activities	(9,987,145)	1,747,646
Cash flows from investing activities:		
Purchases of fixed assets	(1,514,965)	(588,611)
Deposits	26,624	(81,616)
Net cash used in investing activities	(1,488,341)	(670,227)
Cash flows from financing activities:		
Long term capital lease obligation	141,648	-
Reimbursement of note to JCDecaux SA	-	(39,000,000)
Intercompany - debt	48,529,992	
Line of credit with JCDecaux NA	(37,000,000)	37,000,000
Net cash provided by (used in) financing activities	$ 11,671,640	$ (2,000,000)

JCDECAUX AIRPORT, INC.

STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

	2004	2003
Net increase (decrease) in cash and cash equivalents	$ 196,154	$ (922,581)
Cash at beginning of year	$ -	$ 922,581
Cash at end of year	$ 196,154	$ -

Supplemental disclosures on cash flow information:

Cash paid for income taxes	$ 52,787	$ 127,898
Cash paid for interest	$ 1,134,075	$ 238,107

See accompanying notes to financial statements.

[redacted]

Constantin & Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003

Note 1 Summary of Significant Accounting Policies

Organization

JCDecaux Airport, Inc. is a wholly owned subsidiary of JCDecaux North America Inc.

JCDecaux Airport, Inc. is engaged in the management of airport advertising concessions.

Cash and Cash Equivalents

The Company treats all highly liquid investments with a maturity period of three months or less as cash equivalents. Cash overdrafts are reclassified to accounts payable.

Revenue Recognition

Revenues, net of advertising commissions, are recognized over the contracts period or as services are performed. In 2004, one customer comprised 5% of the Company's advertising revenue, and the five largest customers comprised 18% of the Company's advertising revenue.

Property and Equipment

Property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Depreciation

Advertising structures, vehicles, equipment and office furniture are depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are depreciated over the shorter of the lease term or their useful lives. The range of depreciable lives by classification is:

	Years
Advertising structures	7 to 10
Computer equipment	3
Vehicles and office furniture	5

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 1 Summary of Significant Accounting Policies (continued)

Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). The statement requires a change from the deferred to the liability method of computing deferred income taxes. Deferred income taxes are recognized for the consequences of "temporary differences" by applying enacted statutory tax rates, applicable to future years, to differences between the financial reporting and the tax basis of existing assets and liabilities.

Intangible Assets

Intangible assets are reported at cost. Amortization is computed on the straight-line basis over the estimated useful life of the asset.

Charge-back Expenses

Since 2002 the Company consolidates all back office and operational functions to the New York office. Under this plan, the Company pays some vendors and service providers, on the behalf of JCDecaux Mallscape, LLC, JCDecaux San Francisco, LLC, and JCDecaux Chicago, LLC. These payments are then charged-back to these entities through intercompany transactions and are shown as intercompany receivables and payables.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Leases

The company acquired equipment under the provisions of long-term leases. In accordance with the Financial Accounting Standard No. 13, minimum lease payments relating to these leases have been capitalized. Amortization of the leased equipment is included in depreciation expense.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 2 Property and Equipment

Property and equipment, along with its related accumulated depreciation as of December 31, 2004 and 2003, are as follows:

2004	Cost	Accumulated Depreciation	Book Value
Advertising structures	$ 16,593,535	$ 11,232,434	$ 5,361,101
Motor vehicles	73,493	73,493	
Vehicles capital Lease	165,442	26,904	138,538
Plant and equipment	4,416	2,989	1,427
Computer equipment	1,996,241	1,579,890	416,351
Office equipment	401,973	343,737	58,236
Leasehold improvements	392,762	356,280	36,482
	$ 19,627,862	$ 13,615,727	$ 6,012,135

2003	Cost	Accumulated Depreciation	Book Value
Advertising structures	$ 16,965,867	$ 10,089,541	$ 6,876,326
Motor vehicles	97,929	97,929	
Plant and equipment	4,416	2,355	2,061
Computer equipment	1,655,966	1,306,817	349,149
Office equipment	388,244	316,960	71,284
Leasehold improvements	392,762	269,684	123,078
	$ 19,505,184	$ 12,083,286	$ 7,421,898

Depreciation expense for the years ended December 31, 2004 and 2003 was $2,507,017 and $2,589,282, respectively.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 3 Intangibles

The Company adopted the provisions of the FAS 142 "Goodwill and Other Intangible Assets" effective December 15, 2001.

As part of the implementation of the FAS 142, The Company allocated the goodwill originally reported to the value of contracts with airports for advertising acquired from The Ackerley Group in July 1998.

In conjunction with this implementation, it was determined that the contract valuation was impaired as of December 31, 2002. As a result, its gross amount was reduced by $4,349,000. In addition, the amortization period was reduced from forty years to fifteen to reflect the duration of the average contract.

During 2004, current year testing of the contract valuation determined that the gross carrying amount needed to be reduced further by $5,730,280.

Intangible assets as of December 31, 2004 and 2003, are as follows:

	2004	2003
Contract valuation	$ 17,688,820	$ 27,800,960
Acquisition costs	228,665	228,665
R&D costs	206,980	206,980
	18,124,465	28,236,605
Less accumulated amortization	(8,100,590)	(10,629,052)
Net	$ 10,023,875	$ 17,607,553

Amortization expense for the years ended December 31, 2004 and 2003, related to goodwill and other intangible assets was $1,853,398 and $1,879,709, respectively.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 4 Income Taxes

The Company files its federal income tax return on a consolidated basis with its parent, JCDecaux North America, Inc.

Income tax benefits consist of the following components:

	2004	2003
Current tax benefit	$ 47,728	$ 1,089,494
Deferred tax benefit	3,213,232	4,670,400
	$ 3,260,960	$ 5,759,894

The components of the timing differences are as follows as of December 31, 2004 and 2003:

	2004	2003
Deferred tax assets:		
Allowance for bad debts	$ 455,600	$ 455,600
Reserves	168,400	1,097,600
Current deferred tax assets	624,000	1,553,200
Net operating losses	4,062,400	2,410,000
Depreciation and amortization	3,197,232	707,200
Long term deferred tax assets	7,259,632	3,117,200
Total deferred tax assets	$ 7,883,632	$ 4,670,400

In 2003, the Company received a refund in a total amount of $1,232,189 for the taxes paid between 1998 and 2001.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 5 Commitments

The Company is obligated under certain noncancelable operating leases for office space, and minimum guarantees.

Total rental expense under operating leases for office space was $1,176,593 and $1,593,970 for the years ended December 31, 2004 and 2003.

Future minimum lease payments due under airport advertising concessions are as follows (these values consist of the sum of minimum annual guarantees for all concession contracts until the expiration dates of such contracts and also include operating lease payments from January 1, 2005):

2005	31,548,000
2006	13,702,000
2007	9,584,000
2008	6,613,000
2009 and thereafter	8,726,000
	$ 70,173,000

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 6 Intercompany Accounts

At December 31, 2004 and 2003, the intercompany receivables and payables are as follows:

	2004	2003
Accounts receivable:		
JCDecaux Chicago	$ 2,338,340	$ 1,495,726
JCDecaux Mallscape	7,294,229	17,395,868
JCDecaux San Francisco	658,591	657,958
JCDecaux North America	-	9,856,466
Other affiliates	6,328,761	245,540
Total	$ 16,619,921	$ 29,651,558
Accounts payable:		
JCDecaux SA	379,385	540,778
JCDecaux San Francisco	-	1,419,982
JCDecaux North America	6,411,307	16,247,319
JCDecaux Chicago	-	1,451,763
JCDecaux Mallscape	-	9,417,698
Other affiliates	471,651	645,557
Total	$ 7,262,343	$ 29,723,097
Debt, affiliated:		
JCDecaux North America, Inc.	$ 48,529,992	$ -
Note Payable		
JCDecaux North America	-	37,000,000

Following the implementation of a line of credit issued to JCDecaux North America, Inc. by the ultimate parent, a treasury agreement was set up between the US entities. Under this agreement entities with cash in excess contribute and entities with cash needs borrow. This agreement expires on December 31, 2008 and the interest rate is calculated as 3-month LIBOR + 1.08%.

In 2004, the average interest rate was 2.54% and the interest expense amounted to $1,130,936.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 7 Capital Lease

The Company acquired equipment through leases, and accordingly, recorded an asset for the present value of future minimum lease payments and the corresponding liability as an obligation under capital lease.

The following is a schedule by years of future minimum payments required under the leases, together with their present value as of December 31, 2004:

Year ending December 31,	Amount
2005	$ 42,506
2006	41,635
2007	51,291
2008	15,881
2009	698
Total minimum lease payments	152,011
Less amount representing interest	10,363
Present value of future minimum lease payments	141,648
Less current portion	37,770
Long-term portion of capital Lease obligation	$ 103,878

Related interest expense for the year ended December 31, 2004 was $3,138.

Note 8 Deferred Revenue

The Company receives money in advance from customers for advertising that will take place in the future. Revenue is recognized concurrently with the renting of the advertising space to the customer. Deferred revenues as of December 31, 2004 and 2003 represented $2,003,664 and $1,139,908, respectively

Note 9 Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalent accounts in financial institutions, which from time to time exceed the federal depository insurance coverage limit. Cash and cash equivalents that exceed federally insured limits at December 31, 2004 amount to $194,768.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 10 Economic Dependency

Although the Company has experienced significant operating losses and has a deficit stockholders' equity, its parent company has stated that it will continue to support and finance the Company as it is an important part of the American network.

Constantin & Associates
Certified Public Accountants

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: JCDecaux Airport, Inc.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name:	JFK International Airport
Address:	225 Park Avenue South, 9th Floor, New York NY 10003
Contact Name and Title:	Alfred J. Graser, General Manager
Phone and Fax Numbers of Contact:	Phone: (718) 533-3401 Fax: (718) 533-3421
Contract date(s):	6/30/90 - 12/31/05
Contract Cost*:	$1,142,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	LaGuardia Airport
Address:	225 Park Avenue South, 9th Floor, New York NY 10003
Contact Name and Title:	Warren Kroppel, General Manager
Phone and Fax Numbers of Contact:	Phone: (718) 244-3501 Fax: (718) 244-3505
Contract date(s):	6/30/90 - 12/31/05
Contract Cost*:	$409,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Miami International Airport
Address:	P.O. Box 592075, Miami, FL 33159
Contact Name and Title:	Patricia Ryan, Manager, Commercial Operations
Phone and Fax Numbers of Contact:	Phone: (305) 876-8131 Fax: (305) 876-7615
Contract date(s):	3/1/94 - monthly
Contract Cost*:	All Capex paid by Airport
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	Ronald Reagan Washington National Airport
Address:	1 Aviation Circle, Washington, D.C. 20001-6000
Contact Name and Title:	James Bennett, President & C.E.O.
Phone and Fax Numbers of Contact:	Phone: (703) 417-8610 Fax: (703) 417-8949
Contract date(s):	12/1/00 - 11/30/09
Contract Cost*:	$350,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Washington Dulles International Airport
Address:	1 Aviation Circle, Washington, D.C. 20001-6000
Contact Name and Title:	James Bennett, President & C.E.O.
Phone and Fax Numbers of Contact:	Phone: (703) 417-8610 Fax: (703) 417-8949
Contract date(s):	12/1/00 - 11/30/09
Contract Cost*:	$420,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Houston William P. Hobby Airport
Address:	P.O. Box 60106, Houston, TX 77205-0106
Contact Name and Title:	Rick Vacar, Director of Aviation
Phone and Fax Numbers of Contact:	Phone: (281) 233-1877 Fax: (281) 233-1864
Contract date(s):	12/29/99 - 12/28/09
Contract Cost*:	$135,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	George Bush Intercontinental Airport
Address:	P.O. Box 60106, Houston, TX 77205-0106
Contact Name and Title:	Rick Vacar, Director of Aviation
Phone and Fax Numbers of Contact:	Phone: (281) 233-1877 Fax: (281) 233-1864
Contract date(s):	12/29/99 - 12/28/09
Contract Cost*:	$957,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	Seattle-Tacoma International Airport
Address:	P.O. Box 68727, Seattle, WA 98158
Contact Name and Title:	Drake Beaton, Commercial Property Manager
Phone and Fax Numbers of Contact:	Phone: (206) 431-4040 Fax: (206) 439-6620
Contract date(s):	11/1/96 - 7/31/07
Contract Cost*:	$571,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	John Wayne Orange County Airport
Address:	3160 Airport Way, Costa Mesa, CA 92626-4608
Contact Name and Title:	Carrie Byron, Real Estate Properties Manager
Phone and Fax Numbers of Contact:	Phone: (949) 252-5230 Fax: (949) 252-5225
Contract date(s):	1/1/05 - 12/31/10
Contract Cost*:	$235,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Orlando International Airport
Address:	One Airport Boulevard, Orlando, FL 32827-4399
Contact Name and Title:	Cheryl Nashir, Assistant Director of Concessions
Phone and Fax Numbers of Contact:	Phone: (407) 825-3523 Fax: (407) 825-2530
Contract date(s):	5/1/99 - 4/31/10
Contract Cost*:	$1,705,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Pittsburgh International Airport
Address:	P.O. Box 12318, Pittsburgh, PA 12318
Contact Name and Title:	Mark Knight, President-BAA
Phone and Fax Numbers of Contact:	Phone: (412) 472-5191 Fax: (412) 472-5190
Contract date(s):	7/1/98 - 12/31/10
Contract Cost*:	$124,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	City of Chicago
Address:	121 North LaSalle Street, Chicago, IL 60602
Contact Name and Title:	Thomas Crothers, Deputy Chief Procurement Office
Phone and Fax Numbers of Contact:	Phone: (312) 744-1803 Fax: (312) 744-4921
Contract date(s):	6/8/02 - 12/31 2022
Contract Cost*:	$50,000,000
Description of work:	Coordinated Street Furniture Program of 2175 bus shelters, 115 News Racks, 26 Newsstands, 17 Supervisor Kiosks, 5 Café Kiosks, 75 City Information Panels funded through the sales of advertising panels.

Customer Name:	The Taubman Company
Address:	200 E. Long Lake Road, Bloomfield Hills, MI 48303-0200
Contact Name and Title:	Denise Anton, Sr. VP Center Operations
Phone and Fax Numbers of Contact:	Tel: (248) 258-7644 Fax: (248) 258-7519
Contract date(s):	March, 2000 - December, 2019
Contract Cost*:	$13,170,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Simon Property Group
Address:	115 West Washington Street, Indianapolis, IN 46204
Contact Name and Title:	Mikael Thygesen, Sr. VP Business Development
Phone and Fax Numbers of Contact:	Tel: (317) 263-7950 Fax: (317) 685-7220
Contract date(s):	October 1998 - December 2011
Contract Cost*:	$26,010,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	City & County of San Francisco
Address:	SF DPW, 875 Stevenson St., #410, San Francisco, CA 94103
Contact Name and Title:	Dan McKenna, Project Manager
Phone and Fax Numbers of Contact:	Phone: (415) 554-5520 Fax: (415) 554-5865
Contract date(s):	Commenced in 1994 for 20 years
Contract Cost*:	$10,000,000
Description of work:	Provision, installation and on-going maintenance for Automatic Public Toilets & Kiosks, funded through the sales of advertising panels in San Francisco, Palo Alto and San Jose.

Customer Name:	City of Los Angeles
Address:	Bur. of Street Services, 600 S. Spring St., #500, Los Angeles, CA 90014
Contact Name and Title:	Ron Olive, Lance Oishi, Principal Civil Engineer
Phone and Fax Numbers of Contact:	Phone: (213) 847-5139 Fax: (213) 485-1267
Contract date(s):	Commenced 2002, 20 year contract
Contract Cost*:	$80,000,000
Description of work:	Coordinated Street Furniture Program by Viacom/ JCDecaux of 2500 transit shelters, 600 public amenities kiosks, 100 vending kiosks and 150 automatic public toilets funded through the sales of advertising panels.

Customer Name:	City of Vancouver
Address:	Eng. Services, Street Admin., 453 W. 12th Avenue Vancouver, BC, V5Y 1V4
Contact Name and Title:	Tom Hammel, Street Administration Engineer
Phone and Fax Numbers of Contact:	Phone: (604) 873-7370 Fax: (604) 873-7200
Contract date(s):	Commenced 2002, 20 year contract
Contract Cost*:	$22,000,000
Description of work:	Coordinated Street Furniture Program by Viacom/ JCDecaux of 900 transit shelters, 17 automatic public toilets, 1200 trash receptacles, 990 benches, bike racks, map stands, bike lockers and news racks funded through the sales of advertising panels.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	BAA PLC
Address:	World Business Centre 2, Newall Road London Heathrow Airport, TW6 2RQ
Contact Name and Title:	John Pizzamiglio, Head of Media
Phone and Fax Numbers of Contact:	Phone: 020 8757 5229 Fax: 020 8757 5522
Contract date(s):	4/1/2000 - 3/31/2007
Contract Cost*:	$11,000,000
Description of work:	Design build and install of new street furniture, light boxes, architectural advertising structures, advertising screens, iconic 3-dimensional displays.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

THE PORT AUTHORITY OF NY & NJ

PURCHASING SERVICES DIVISION
ONE MADISON AVENUE, 7TH FL.
NEW YORK, NY 10010

REQUEST FOR PROPOSAL

TITLE: **ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS.**

NUMBER: 0000007920

SUBMIT PROPOSALS BEFORE THE DUE DATE AND TIME TO THE ABOVE ADDRESS

PRE-PROPOSAL/SITE INSPECTION	**MAY 26, 2005**	**TIME: 10:00 AM**
PROPOSAL DUE DATE:	**JUNE 8, 2005**	**TIME: 2:00 PM**

BUYER'S NAME: T.J. Storch
PHONE#: (212) 435-3936
FAX #: (212) 435-3959
E-MAIL tstorch@panynj.gov

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: May 27, 2005

ADDENDUM #1

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

Referring to page 76 of Attachment D, the existing advertising agreements will be available for viewing at One Madison Avenue, 7th Floor, NY, NY on June 1, 2005 between the hours of 9:00 AM to 1:00 PM. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and to obtain access to the building. Photo ID is required.

In Part III, CONTRACTOR'S INTEGRITY PROVISIONS, page 66, labeled "2. Non-Collusive Bidding and Code of Ethics Certification..." and replace with Amendment 1 hereby attached and labeled Amendment 1, "2. Non-Collusive Bidding, and Code of Ethics Certification..."

In Attachment H, titled Olympic 2012 Agreement, delete "Schedule A" in it's entirety and replace with "Schedule A," dated May 16, 2005, hereby attached.

On page 17, 2) Marketing Strategy and Approach, Sub-section b), the next to the last line of that section, delete the second "and" in the line. The line now reads, "...demonstrated ability to set and achieve performance standards is an important..."

In the publicly placed advertisements and general e-mail sent to perspective Proposers, the time for the Pre-proposal meeting was incorrectly noted as beginning at 9:00 AM. The Pre-proposal meeting is scheduled for May 26, 2005 and will begin at 10:00 AM.

For informational purposes only, the slide show presentation is available to your firm on-line by visiting www.panynj.gov/advertisingrfps/

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: On Page 16, under Part 7., "Proposal Submission Requirements" Section E. is "Not Used". In planning to make tabbed dividers and section headings, should a Proposer actually have a "Tab E. (Not Used)" and proceed to Section F., or should they disregard, remove "E." and rename the remaining sections to E., F., G., H., and I. from F., G., H, I. and J.?
   Answer: Do not rename.

2. Question: On Page 17, under Part 7., Section 2. "Marketing Strategy and Approach," in the next to last line of sub-section b), there seems to be an additional "and" in the sentence, e.g. "to set and achieve *and* performance standards." The grammar is not correct. Should it be "set and achieve performance standards" instead?
   Answer: Yes. See Addendum 1 above.

3. Question: On Page 73, Attachment C, "Proposer Reference Form" as well as Attachment F, "Contractor's Officers and Staff" are included. Nowhere in the RFP does it state where Attachment C or Attachment F should be placed within the response document. Moreover, is there a limit as to the level of staff which should be listed, or does the Port Authority require a listing of all employees at all levels?
   Answer: Restrict answers to Officers and upper management.

4. Question: On May 26th the Pre-Proposal and Site Inspection is to take place beginning at 9:00 a.m. (as advised via e-mail on May 12, 2005, which shows a change from the 10:00 a.m. start time listed in the RFP. Will all of the facilities listed on Pgs. 75-76 be visited in one day? Will photography be allowed?
   Answer: The pre-proposal RFP meeting begins at 10:00 AM. The Site Inspection of Port Authority facilities is canceled. Photography may be restricted or prohibited at various facilities.

5. Question: Will detailed floor plans of all facilities (including depictions of current advertising locations utilized by current vendors) be provided on the site inspection?
   Answer: No.

6. Question: A numbered Bid Envelope was included in the RFP mailing. Is this envelope to be used in any way, as it would seem unlikely that one (1) reproducible original of such a large response document would fit into the envelope provided?
   Answer: The Bid Envelope should be placed on the outside of your RFP submission and clearly labeled as such. See Letter E., Submission of Proposals, Page 7 of the RFP.

7. Question: A Bid Envelope would suggest that this is a "Bid", which differs significantly from a "Proposal". Please clarify.
   Answer: This is a Request for Proposal—not a bid.

8. Question: On Page 76, the closing paragraph states "the PANYNJ currently generates approximately $25 million in gross advertising revenue sales from the facilities, with approximately 85% of the gross sales total generated through the airports." Can you clarify if the $25 million is revenue derived/paid from a higher sales figure (gross sales of X times the percentage payable to the PANYNJ = Net revenue to PANYNJ)?
   Answer: Yes, you are correct. The Advertising contracts will be available as noted above.

9. Question: At the present time there is another RFP (#7919) for "Sponsorship Marketing Services Program" which is due two days prior to the due date of the Advertising RFP. Please define the rights granted under the Sponsorship Marketing Services Program RFP as how they may or may not conflict with the rights granted in the Advertising RFP? A Proposer under the Advertising RFP would want to have assurances that the Sponsorship Marketing Services RFP does not conflict or duplicate the advertising programs one would put into place and be a competitive program.
   Answer: Each RFP is a separate proposal and the Scope of Work defines the work that will be determined under each contract. Each proposal will be negotiated separately. There may be overlap. The Port Authority cannot give Proposers assurances that there will be no conflict, however each executed contract will stand on its own. The final Scopes of Work will define each program.

10. Question: May we have a copy of the attendance sheet?
    Answer: Yes, the attendance sheet is attached to this Addendum.

11. Question: May we have a copy of the slide show?
    Answer: It is available the Port Authority website listed above.

12. Question: In the Scope of Work the RFP states that, "The contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new revenue under this Contract." Please confirm our understanding that the Port Authority, as a government agency, is exempt from zoning. If that understanding is correct, will the Port Authority extend this exemption to the selected contractor?
    Answer: The Port Authority of New York and New Jersey, as a bistate agency, is exempt from local regulations as a matter of law. However, it is the Port Authority's policy to conform, to the fullest extent practicable, to all governmental regulations, which are addressed as part of the Authority's internal review and approval process. If any governmental regulation does apply to the scope of work either now or in the future, it will be the Contractor's sole responsibility for securing approvals needed to satisfy any applicable regulation.

13. Question: Although the Port Authority indicates its intent to select one contractor that proposes a total solution to maximize revenue, it reserves the right to award multiple contracts. What criteria does the Port intend to use in making such a determination if the Port Authority receives widely disparate responses to the RFP?
    Answer: The Port Authority will use the criteria as noted beginning of page 11 of the RFP, labeled 5. Evaluation Criteria and Ranking, to determine whether a single or multiple contract awards is in its best interest.

14. Question: The Port Authority identifies a wide array of potential opportunities which are described in vague terms. Will the Port Authority provide detailed descriptions of the facilities including the exact boundaries of the properties offered and the locations that are available for a potential contractor to utilize?
    Answer: No. At this time detailed descriptions of the facilities exact boundaries are not available to potential Proposers. However, it should be noted that nothing precludes the Proposer from visiting the public areas of each facility property to determine what the Contractor may be able to utilize.

15. Question: Will the Port Authority provide electronic maps of the Port Authority facilities listed in Attachment D, indicating the locations of the current advertising inventory?
    Answer: No. See the answer directly above this question.

16. Question: Will the Port Authority agree to extend the Proposal Due Date by at least 30 days?
    Answer: No. At this time the Port Authority will not extend the due date.

17. Question: Do you have any additional statistics on PATH use?
    Answer: Yes, for informational purposes only, see the attached enclosure dated May 6, 2005, titled Path Demographics.

18. Question: Can prospective bidders take pictures at the facilities?
    Answer: Photography may be restricted or prohibited at various facilities.

19. Question: As a respondent to the RFP can Proposers submit in areas where they are specialist? And, if we propose a partial solution are we considered responsive?
    Answer: The answer to both questions is yes.

20. Question: Historical billing on existing assets is important and would be helpful in the preparation of the proposals. We need a sense of dollars spent in advertising broken down by facility. Can the Port Authority provide that?
    Answer: Billing information is not being made available at this time.

21. Question: Can the Port Authority set aside a time to examine existing advertising contracts?
    Answer: Yes, see above. On page 76 of Attachment D are the contracts that will be available for viewing at One Madison Avenue, 7th Floor, NY, NY, on June 1, between the hours of 9:00 AM to 1:00 PM, Conference Room 154. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and obtain access to the building.

22. Question: On pages 10 and 11, Section 4, Financial Information, the Port Authority is requesting a list of other work pending and/or bids submitted in anticipation of business. We consider this confidential. Will the Port Authority keep that confidential?
    Answer: The Port Authority will make every attempt to keep this information confidential, however the Port Authority is subject a Freedom of Information Policy as noted on pages 24 to 26 of the RFP.

23. Question: What are the weights assigned to the evaluation criteria on page 11-13?
    Answer: The individual weights assigned to the criteria are confidential.

24. Question: Can more that one Advertising Vendor have a presence at each facility?
    Answer: Yes, that is possible.

25. Question: Can you identify and make available a list of which billboards are currently owned by the Authority?
    Answer: That information is not available at this time.

26. Question: If the Contractor erects a structure on Port Authority property, who will own it at the end of the contract.
    Answer: The Port Authority will own the structure, refer to page 10 of the RFP, Paragraph number 5.

27. Question: Certain permits will be required to erect structures for advertising purposes, who will own the permits at the end of the Contract?
Answer: The Port Authority will issue any permissions which are required.

28. Question: Is Schedule A of the Olympic Letter of Agreement a complete inventory listing? Is this inventory currently owned by the Port Authority?
Answer: This is owned by the Port Authority, however this schedule relates only to the Olympic Letter of Agreement and is not a complete Port Authority Inventory list. In this Addendum a revised Schedule A is attached which also is not a complete Port Authority Inventory list.

29. Question: Should the financial proposal breakout the revenue for each facility?
Answer: That is a business decision your firm must make and submit with their proposal.

30. Question: Suppose the Proposer has huge advertising opportunity that does not conform to local zoning, how will the Port Authority deal with this?
Answer: We do not respond to hypothetical situations, however the Port Authority recognizes local zoning regulations.

31. Question: Will the Port Authority during the evaluation process take into consideration the stringent zoning laws as well as if the proposed programs are permitted? How will this be evaluated?
Answer Yes. See question 12.

32. Question: If we propose a program and the Port Authority accepts the proposal, however the city doesn't accept it or doesn't permit it, are we legally bound?
Answer: The Port Authority expects to interpret the zoning regulation. If the Proposer wishes to seek a ruling from the City, it may do so with Port Authority approval.

33. Question: If a firm comes up with a really creative idea and the firm with the idea is not selected as the Contractor, will the PA hold this idea in confidence or share this idea with the selected firm? The answer to this could stifle my proposal.
Answer: See the Agreement on Terms of Discussion.

34. Question: Will the Port Authority be utilizing its exemption from local zoning?
Answer: See Question 12.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

2. Non-Collusive Bidding, and Code of Ethics Certification,Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;

d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;
* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Bidder, shall be deemed to have been authorized by the Board of Directors of the Bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is

submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

ATTACHMENT H, MAY 16, 2005

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew H. Kimball

Andrew Kimball

Title: Director, Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael Malinowski

for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/25/04

APPROVED	
TERMS	FORM
UB	

Schedule A

LaGuardia Airport Inventory Count
867-LGA Sellable Faces
460-LGA Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

John F. Kennedy Airport Inventory Count
1342-JFK Sellable Faces
728-JFK Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6
Total	of Digital Diorama	80
Total	of Diorama	346
Total	of Diorama Other	36
Total	of Display Area	12
Total	of Double Diorama Full	6
Total	of Exterior Sites	44
Total	of JCDecaux Displays	35
Total	of Jet Bridges	499
Total	of Showcase	1
Total	of Spectacular (other)	49
Total	of Wall Wrap	165
		1342 Sellable Faces
		728 Units

New York Downtown Heliport
3-JFK Sellable Faces
3-JFK Units

Breakdown by Unit

Total	of Clock	2
Total	of Diorama	1

3 Sellable Faces
3 Units

EWR Airport Inventory Count

Total Dioramas = 406

Total Bus Shelter Dioramas = 18
Total Spectaculars = 5
Total Mini Spectaculars = 96
Total Overhead Spectaculars = 22
Total Monorail Carcards = 72
Total Wall Wraps = 46
Total Banners = 6
Total Toll Plaza Booth = 1

PA Control - Bus Shelters, Toll Plaza Booth, Monorail Carcards

PATH System Inventory Count

Total Station Domination Installations = 144 All Controlled by PA

[redacted]

Total Poster Wraps = 3
Total Dioramas = 22
Total Clocks = 26
Total Station Domination Installations = 144 All Controlled by PA

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 28th day of October in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael A. Petralia, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 1/6/2006

FOR NYC2012

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK))

On the 1st day of November in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew H. Kimball, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

ASHLEIGH LONSON
Notary Public, State of New York
No. 01LO6101733
Qualified in New York County
Commission Expires November 17, 2007

DATE: May 6, 2005

PATH DEMOGRAPHICS

CURRENT AVERAGE WEEKDAY RIDERSHIP THROUGH 1ST QUARTER 2005 IS ABOUT 195,000. AVERAGE SATURDAY IS 83,000 AND SUNDAY IS 58,000.

2004 PATH SURVEY

	WEEKDAY	WEEKEND (SATURDAY)
GENDER		
MALE	58.2%	55.6%
FEMALE	41.8%	44.4%
TRIP PURPOSE		
WORK COMMUTE	73.1%	20.2%
BUSINESS TRAVEL	7.4%	4.0%
T0/FROM SCHOOL	5.6%	3.8%
SHOPPING	2.6%	19.0%
ENTERTAINMENT or RECREATION	4.8%	31.3%
VISIT FAMILY/FRIENDS	4.2%	19.6%
OTHER	2.2%	1.9%

OTHER LANGUAGES BESIDES ENGLISH

NONE	60%
SPANISH	21%
FRENCH	5%
GERMAN	3%
ITALIAN	2%
HINDU	2%
PORTUGESE	2%
RUSSIAN	1%

AGE: LAST SURVEY REFERENCE – 2001

OCCUPATION: LAST SURVEY REFERENCE - 2001

INCOME: LAST SURVEY REFERENCE - 2001

Listed below are latest ridership figures - February 2005

	Average weekday boarding's	Average weekend boarding's
Pavonia/Newport	13,300	13,200
Grove St.	9,500	7,700
Exchange Pl.	10,000	3,200
Journal Sq.	22,000	22,400
Hoboken	24,500	15,000
Newark	25,000	18,000
Harrison	5,500	3,500
NY - 9th St.	4,300	7,100
NY - 14th St.	7,500	8,400
NY - 23rd St.	7,000	4,900
NY - 33rd St.	24,300	25,100
NY - Christopher	4,000	5,400
NY - WTC	40,000	18,000

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
STEVEN A. LUDSIN	ILLUMACOM	917 873 4536
Tim Cronin	Shawmut Media	617-333-9377
Stacy Ferrari	JCDecaux	646-834-1327
Bernard Parisot	JCDecaux	646-834-1300
PAUL DEN OUDEN	JC DECAUX	714-374-0284
Marty Chavkin	Working Media Group	212-731-2557
Daniel P. Davison Jr.	Adirondack Partners	212-229-2512
Mark Fraser	Ritta & Associates	201-567-4400
Kay Ritta	Ritta & Associates	201-567-4400
MICHAEL KRAMER	GARRICK-AUG	212-850-0278
MARK BALDINGER	INTRAPOSIT MEDIA	954-691-4032
RICH AMENT	VIACOM OUTDOOR	212 297-6530
Charles Ferrionardo	VIACOM OUTDOOR	718.366.6180
RAY Sippeller	VAN WAGNER Communications	212 699 8400
Frank Steele	Sign Post Networks	404 870 8910
DAVID RAMIREZ	Daktronics	212 842-0288
DeWayne ANDERSON	DAKTRONICS	605-697-4772
Lauren Cramer	Titan Outdoor	212 644-6200
Michael Cawley	ALL VISION	802.272.1309
James Manfredi	Titan Outdoor	212-644-6200
Don Helm	Titan Outdoor	212 909-7645
Tim Kennedy	Clear Channel	212 812 0037
PAUL WISS	" "	212-812-0036
Jeremy Mergel	Clear Channel	212 812-0048
Peter Corrigan	Submedia	212.849.6979
Chris Cavallo	Interstate	917-359-3283
DENNIS DAY	D-DAY MEDIA GROUP INC	212-222-2942
Evan Borsch	TRN	646-728-0266 x 226
David Lane	TRN	646-728-0266 x 227
Mike Gedan	DIRECT MEDIA INC	781-843-2112
Steph Gagnon	Onestop Toronto Inc	416 646 2744
CARROL BENNETT	P.A. - Real Estate	212 435-2929

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ROB WALKER	SIDETRACK	204 663 4989
RICHARD GRASSO	CLEAR CHANNEL ADSHEL	212-972-0515
Martina Schmidt	Clear Channel	212-972-0515
Bill McLendon	Magic Media	800-732-8261
Ed Wallace	GROSSBERG TRAVEL	801-801-9299
Kathleen Whelan	PA	212 435-3929
[illegible]	PA	212 435 2290
Roy Bickley	PA	212-435-4972
Michael Shannon	PA	212 435-5209
JULIA F. LOMBA	PA	212 435-6929
Jed Greenthal	Jed Greenthal Marketing	203-226-7643
DIDI LOPEZ	AVOLAB, INC	201.222.0148
ALAN WOLAN	GoGORILLA MEDIA	212.464.7975

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ELLIOT KLEIN	RETURNME.com	646-201-9293
MARK GIORDANO	VAC	303-282-1000
SCOTT O'REILLY	VAC	303-282-1000
Ricardo Marquez	FUEL Outdoor	(212) 796-0505 x110
Steven Kim	Access Media	(310) 476-1112
MIKE RILEY	CLEAR CHANNEL AIRPORTS	312-475-3500
SAM HART	" " "	" " "
Sharon Knudsen	New York Telecom Partners	516-294-8604
Vera Steinman	Prima Media	212-330-8219
Alexandra Engel	GoCard	646-358-1035
Anna Fountas	Warner Wolf	646-840-0550
CHRIS YOUNG	VISTA MEDIA	718-784-3339
ROSARIO MANETTA	VISTA MEDIA	718-784-3339
Toby Stuck	Clear Channel	(312) 475-3500
Greg Kim	Garrick-Aug	(212) 850-0373
Bernard Allen	Viacom	973 575 6960
Raelan Hopmann	PA	X6920
Eric Zamsky	National Source	212.779.9779
T.J. Stuck	Port Authority	212-435-3436

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ADVERTISING PERMIT
TEN YEAR PROFILE - ADVERTISING SALES
NEWARK, KENNEDY, & LAGUARDIA AIRPORT

EWR

YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

JFK

YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA

YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04

LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

REQUEST FOR PROPOSALS
(RFP)

ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

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1. INFORMATION FOR PROPOSERS

A. General Information: The Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey ("Port Authority" or "the Authority") is a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States. The Port Authority, together with its wholly-owned subsidiaries, provides the region with integrated transportation and trade services and operates facilities in connection therewith, including, but not limited to, three major regional airports, interstate traffic through four bridges and two tunnels, a bus terminal, a bus station, the PATH rapid transit system, the AirTrain systems, the Hoboken-Lower Manhattan ferry service, and certain New York-New Jersey port facilities. The Port Authority owns The World Trade Center site and is currently developing The World Trade Center Transportation Hub as part of the site's redevelopment and Lower Manhattan revitalization.

The Port Authority is hereby seeking proposals from qualified firms to provide advertising and other development opportunities as more fully described herein.

The Port Authority is soliciting under this proposal the widest possible range of companies to propose a total solution or segmented solution(s) to maximize revenue to the Authority.

Partnerships and joint ventures will be considered and the Port Authority reserves the right to award multiple contracts for the Scope of Work under this Request for Proposal.

B. Summary of Scope of Work

The Port Authority of NY & NJ is soliciting proposals for the broadest possible range of Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources. The qualified Contractor shall propose a creative and complete package of non-traditional, out-of-home and outdoor advertising concepts, and shall be responsible for the entire development and implementation of these concepts, including but not limited to: physical design, construction, installation, and maintenance of the advertising infrastructure developed by the Contractor, as well as any other advertising infrastructure that shall be made available to the Contractor under this Contract. The Contractor shall adhere to the Port Authority's guidelines with respect to advertising content. The Contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new advertising revenue under this Contract, whether for physical construction and installation, intellectual property, legal and usage rights, or any other related approvals necessary for the execution of work

under this Contract. This offering includes, but is not limited to: outdoor advertising spectaculars, wallscapes, electronic media, public information displays, billboards, "new" and "specialty" media, banners, posters, and other out-of-home and non-traditional advertising media, including media formats not yet developed.

The Contractor shall sell advertising space for all locations and media applications covered under this Contract, and have full responsibility for all advertising installations to be developed at Port Authority facilities (the facilities are listed in Attachment D) and on Port Authority property. The successful Proposer shall be expected to focus on: (a) creating a complete package that maximizes revenue by turning non- and under-performing assets into revenue generators; (b) enhancing the Port Authority's image; (c) taking into full consideration the operational and safety requirements of the Port Authority's facilities; and (d) respecting the best interests of the Port Authority's customers and the public. The Contractor shall provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations. All advertising and media contract agreements with respect to the Scope of Work contained herein shall be between the Contractor and the advertisers.

The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, sliding revenue share scale based on the value of individual advertising agreements or a Minimum Annual Guarantee (MAG) with a percentage of gross revenues over and above the MAG. The Contractor shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract.

C. Duration of Contract:

The Duration of this Contract is dependent upon the Proposers solution and recommendations. Contract Duration and renewal options are subject to final negotiation with the Port Authority and Proposer. Duration recommendations should include a contract base period and renewable option periods.

D. Deadline for Receipt of Proposals

Proposals must be received in accordance with the instructions on the cover page of this Request for Proposal (RFP) and sent to the attention of the Manager, Purchasing Services Division, at the address specified herein. Closing of due date is 2:00 P.M., Daylight Saving Time (DST) on June 8, 2005.

The Port Authority assumes no responsibility for delays caused by any delivery service.

E. Submission of Proposals

One reproducible original (containing original signatures and clearly designated as such) and fifteen (15) copies of the proposal must be submitted on or before the Proposal Due Date and time in accordance with the information on the cover page of this RFP and sent or delivered to the address specified on the cover page. Each copy of the proposal as well as the parcel(s) used for shipping must be conspicuously marked with the Proposer's name and address along with the title of this RFP, this RFP number and the Proposal Due Date.

F. Communications Regarding this RFP

All communications concerning this RFP should be directed to the Buyer listed on the cover page. All questions regarding this RFP should be submitted in writing to the Buyer at the address or facsimile number listed on the cover page as soon as possible.

The Buyer is authorized only to direct the attention of prospective Proposers to various portions of this RFP so that they may read and interpret such portions themselves.

Neither the Buyer nor any other employee of the Port Authority is authorized to interpret the provisions of this RFP or give additional information as to its requirements. If interpretation or other information is required, it will be communicated to Proposers by written Addenda and such writing shall form a part of this RFP.

G. Proposal Acceptance or Rejection

Acceptance shall be only by mailing to or delivering at the office designated by the Proposer in its proposal, a notice in writing signed by an authorized representative on behalf of the Port Authority specifically stating that the proposal is accepted or by execution of an agreement covering the subject matter of this RFP signed by authorized representatives of the Port Authority and the Proposer. No other act of the Port Authority, its Commissioners, officers, agents, representatives, or employees shall constitute acceptance of a proposal. Rejection of a proposal shall be only by either (a) a notice in writing specifically stating that the proposal is not accepted, signed by an authorized representative of the Port Authority and mailed to or delivered to the Proposer at the office designated in the Proposal, or (b) omission of the Port Authority to accept the proposal within 180 days after the Proposal Due Date. No other act of the Port Authority, its Commissioners, officers, agents, representatives or employees shall constitute rejection of a proposal.

H. Pre-Proposal Meeting(s)/Site Inspection(s)

One Pre-Proposal meeting for all interested parties will be held at One Madison Avenue, New York, NY Conference Room 151A, on Thursday, May 26, 2005, at 10:00 AM. (DST). Any questions subsequent to the site visit shall be submitted via facsimile to (212) 435-3959 to the attention of the T. J. Storch on the cover page of this RFP. Questions may also be submitted by e-mail to T. J. Storch at tstorch@panynj.gov Questions may be permitted at the meeting; however, responses may be deferred and provided at a later date by written Addenda.

A site inspection of the facilities will immediately follow the Pre-Proposal meeting. A site inspection allows Proposers to tour and physically inspect the actual sites of work prior to the submission of proposals. If Proposers choose to visit, they should not ask questions of the Port Authority staff at each of the facilities where the tour will take place.

Attendance is strongly recommended. Information conveyed may be useful to Proposers in preparing their proposals and Proposers not attending assume all risks which may ensue from non-attendance.

Attendees interested in attending shall RSVP to Mr. Roy Bickley by phone at 212-435-4972 or by e-mail at rbickley@panynj.gov to no later than 12:00 Noon (DST) of the business day preceding the scheduled date to confirm their attendance and/or receive traveling directions. **For security reasons, any attendees must have photo identification available to attend any site/facility meeting.**

I. Union Jurisdiction

Proposers are advised to ascertain whether any union now represented or not represented at the facility will claim jurisdiction over any aspect of the operations to be performed hereunder and their attention is directed to the Section of this RFP entitled "Harmony" included in, Part II of Attachment B entitled, "Contract Terms and Conditions For Facility Services."

J. Proposer Presentation

During the proposal evaluation process, the Port Authority may conduct discussions with one or more Proposers. A proposal may be selected with or without such discussion; however, the holding of such discussions shall not constitute the selection of a Proposer. Proposers may be asked to make a presentation of their proposals, and demonstrate prototypes, drawings, and/or designs. The Proposer's Project Manager and key technical staff assigned to the project should make any requested presentation, and Key Project Team members may also be asked to attend. Selected Proposer(s) will be notified in writing with specific additional information to be provided as applicable.

K. Multiple Awards

It is the intent of the Port Authority to select one (1) Contractor that proposes a total solution to maximize revenue to the Port Authority. However, the Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services, and segmented solutions may be considered within the Scope of Work of this RFP.

2. SCOPE OF WORK

Objective

The Port Authority of NY & NJ is soliciting proposals for the broadest possible range of Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources.

Background

The Port Authority which operates bistate transportation and trade facilities and services (See Facilities List in Attachment D) is seeking to develop the broadest possible range of Outdoor and In-Home Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts that will provide the Port Authority new non-toll and fare revenues without negatively impacting facility operations, customer safety or the image of the Port Authority. The successful Proposer will be responsible for all tasks required to develop and implement the full range of Outdoor advertising concepts and any other related Out-of-Home Advertising accepted by the Port Authority under this Contract in accordance with the Port Authority's content guidelines. The Proposer should consider including the broadest possible range of Outdoor Advertising in the proposal, such as outdoor advertising spectaculars, wallscapes, electronic media, public information displays, billboards, "new" and "specialty" media, banners, posters, and other Out-of-Home and non-traditional advertising media, including media formats not yet developed.

The Scope of Work includes, but is not limited to the following tasks:

1. Evaluate property for Outdoor and Indoor Advertising and any other related Out-of-Home Advertising development opportunities, including existing advertising inventory and Port Authority assets (facilities, property and services) that are not currently developed as advertising venues;
2. Provide a detailed marketing plan for developing and implementing all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed and estimated revenues to be derived from the respective advertising products, programs, and packages;

3. Design, implement and manage a comprehensive Advertising program at no cost to the Port Authority;
4. Prepare a business plan to:
   a. Develop and implement Indoor/Outdoor Advertising sales ideas;
   b. Develop new, creative Indoor/Outdoor Advertising development opportunities using new and non-traditional technologies, as well as traditional Indoor/Outdoor Advertising venues in new locations;
   c. Provide financial information for the development of Indoor/Outdoor Advertising, and any other related Out-of-Home Advertising revenue opportunities;
   d. Provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations; and
   e. Install and provide materials for any infrastructure associated with the development of Outdoor Advertising, and any other related Out-of-Home Advertising at no cost to the Port Authority.
   f. The quality of the submitted M/WBE Plan in accordance with the section of this RFP entitled "M/WBE Subcontracting Provisions."

   In connection with the above Scope of Work, the Contractor shall secure all necessary clearances, permits, zoning approvals and permissions required for the production of new advertising revenue under this Contract, whether for physical construction and installation, intellectual property, legal and usage rights, or any other related approvals necessary for the execution of work under this Contract.

5. During the Contract Term, the ownership of the Advertising Display Devices that have been provided and installed by the Contractor will remain with the Contractor. However at the end of the Contract Term, ownership of all the Advertising Display Devices will pass to the Authority. Should it become necessary during the Contract Term to remove any location(s) from the program at the direction of the Authority, the Contractor shall waive any right to the relocation or removal payments. The Contractor will be required to remove the Advertising Display Device unit at its own expense; however, the Contractor shall be entitled to retain ownership of the removed structure. Any existing Advertising Display Devices that have been replaced and are now in place at the end of the Contract Term or the option period shall pass to the Port Authority.

3. (NOT USED)

4. FINANCIAL INFORMATION

The Proposer will be required to demonstrate that it is financially capable of performing the Contract resulting from this RFP ("Contract"). The determination of the Proposer's

financial qualifications and ability to perform this Contract will be in the sole discretion of the Port Authority. The Proposer shall submit, with its proposal, the following:

A.(1) Certified financial statements, including applicable notes, reflecting the Proposer's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent year or the Proposer's most recent fiscal year.

(2) Where the certified financial statements in (1) above are not available, then either reviewed or compiled statements from an independent accountant setting forth the aforementioned information shall be provided.

(3) Where neither certified financial statements nor financial statements from an independent accountant are available, as set forth in (1) and (2) above, then financial statements containing such information prepared directly by the Proposer may be submitted; such financial statements, however, must be accompanied by a signed copy of the Proposer's most recent Federal Income tax return and a statement in writing from the Proposer, signed by an executive officer and his/her designee, that such statements accurately reflect the present financial conditions of the Proposer.

B. Where the statements submitted pursuant to subparagraphs (1) and (2) aforementioned do not cover a period which includes a date not more than forty-five days prior to the Proposal Due Date, then the Proposer shall also submit a statement in writing, signed by an executive officer or his/her designee, that the present financial condition of the Proposer is at least as good as that shown on the statements submitted.

C. A statement of work which the Proposer has on hand, including any work on which a bid has been submitted, containing a description of the work, the annual dollar value, the location by City and State, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Proposer's work on these jobs.

D. The name and address of the Proposer's banking institution, chief banking representative handling the Proposer's account, the Proposer's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes), the Proposer's Dun and Bradstreet number, if any, the name of any credit service to which the Proposer furnished information and the number, if any, assigned by such service to the Proposer's account.

E. If the Proposer is submitting as a common law joint venture or a partnership, the financial information detailed in this Section 4, above, must be provided by all members.

The successful Proposer(s) may be required as a condition to contract award, or at any time during the term of the awarded contract, submit either a refundable security deposit or a refundable security deposit in the form of a Letter of Credit, per the format shown in Attachment J or in the form or in the form of a Performance and Payment Bond per the format shown in Attachment K.

5. EVALUATION CRITERIA AND RANKING

The following evaluation criteria are listed in order of importance and will be used to evaluate proposals during this process:

A. Revenue to the Port Authority:

(1) The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, and a sliding revenue share scale based on the value of individual advertising agreements.

(2) Maximum amount of revenue generated for the Port Authority, which may include the Minimum Annual Guarantee (MAG) and a percentage of gross revenues, over and above the MAG, from gross sales generated from advertisements placed at Port Authority facilities and/or on Port Authority property.
(3)The Proposer shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract. The Port Authority will not incur any direct costs in connection with this Contract.

B Marketing Strategy and Approach:

(1)The quality, creativity and responsiveness evidenced in the Proposer's marketing strategy and approach to the Scope of Work including the methodology of: evaluating market potential, asset opportunities, property and plans for Outdoor Advertising, and any other Out-of-Home Advertising opportunities for the Port Authority.

(2)The demonstrated capability to develop and implement a detailed marketing plan for delivering all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed, and estimated revenues to be derived from the respective advertising products, programs, and packages. In addition, the demonstrated ability to set and achieve and performance standards is an important part of the marketing strategy and approach.

C. Overall Experience Including Financial Capability:

(1) The extent and quality of the Proposer's relevant and successful experience, demonstrated by past and existing contracts for similar work and services to those to be provided under this Contract, and the extent to which the Proposer (and any and all partners, or a joint venture, if included as part of the proposal) is financially capable of providing such services under this Contract.

(2) Proposers who demonstrate a comprehensive, creative approach to the full Scope of Work under this Contract, and whose background, experience, demonstrated results, and financial capacity support their proposal.

(3) The experience, qualifications and availability of the management, technical, and sales staff, and field personnel, proposed to be assigned to provide the services (including partners, and subcontractors, if any) shall be considered as key elements under this Contract.

(4) The Proposer should demonstrate strong qualifications in the successful implementation of existing designs and operations for Indoor and Outdoor Out-of-Home Advertising and any other related information displays, and new media, with emphasis on aesthetic excellence, functionality, durability, quality of advertisements solicited and secured, responsive management of physical property and installations, and a solid understanding of working in the New York/New Jersey metropolitan market and in the context of high-volume transportation facilities. An understanding of achieving maximum revenue return, without compromising the safety, comfort or efficient movement of the Port Authority's customers and the public, or the Authority's image, is critical to the successful execution of the Contract, as outlined in the Scope of Work of this RFP. The Proposer is expected, for the duration of this Contract, to commit to improving the design, technology, services, operations, and any other related work required for performance under this Contract.

The selection of a Proposer will be based on the proposal that, in the sole discretion of the Port Authority, best meets its needs. The evaluation process may involve several interim review steps. The Port Authority in its sole and complete discretion will determine which proposals advance from one review state to the next based on its evaluation of the proposal using the criteria set forth herein.

6. M/WBE SUBCONTRACTING PROVISIONS

The Port Authority of NY & NJ has a long-standing practice of making its business opportunities available to Minority Business Enterprises (MBE's) and Women-owned Businesses (WBE's) and has taken affirmative steps to encourage such firms to seek business opportunities with the Port Authority. The Contractor will be required to submit an M/WBE program, subject to approval by the Port Authority, before implementation of the Contract. The successful Proposer will use every good faith effort to provide for meaningful participation by Port Authority-certified M/WBE's as defined in this document, in all purchasing, subcontracting and ancillary service opportunities associated with this Contract, including purchase of equipment, supplies and labor services. Good faith efforts include: 1) dividing the services and materials to be procured into small portions where feasible, 2) giving reasonable advance notice of specific subcontracting and purchasing opportunities to such firms as may be appropriate, 3) soliciting services and materials from M/WBE's, which may be certified by the Port Authority, and 4) insuring that provision is made for timely progress payments to the M/WBE's.

The Port Authority has a list of certified M/WBE firms, which are available to Proposers at their request. The Port Authority makes no representation as to the qualifications and ability of these firms to perform under this Contract. The Proposer may use firms that are not on the list but will be required to submit, to the Port Authority's Business and Job Opportunity unit (BJO) for certification, the names of M/WBE firms it proposes to use. Only Port Authority certified M/WBE firms may be considered to meet the goals. For inquiries and assistance, please contact BJO at (212) 435-7819 or email jgrossgold@panynj.gov.

To the maximum extent feasible and consistent with the Proposer's exercise of good business judgment, the Proposer shall make a good faith effort to include 12% participation by MBE's and 5% participation by WBE's in all procurement, subcontracting and ancillary service opportunities associated with this Contract. The Proposer shall submit an M/WBE Participation Plan (Plan) as part of the Business Plan which shall consist of the following:

- Scope of Work: Describe the specific Scope of Work the M/WBE's will perform.
- Identification of M/WBE's: Provide the name and address of any M/WBE included in the Plan. If none are identified, describe the process for selecting participant firms.
- Level of Participation: Indicate the percentage of M/WBE participation expected to be achieved with the arrangement described in the Plan.

7. PROPOSAL SUBMISSION REQUIREMENTS

In order to expedite the evaluation of proposals, the Proposer's response to this RFP must follow the format and order of items, using the same paragraph identifiers, as set forth below.

A. Letter of Transmittal

The Proposer shall submit a letter on its letterhead, signed by an authorized representative, stating its experience and qualifications in meeting the requirements of this RFP. This letter shall include a statement on whether the Proposer is submitting a proposal as a single entity, a joint venture, or is partnering with another firm in a prime/subcontracting relationship. In all cases, information required for a single entity is required for each participant in a joint venture or partnership.

The Letter of Transmittal shall contain:

(1) Name and address of the Proposer and an original signature on the Letter of Transmittal by an authorized representative on behalf of the Proposer;

(2) Name(s), title(s) and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;

(3) Name, title and telephone number of a contact person to which the Port Authority can address questions or issues related to this RFP;

(4) Name and address of proposed subcontractors, if any;

(5) If a corporation: (a) a statement of the names and residences of its officers, and (b) a copy of its Certificate of Incorporation, with a written declaration signed by the secretary of the corporation, with the corporate seal affixed thereto, that the copy furnished is a true copy of the Certificate of Incorporation as of the date of the opening of the Proposals;
If a partnership: a statement of the names and residences of its principal officers, indicating which are general and which are special partners;
If an individual: a statement of residence;
If a joint venture: information on each of the parties consistent with the information requested above; and

(6) Any exceptions to the General Contract Provisions attached hereto.

B. Executive Summary

The Proposer shall submit a summary presenting the major features of its proposal and how the proposal satisfies the requirements contained in this RFP, as well as the special competencies and expertise of the Proposer to meet the requirements of this RFP.

C. Agreement on Terms of Discussion

The Proposer shall submit a copy of the "Agreement on Terms of Discussion," signed by an authorized representative of the Proposer. The Agreement format is included as Attachment A and shall be submitted by the Proposer without any alterations or deviations. Any Proposer who fails to sign the Port Authority's "Agreement on Terms of Discussion" will not have its proposal reviewed. If the Proposer is a joint venture or a partnership, an authorized representative of each party must sign the Agreement.

D. Certifications With Respect to the Contractor's Integrity Provisions

The Proposer, by signing the Letter of Transmittal, makes the certifications in the **"Contractor's Integrity Provisions,"** included as *Attachment B, Part III* of this RFP. If the Proposer cannot make any such certifications, it shall enclose an explanation of that inability.

E. (Not Used)

F. Proposer's Organization Chart

A current organization chart should be provided for each firm participating in the proposal.

G. Business Plan

Proposers should submit and include a complete business plan which details, but is not limited to how the Proposer intends to effect the following:

a. Develop and implement Indoor/Outdoor Advertising sales ideas;
b. Develop new, creative Indoor/Outdoor Advertising development opportunities using new and non-traditional technologies, as well as traditional Indoor/Outdoor Advertising venues in new locations;
c. Provide financial information for the development of Indoor/Outdoor Advertising, and any other related Out-of-Home Advertising revenue opportunities;
d. Provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations; and
e. Install and provide materials for any infrastructure associated with the development of Outdoor Advertising, and any other related Out-of-Home Advertising at no cost to the Port Authority.
f. The quality of the submitted M/WBE Plan in accordance with the section of this RFP entitled "M/WBE Subcontracting Provisions."

H. Proposal

The Proposer must submit a proposal that details and clearly describes its capability to perform the work described in this RFP, its approach to such work and the cost of such work to the Port Authority. At a minimum, the proposal shall address the following:

1) **<u>Revenue to the Port Authority:</u>**

a) The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, and a sliding revenue share scale based on the value of individual advertising agreements.

b) Maximum amount of revenue generated for the Port Authority, which may include the Minimum Annual Guarantee (MAG) and a percentage of gross revenues, over and above the MAG, from gross sales generated from

advertisements placed at Port Authority facilities and/or on Port Authority property.

c) The Proposer shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract. The Port Authority will not incur any direct costs in connection with this Contract.

2) **Marketing Strategy and Approach:**

a) The quality, creativity and responsiveness evidenced in the Proposer's marketing strategy and approach to the Scope of Work including the methodology of: evaluating market potential, asset opportunities, property and plans for Outdoor Advertising, and any other Out-of-Home Advertising opportunities for the Port Authority.

b) The demonstrated capability to develop and implement a detailed marketing plan for delivering all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed, and estimated revenues to be derived from the respective advertising products, programs, and packages. In addition, the demonstrated ability to set and achieve and performance standards is an important part of the marketing strategy and approach.

3) **Overall Experience Including Financial Capability:**

a) The extent and quality of the Proposer's relevant and successful experience, demonstrated by past and existing contracts for similar work and services to those to be provided under this Contract, and the extent to which the Proposer (and any and all partners, or a joint venture, if included as part of the proposal) is financially capable of providing such services under this Contract.

b) Proposers who demonstrate a comprehensive, creative approach to the full Scope of Work under this Contract, and whose background, experience, demonstrated results, and financial capacity support their proposal.

c) The experience, qualifications and availability of the management, technical, and sales staff, and field personnel, proposed to be assigned to provide the services (including partners, and subcontractors, if any) shall be considered as key elements under this Contract.

d) The Proposer should demonstrate strong qualifications in the successful implementation of existing designs and operations for Indoor and Outdoor Out-of-Home Advertising and any other related information displays, and new media, with emphasis on aesthetic excellence, functionality, durability, quality of advertisements solicited and secured, responsive management of physical property and installations, and a solid understanding of working in the New York/New Jersey metropolitan market and in the context of high-volume transportation facilities. An understanding of achieving maximum revenue return, without compromising the safety, comfort or efficient movement of the Port Authority's customers and the public, or the Authority's image, is critical to the successful execution of the Contract, as outlined in the Scope of Work of this

RFP. The Proposer is expected, for the duration of this Contract, to commit to improving the design, technology, services, operations, and any other related work required for performance under this Contract.

I. Acknowledgment of Addenda

If any Addenda are sent as part of this RFP, the Proposer shall complete, sign and include with its proposal the Addenda form(s). In the event any Proposer fails to conform to these instructions, its proposal will nevertheless be construed as though the Addenda had been completed and signed.

J. Acceptance of Standard Contract Terms and Conditions

The Port Authority has attached to this **RFP as Attachment B, Part I Contract Specific Terms and Conditions.** The Proposer is expected to agree with these Contract Provisions. However, if the Proposer has any specific exceptions, such exceptions should be set forth in a separate letter included with its response to this RFP. Exceptions not raised with the proposal will not be considered at a later time.

8. CONDITIONS FOR THE SUBMISSION OF A PROPOSAL

In addition to all other requirements of this RFP, the Proposer agrees to the following conditions for the submission of its proposal:

A. Changes to this RFP

At any time, in its sole discretion, the Port Authority may by written Addenda, modify, correct, amend, cancel and/or reissue this RFP. If an Addendum is issued prior to the date proposals are due, it will be provided to all parties to whom RFPs were mailed. If an Addendum is issued after proposals have been received, the Addendum will be provided only to those whose proposals remain under consideration at such time.

B. Proposal Preparation Costs

The Port Authority shall not be liable for any costs incurred by the Proposer in the preparation, submittal, presentation, or revision of its proposal, or in any other aspect of the Proposer's pre-contract activity. No Proposer is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of the Port Authority and the Proposer.

C. Disclosure of Proposal Contents / Use of Ideas and Materials

Proposal information is not generally considered confidential or proprietary. All information contained in the proposal is subject to the "Agreement on Terms of Discussion" attached hereto as Attachment A.

D. Ownership of Submitted Materials

All materials submitted in response to or in connection with this RFP shall become the property of the Port Authority. Selection or rejection of a proposal shall not affect this right.

E. Subcontractors

If a Proposer intends to use subcontractor(s) the Proposer must identify in its proposal the names of the subcontractor(s) and the portions of the work the subcontractor(s) will perform.

F. Conflict of Interest

If the Proposer or any employee, agent or subcontractor of the Proposer may have a possible conflict of interest, or may give the appearance of a possible conflict of interest, the Proposer shall include in its proposal a statement indicating the nature of the conflict. The Port Authority reserves the right to disqualify the Proposer if, in its sole discretion, any interest disclosed from any source could create a conflict of interest or give the appearance of a conflict of interest. The Port Authority's determination regarding any questions of conflict of interest shall be final.

G. Authorized Signature

Proposals must be signed by an authorized corporate officer (e.g., President or Vice President), General Partner, or such other individual authorized to bind the Proposer to the provisions of its proposal and this RFP.

H. References

The Port Authority may consult any reference familiar with the Proposer regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a proposal shall constitute permission by the Proposer for the Port Authority to make such inquiries and authorization to third parties to respond thereto.

I. Evaluation Procedures and Negotiation

All Proposers who submit complete proposals in conformance with the direction provided in this RFP may have their proposals evaluated. The Port Authority may use such procedures that it deems appropriate to evaluate such proposals. The Port Authority may elect to initiate contract negotiations with one or more Proposers including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this RFP. The option of whether or not to initiate contract negotiations rests solely with the Port Authority.

J. Taxes and Costs

Sales to the Port Authority are currently exempt from New York and New Jersey state and local sales and compensating use taxes and generally from federal taxation. All costs associated with the Contract must reflect this exemption and be stated in U.S currency.

K. Acceptance of General Contract Provisions

The Port Authority has attached to this RFP as **Attachment B,** General Contract provisions governing the Contract. The Proposer is expected to agree with these General Contract Provisions. However, if the Proposer has any specific exceptions, such exceptions shall be set forth in a separate letter which shall be identified in the Proposer's Letter of Transmittal.

L. Most Advantageous Proposal/No Obligation to Award

The Port Authority reserves the right to award the Contract to other than the Proposer proposing the highest new revenue. The Contract will be awarded to the Proposer whose proposal the Port Authority believes, in its sole discretion, will be the most advantageous to the Port Authority. Neither the release of this RFP nor the acceptance of any response thereto shall compel the Port Authority to accept any proposal. The Port Authority shall not be obligated in any manner whatsoever to any Proposer until an agreement is entered into between the Port Authority and the Proposer as more fully described elsewhere herein.

M. Multiple Contract Awards

It is the intent of the Port Authority to select one (1) Contractor that proposes a total solution to maximize revenue to the Port Authority. However, the Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services, and segmented solutions may be considered

within the Scope of Work of this RFP. Any Contract awarded will be a non-exclusive agreement.

N. Right to Extend Contract

The Port Authority reserves the right to extend the Contract term for an additional 120 days, upon the same terms and conditions of the original Contract negotiated between the Port Authority and the successful Proposer, either at the end of the base Contract or any Option period(s).

O. Rights of the Port Authority

(1) The Port Authority reserves all its rights at law and equity with respect to this RFP including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this RFP, to reject any and all proposals, to waive defects or irregularities in proposals received, to seek clarification of proposals, to request additional information, to request any or all Proposers to make a presentation, to undertake discussions and modifications with one or more Proposers, or to negotiate an agreement with any Proposer or third person who, at any time, subsequent to the deadline for submissions to this RFP, may express an interest in the subject matter hereof, to terminate further participation in the proposal process by a Proposer or to proceed with any proposal or modified proposal, which in its judgment will, under all circumstances, best serve the Port Authority's interest. The Port Authority may, but shall not be obliged to, consider incomplete proposals or to request or accept additional material or information. The holding of any discussions with any Proposer shall not constitute acceptance of a proposal, and a proposal may be accepted with or without discussions.

(2) No Proposer shall have any rights against the Port Authority arising from the contents of this RFP, the receipt of proposals, or the incorporation in or rejection of information contained in any proposal or in any other document. The Port Authority makes no representations, warranties, or guarantees that the information contained herein, or in any Addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Proposer, by submitting its proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its directors, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the

effect of the warranties of the Proposer required by this RFP or Contract and the Proposer agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever.

(3) At any time and from time to time after the opening of the proposals, the Port Authority may give oral or written notice to one or more Proposers to furnish additional information relating to its proposal and/or qualifications to perform the services contained in this RFP, or to meet with designated representatives of the Port Authority. The giving of such notice shall not be construed as an acceptance of a proposal. Information shall be submitted within three (3) calendar days after the Port Authority's request unless a shorter or longer time is specified therein.

P. No Personal Liability

Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof shall be charged personally with any liability by a Proposer or another or held liable to a Proposer or another under any term or provision of this RFP or any statements made herein or because of the submission or attempted submission of a proposal or other response hereto or otherwise.

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

The Port Authority's receipt or discussion of any information (including information contained in any proposal, Proposers qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) is not to impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this letter, either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Port Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Resolution adopted by its Committee on Operations on April 11, 1996, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a proposal.

_____

(Company)

_____

(Signature)

_____

(Title)

_____

(Date)

Freedom of Information – Port Authority Policy and Procedure

In 1977, the Committee adopted a policy for access by the public to records maintained by the Port Authority. While based on the policy therefore declared by the States of New York and New Jersey, with respect to access by the public to public records, inasmuch as the respective New York and New Jersey statutes differed (and continue to differ) as to certain policy particulars and provide for different procedures for implementation of the policy, it was deemed desirable for the Committee to adopt a separate Port Authority Policy and Procedure. In light of action new being taken by the Board with respect to open public meetings, it is appropriate at this time to restate the basic principles and reflect necessary procedural changes.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Burgos, Hellmuth, Henderson and Kaltenbacher voting in favor, none against:

> **RESOLVED**, that government, including the activities and decisions of The Port Authority of New York and New Jersey (and its wholly-owned subsidiary corporations) is the public's business and therefore the public should have access to the records of the Port Authority (and its subsidiaries) as herein provided for; and it is further
>
> **RESOLVED,** that the resolution of the Committee on Operations adopted on September 28, 1977, regarding Freedom of Information (which resolution appears at pages 12 et seq. Of the Committee Minutes for that date) shall be, and it hereby is rescinded; and it is further
>
> **RESOLVED,** that all records of the Port Authority (and its subsidiaries), including records stored electronically such as on computer tapes or disks, shall be made available for public inspection and copying, except that such access may be denied as to records or portions of thereof which:

(1) are rendered confidential or privileged or are exempted from disclosure by Federal or state law or regulations or rules of the court;

(2) if disclosed, would constitute an unwarranted invasion of personal privacy (including personnel, medical, or disciplinary records, and any lists of names and address to be used for profit or financial gain);

(3) if disclosed, would impair present or future awards or negotiations, including collective bargaining or negotiations, of leases, permits, zoning approvals, contracts, or other agreements;

(4) are trade secrets or are maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause injury to the competitive position of the enterprise;

(5) are compiled for public safety, law enforcement, or official investigative purposes (internal or external) when their disclosure may affect public safety, interfere with internal investigations, audits, law enforcement investigations, or judicial or disciplinary proceedings, or deny or prejudice a right to a fair trial or impartial adjudication, or identify a confidential source or disclose confidential information relating to an audit or a civil, criminal, or internal or external disciplinary investigation.

(6) if disclosed, would endanger the life and safety of any person;

(7) are inter-agency or intra-agency materials other than statistical or factual tabulations of data, provided that instructions to staff that affect public or final agency policy or determinations are not exempted;

(8) are examination questions or answers which are requested prior to final administration of such questions; or

(9) could affect or impact the competitive economic position of the Port District, the Port Authority, or specific business entities with which the Port Authority deals;

and it is further

RESOLVED, that the Secretary of the Port Authority shall maintain a current list of subject nature and category of all records in the possession of the Port Authority (and its subsidiaries) whether or not they are available for public copying and inspection, and the Secretary shall, under the direction of the Executive Director, administer the following rules and regulations with respect to public inspection and copying are available records:

Procedures

1. Requests for inspection or copying of public records of the Port Authority shall be made to the Secretary of the Port Authority upon a form prescribed by the Port Authority and shall contain sufficient information to identify the particular record sought. Such requests shall be made either:
   (1) In person during regular business hours at the Port Authority's main office or
   (2) By mailing such request, postage prepaid to said Secretary, The Port Authority of New York and New Jersey, at the aforesaid address, Attention: FOI Administrator.
2. Upon receipt of a request, the Secretary of the Port Authority shall promptly determine whether or not the record requested can be made available and will notify the person making the request of such determination. If the request is granted, such person shall also be notified where and when the record will be made available. The Port Authority will provide an opportunity for inspection and copying of the record.
3. The record may be inspected only under the supervision of the Secretary of the Port Authority or such other officer or employee as may be designated by the Secretary in the Office of the Secretary during regular business hours or at such other times or places as the Secretary deems convenient.
4. (1) Documents which are to be copied will be copied by The Port Authority, if practicable,
   and the person requesting a copy will be charged a fee equal to the Port Authority's cost but no less than 25 cents for each page of the first ten, 15 cents for each page of the second ten, and 10 cents for each additional page. If it is not practicable for the Port Authority to copy such documents, they will be copied commercially and the person requesting the copy will be charged a fee equal to the Port Authority's

cost of such commercial reproduction. Documents which have been purchased by the Port Authority commercially (such as stenographic transcripts) may be copied and the person requesting the copy will be charges a fee no less than the amount paid by the Port Authority for such documents.

(2) A fee of no less than two dollars will be charged for certification by the Secretary of the Port Authority as to authenticity of any document, or that a record of which the Port Authority is legal custodian cannot be found.

(3) In the event a search for records requested requires more than one person hour, or in the event a search of computer records requires programming which would take more than one person hour, a fee will be charged at the rate of not less than five dollars per hour, or any part thereof, per person assigned to such search or programming.

(4) All such fees shall be paid by the person making the request in cash, certified check, or cashier's check, in advance or at any time of the delivery of any record for inspection or copies of any records or certificate referred to in this procedure.

5. The Secretary of the Port Authority, or the Secretary's designee, shall respond to each request within ten business days of the receipt thereof. The response shall provide reasons for the denial of access or copying or a statement of the time and place when the record requested will be made available.

Appeals

A. Any person who is denied access to a public record of the Port Authority (or its subsidiaries) by the Secretary of the Port Authority may file an appeal from such denial with the Port Authority's General Counsel (who serves as Counsel to the subsidiaries).

B. Such appeal shall be accompanied by a memorandum in support thereof setting forth the reasons why the appellant is entitled to access to the record requested.

C. Appeals pursuant to this procedure shall be decided by General Counsel or his/her designee. If the appeal is denied, the reasons therefore shall be explained fully in writing within seven business days of the date on which such appeal is received by General Counsel.

ATTACHMENT B - CONTRACT TERMS AND CONDITIONS FOR FACILITY SERVICES

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PART 2 - STANDARD CONTRACT TERMS AND CONDITIONS

1. Introduction and Description of Services

Subject to the terms and conditions of the Contract, the Contractor hereby offers and agrees to furnish and provide to the Port Authority of New York and New Jersey (" The Port Authority" or "the Authority") all aspects of the broadest possible range of Outdoor Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources. This Contract is a non-exclusive agreement.

The scope of services required in connection with the development and implementation of Outdoor Advertising and any other related Out-of-Home Advertising sales, (hereinafter sometimes referred to as the "Services"), at Port Authority facilities and property covered by the Contract, shall include, but not be limited to, the furnishing, installation and removal of materials and products produced for Out-of-Home advertising sales purposes.

Those facilities and properties covered by this Contract are listed in **Attachment D.** The Contractor will furnish all the necessary research, sales, design, contract drawings, labor, supervision, uniforms, equipment, materials, supplies and do all other things necessary or proper therefore, or incidental thereto, in fulfilling the Scope of Work detailed in this RFP, all in strict accordance with the provisions of the Contract documents and any future changes therein; and the Contractor further agrees to assume and perform all other duties and obligations imposed upon him/her by this Contract. All things not expressly mentioned in the Scope of Work but involved in carrying out its intent are required by the Scope of Work and the Contractor shall perform the same as though they were specifically mentioned, described and delineated.

The Port Authority makes no representation or warranties as to the size, location, adequacy or suitability of any area designated for the Contractor's use pursuant to the provisions of this Contract.

The Contractor shall be responsible for all tasks and associated cost required to construct, maintain and operate all outdoor and out-of-home advertising locations, new media, and other alternative outdoor media installations, and shall be responsible for managing the advertising content, in accordance with the Port Authority's advertising content guidelines. All outdoor advertising/ billboard/new media locations and installations, and content, must be approved in writing by the Port Authority prior to the commencement of any work, or installation of advertising material.

Advertising contracts shall be between the Contractor and the advertisers. The Port Authority shall not be party to such contracts. The enumeration in these contract documents of particular things to be furnished or done at the Contractor's expense, or without cost or expense to the Port Authority, or without additional compensation to the Contractor shall not be deemed to imply that only things of a nature similar to those enumerated shall be furnished and done; but the Contractor shall perform all work as required without compensation, whatsoever changes may be made in the Contract, whatsoever work may be required in addition to that required by the Contract in its present form, and whatsoever obstacles or unforeseen conditions may arise or be encountered.

This Contract and obligations of the Parties shall be subject to the provisions of Attachment G, Advertising Guidelines—Abstract.

2. Duration of Contract

A. The term of the Contract shall be fully negotiated with the Contractor, commencing on or about the Contract Effective Date at 12:01 a.m. (said date and time hereinafter sometimes called "the Commencement Date") and unless sooner terminated or revoked (or extended as provided herein) shall expire on or about the Contract Expiration Date at 11:59 p.m. (said date and time sometimes hereinafter called "the Expiration Date"). The Duration of this Contract is dependent upon the Proposers solution and recommendations. Contract Duration and renewal options are subject to final negotiation with the Port Authority and Proposer. Duration recommendations will include a contract base period and/or renewable option periods. Contract Effective Date and Contract Expiration Date will be stated in the Letter of Acceptance at the time of award.

B. The Port Authority shall have the unilateral right, but not the obligation, to extend this Contract for negotiated option periods as agreed to between the Contractor and Port Authority at the time of award, from the Expiration Date originally fixed herein upon the same terms and conditions subject to the following: not later than six months (120 days) prior to the Expiration Date of this Contract as the same may be extended from time-to-time hereunder, the Port Authority may send a notice of intention to extend the term of this Contract, as aforesaid, and the term of the Contract shall thereupon be extended for the applicable extension period subject only to adjustment of charges as hereinafter provided. However, six (6) months prior to the expiration of the initial period the Contractor must notify the Port Authority in writing of their intent not to continue the Contract for the extension period, in which case the Port Authority shall not have the right to extend.

C. The Port Authority shall have the absolute right to extend this Contract for an additional one hundred twenty (120) day period subsequent to the original base period or the exercised option extension periods hereinbefore established, if applicable, subject to the same terms and conditions of the original Contract term. The Port Authority will advise the Contractor, in writing, at least sixty (60) days prior to the Expiration Date hereinbefore established that the Contract term is so extended. Contract compensation shall not change from that in the previous contract year.

3. Billing and Payment

Proposers shall pay to the Port Authority

A. Gross Receipts Percentage Fee: No later than the twentieth (20th) calendar day of each and every month occurring during each annual period, the

Contractor shall pay the Port Authority without demand or invoice a Percentage Fee of gross revenues, as referenced above in this section. The Percentage Fee portion of the monthly payment will be calculated based on the Contractor's combined advertising and marketing gross receipts received in accordance with this Contract.
The Contractor shall provide the Port Authority a sworn statement showing all of the gross receipts for the preceding month, separately stating the amount of gross receipts arising from each advertising unit and/or display and outdoor advertising product, and showing the cumulative amount of such gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month.

B. Monthly Sales Accounting and Reporting: The Contractor shall provide a report including the name of the advertiser, gross monthly rate and amount due to the Port Authority detailing total monthly Outdoor Advertising and all other related Out-of-Home Advertising sales for each location and unit in operation. The Port Authority may request, and the Contractor shall provide, copies of the advertising agreements (media sales contracts) executed between the Contractor and the advertisers for each location and unit, on a monthly basis.

A late charge, in the amount equal to point zero eight percent (0.8%) of payments due, is automatically assessed to the Contractor if such payments are made for every fifteen day period (15) beyond the due dates as specified above, and point zero eight percent (0.8%) for each 15-day period thereafter.

The Contractor shall keep accounting records of all such revenues, pursuant to generally accepted accounting principles, which shall be subject to Port Authority audit.

4. Services

The Contractor is expected to handle all aspects of Outdoor and Out-of-Home Advertising, and all other related sales promotion, research, and specialized sales required in relation to the sale of advertising placed on the outdoor advertising units and locations. The Contractor is responsible for the development, production, finishing, installation, removal and all other aspects of Outdoor Advertising sales under this Contract. The Contractor will obtain all applicable permits and zoning approvals, prepare and or construct, install and maintain all Outdoor Advertising, and all other related Out-of-Home Advertising sales products, market data, product specifications, and all Outdoor Advertising contract agreements, at no cost to the Port Authority. The Contractor shall pay all applicable taxes, imposts and fees. Contracts shall be between the Contractor and the advertisers for all aspects of Outdoor Advertising sales.

No advertising material of any kind nor any announcement shall be displayed, shown, exhibited, or disseminated by the Contractor unless the Port Authority has given prior written approval as to the type, quality, kind, form, substance, character and content thereof. All such content and the operation and maintenance thereof shall meet the

written approval of the Port Authority, in accordance with the Authority's advertising guidelines. Advertisements disapproved by the Port Authority shall be immediately discontinued and removed from the site by the Contractor within forty-eight (48) hours on notice of the Port Authority.

The Contractor must ensure that all outdoor advertising and related promotional signage placements are in full compliance with the general rules, Advertising Guidelines Abstract, Attachment G and regulations of the Port Authority and all requirements of applicable law. The Contractor must indemnify the Port Authority against all claims of intellectual property infringement, libel, slander, or other defamation arising out of the Contractor's performance of this Contract.

The Port Authority reserves the right to reject any suggestions or recommendations from the Contractor. The Contractor shall have no claim against the Port Authority nor shall the Port Authority be legally obligated to the Contractor for any such rejection. The Port Authority shall not be responsible to the Contractor for any anticipated revenues and/or any associated costs associated with rejected suggestions/recommendations.

5. General Provisions

A. No certificate, acceptance of payment, (final or otherwise), acceptance of any work nor any other act or omission of the Port Authority shall operate to release Contractor from any obligations under or in connection with this Agreement, or to stop the Port Authority from showing at any time, that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Port Authority from recovering any unpaid monies paid other than that lawfully due, whether under mistake of law or fact or to prevent the recovery of any damages sustained by the Port Authority.

B. The Contractor shall not issue or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or the services to be performed in connection with this Agreement unless it first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable. Any use of the Port Authority's logo for any purpose in connection with this Contract is subject to the Authority's prior written approval.

C. Under no circumstances shall the Contractor or the Contractor's subcontractors or partners, if any, communicate in any way with any department, board, agency, commission, or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Port Authority, provided, however, that data from manufacturers and suppliers of materials, devices, equipment and potential advertisers shall be obtained by the Contractor when the Contractor finds such data necessary unless otherwise instructed by the Port Authority.

D. Any services performed for the benefit of the Port Authority at any time by the Contractor or on the Contractor's behalf, even if expressly and duly authorized

by the Port Authority, shall be deemed to be rendered under and subject to this Agreement (unless referable to another expressly written, duly executed agreement by the same parties), whether such additional services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services except as provided under this Agreement.

E. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further rules and regulations which may from time to time during the effective period of this Contract, be promulgated by the Port Authority for reasons of safety, health, preservation of property, or maintenance of a good and orderly appearance of the Facilities, or for the safe and efficient operation of the Facilities. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Contractor of every rule and regulation hereafter adopted by it. You shall comply with all applicable provisions of law as if the Port Authority were a private corporation.

F. This Contract does not constitute the Contractor as an agent or representative of the Port Authority for any purpose whatsoever. The Contractor shall perform all services hereunder as an independent Contractor and the Contractor, its officers, and employees shall not be deemed to be agents, servants, or employees of the Port Authority.

6. Intellectual Property

The right of the Port Authority as well as the Contractor to use all patented material, compositions of matter, manufactures, apparatus, appliances, processes of manufacture or types of construction as well as any copyrightable matter, trade secrets or other proprietary matters, shall be obtained by the Contractor without compensation from the Port Authority whether the same is patented or created before, during or after the performance of the Work.

7. Termination of Agreement for Cause

The Port Authority may at any time for cause terminate this Agreement or any portion of the Agreement as to any services not yet rendered upon thirty (30) days written notice to the Contractor. The Contractor shall have no right of termination as to any services under this Agreement without just cause. Termination by either party shall be by certified letter addressed to the other at its address herein after set forth. Should this Agreement be terminated by either party as above provided, the Port Authority shall be entitled to all payments under this Agreement as pro-rated to the date of termination.

Upon such revocation, all installations, equipment, and facilities installed by the Contractor pursuant to the permission granted hereunder, including, without limitation, any advertising displays, billboards, signage, and equipment, but excluding the structural grid, and the electrical and operational equipment installed

by the Contractor to operate the displays, billboards, outdoor advertising and signage installed pursuant to the terms of this Agreement shall be removed by the Contractor from the areas of the Facilities as directed by the Port Authority.

8. Insurance Procured by the Contractor

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations, products-completed operations, and independent contractors coverage, advertising injury, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - $ 5 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - $ 2 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name The Port Authority of NY and NJ as additional insured, including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain cross-liability language providing severability of interests so that coverage will respond as if separate policies were in force for each insured. These insurance requirements shall be in effect for the duration of the Contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

"The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than $1 million for each accident.

Each policy above shall contain a provision that the policy may not be canceled, terminated, or modified without thirty (30) days prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

The Port Authority may at any time during the term of this Agreement change or modify the limits and coverages of insurance.

Within five (5) days after the award of this Agreement or Contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. <u>This certificate of insurance MUST show evidence of the above insurance policy (ies), stating the agreement/contract number</u> prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the Contract at the premises. If the Contract is so suspended, no extension of time shall be due on account thereof. If the Contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this Contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract. **(CITS #2461N – OUTDOOR RFP).**

9. Certain Contractor's Warranties

The Contractor represents and warrants:

A. That he/she is financially responsible and experienced in, and competent to perform this Contract; that no representation, promise or statement, oral or in writing, has induced him/her to submit his Proposal, saving only those contained in the papers expressly made part of this Contract; that the facts stated or shown in any papers submitted or referred to in connection with his/her proposal are true; and, if the Contractor be a corporation, that it is authorized to perform this Contract;

B. That he/she has carefully examined and analyzed the provisions and requirements of this Contract, that from his/her own investigations he/she has satisfied himself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to him/her for such examination, analysis, inspection and investigations was adequate;

C. That the Contract is feasible of performance in accordance with all its provisions and requirements and that he/she can and will perform it in strict accordance with such provisions and requirements;

D. That no Commissioner, Director, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

E. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Directors, Commissioners, officers: agents: employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability or completeness of any provisions or requirements of this Contract; (2) the nature, existence or location of materials, structures, obstructions, utilities or conditions, which may be encountered at the installation sites; (3) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (4) the general or local conditions which may in any way affect this Contract or its performance; (5) the price of the Contract; or (6) any other matters, whether similar to or different from those referred to in (1) through (5) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

F. That, notwithstanding any requirements of this Contract, any inspection or approval of the Contractor's services by the Port Authority, or the existence of any patent or trade name, the Contractor nevertheless warrants and represents that the services and any intellectual property supplied to the Port Authority hereunder shall be of the best quality and shall be fully fit for the purpose for which they are to be used. The Contractor unconditionally guarantees against defects or failures of any kind, including defects or failures in design, workmanship and materials, excepting solely defects or failures which the Contractor demonstrates to the satisfaction of the Port Authority have arisen solely from accident, abuse or fault of the Port Authority and not due to fault on the Contractor's part. In the event of defects or failures in said services, or any part thereof, then upon receipt of

notice thereof from the Port Authority, the Contractor shall correct such defects or failures as may be necessary or desirable, in the sole opinion of the Port Authority, to comply with the above guaranty.

Moreover, the Contractor accepts the conditions at the sites of work as they may eventually be found to exist and warrants and represents that he/she can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at his/her own cost and expense, anything in this Contract to the contrary notwithstanding.

Nothing in the Scope of Work or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof. Moreover, the Port Authority does not warrant or represent either by issuance of the Scope of Work or by any provision of this Contract as to time for performance or completion or otherwise that the Contract may be performed or completed by the times required herein or by any other times.

The Contractor further represents and warrants that he or she was given ample opportunity and time and by means of this paragraph was requested by the Port Authority to review thoroughly all documents forming this Contract prior to execution of this Contract in order that he/she might request inclusion in this Contract of any statement, representation, promise or provision which he/she desired or on which he/she wished to place reliance; that he/she did so review said documents; that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that he/she expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

The Contractor further recognizes that the provisions of this clause (though not only such provisions) are essential to the Port Authority's consent to enter into this Contract and that without such provisions; the Port Authority would not have entered into this Contract.

10. Applicable Law

This Contract shall be construed in accordance with the laws of the State of New York. The Contractor hereby consents to the exercise by the courts of the States of New York and New Jersey of jurisdiction in persona over it with respect to any matter arising out of or in connection with this Contract and waives any objection to such jurisdiction which it might otherwise have; and the Contractor agrees that mailing of process by registered mail addressed to it at the address of the Contractor set forth in the Proposal, shall have the same effect as personal service within the States of New York or New Jersey upon a domestic corporation of said State.

All designs for structures to be installed and/or erected on Port Authority property or in or on Port Authority facilities must be signed and stamped by a Professional

Engineer, licensed in the state where the work is to be performed. The Contractor and any partners or joint venture entities and subcontractors must maintain a licensed New York and licensed New Jersey Professional Engineer as applicable.

11. Authority of the Director

Inasmuch as the public interest requires that the Work to which this Contract relates shall be performed in the manner which the Authority, acting through the Director, deems best, the Director shall have absolute authority to determine what is or is not necessary or proper for or incidental to the portion thereof specified in the clause hereof entitled "General Agreement" and the Specifications shall be deemed merely his/her present determination on this point. In the exercise of this authority, he/she shall have power, subject to the provisions governing the work, to alter the Specifications; require the performance of Work not required by them in their present form, even though of a totally different character from that now required; and to vary, increase and diminish the character, quantity and quality of, or to countermand any Work now or hereafter required. Such variation, increase, diminution or countermanding need not be based on necessity but may be based on convenience. As used in this Agreement "Director" shall mean the Director of Real Estate and/or designee.

12. Authority and Duties of the Manager

In the performance of the Contract, the Contractor shall conform to all orders, directions and requirements of the Manager of the locations as set forth herein and shall perform the Contract to the satisfaction of the Manager at such times and places, by such methods and in such manner and sequence as the Manager may require, and the Contract shall at all stages be subject to the Managers inspection. The Manager shall determine the amount, quality, acceptability and fitness of all parts of the Work and shall interpret the Specifications and any orders for Extra Work. The Contractor shall employ no equipment, materials, methods or personnel to which the Manager objects. Upon request, the Contractor shall confirm in writing any oral order, direction, requirements or determination.

13. Parking

Parking for vehicles of the Contractor's and subcontractor's employees while actually on duty under the Contract may be made available at the Facility by the Manager at his or her discretion, from time to time, and on such terms and conditions as may be specified by the Port Authority, including the payment of charges therefore.

14. Holidays

The following legal holidays are observed at Port Authority offices and facilities:

New Year's Day
Martin Luther King, Jr. Day
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day

and each general election day in the State in which the work is to be performed, and such other or different days or dates as may be declared holidays or legal holidays by the legislature of the State in which the work is to be performed.

If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

The Contractor shall obtain clearances from the Manager to work on Port Authority property on any and all days, including holidays, in accordance with the performance of this Contract.

15. Letter of Credit

The Contractor may at any time as a condition of contract award or during the term of this Contract be required by the Authority to delivery to the Port Authority, as security of all obligations of the Contractor under this Agreement, either a security deposit for the faithful performance of the Contractor's obligation under this contract or a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority, in an amount t of two months revenue or more of estimated revenue to be paid by the Contractor to the Authority. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the Contract hereunder and for a period of not less than six (6) months thereafter; such continuance may be by automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Contractor agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by substitute security in accordance with the requirements of the Authority or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the term of the Contract hereunder, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Contract on the part of the Contractor. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Contractor made thereafter, the Port Authority will return the security deposit, if any, theretofore made

under and in accordance with the provisions of this Section or as required by the Authority. The Contractor shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the term of the Contract under this agreement and fulfillment of the obligations of the Contractor hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Contractor shall bring this letter of credit back up to its full amount.

At any time and from time to time hereunder, should the Port Authority feel insecure with respect to the amount of the security required under this section, the Port Authority shall have the right, in its sole and absolute discretion, to increase such amount upon notice by the Port Authority to the Contractor to such effect and within two business days hereafter the Contractor shall deposit with the Port Authority such additional cash or bonds or such letter of credit to bring the security under this Section up to the full amount stated by the Port Authority in said notice.

16. Performance and Payment Bond

The Authority may in its sole discretion so elect at the time of accepting the Contractor's Proposal, to require the Contractor to furnish a bond for the faithful performance of all construction obligations imposed upon him/her by the Contract and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of the Contractor's construction obligations under the Contract. Such bond shall be in the form bound herewith entitled, "Performance and Payment Bond", shall be in a penal sum equal to a negotiated amount based upon the Contractor's financial obligations for construction under the Contract and such bond shall be signed by one or more sureties[1] satisfactory to the Authority The bond may be executed on a separate copy of such form not physically attached to this Contract booklet. In any case, both the form of bond bound herewith and any unattached executed copy thereof shall form a part of this Form of Contract as though herein set forth in full.

At any time after the opening of Proposals, the Authority may give notice to one or more Proposers to advise the Authority as to the names of their proposed sureties. Within forty-eight hours thereafter each Proposer so notified shall so advise the Authority. The giving of such notice to a Proposer shall not be construed as an acceptance of his/her Proposal, and omission to give such notice shall not be construed as an election by the Authority not to require a bond.
If the Authority elects to require the Contractor to furnish a bond, he/she shall deliver such bond to the Authority within seven days after receipt by him/her of the acceptance of his/her Proposal, and the sureties thereon shall be as proposed by him/her, provided, that if the Authority has theretofore given notice to him/her that his/her proposed sureties

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1 Sureties must be corporations (commonly known as "surety companies"), authorized to do business as sureties in the state(s) in which the construction site is located, whose names appear on the current list of the Treasury Department of the United States in effect at the time of submission of the Performance and Payment Bond to the Authority as acceptable as sureties to the Treasury Department. In addition, the aggregate underwriting limitations on any one risk as set forth in the aforementioned list of the Treasury Department of the sureties shall equal or exceed the penal sum of the Performance and Payment Bond.

or any of them are not satisfactory, the bond shall be executed by other sureties satisfactory to the Authority.
The Authority shall give notice to the Contractor within ten (10) days after receipt of the Performance and Payment Bond as to whether or not such bond is satisfactory.
In the event of a default by the Contractor in his/her obligation to furnish a satisfactory bond within seven (7) days after he/she received an acceptance of his/her Proposal, such default shall entitle the Authority in its discretion to terminate this Contract at any time within forty-five (45) days after the acceptance of the Proposal, without any liability on the part of the Authority. Inasmuch as the damages to the Authority resulting from a termination by it upon the failure of the Contractor to furnish a satisfactory bond will include items whose accurate amount will be difficult or impossible to compute, such damages shall be liquidated in the sum of the following amounts:
The difference between $ INSERT A CONSERVATIVE ESTIMATE OF TOTAL REVENUES_TO BE EARNED UNDER THIS CONTRACT times the percentage of gross revenues to be paid to the Authority as agreed to by the Contractor and $_SAME AMOUNT times the percentage of gross revenues to be paid to the Authority by the successor contractor; and_____
The expense of such new advertisement of the Contract, if any, as may be deemed necessary by the Authority; and
The sum of $500 for each day after the receipt by the Contractor of the acceptance of his/her Proposal that the performance of the Contract is not commenced by reason of the failure of the Contractor to furnish the required bond.

If the Contractor furnishes a bond in accordance with the requirements of the Authority under this numbered clause, the Authority shall reimburse the Contractor for the net amount actually paid by him/her to the surety or sureties as the premium on such bond. The Contractor shall deliver to the Director receipts from the surety or sureties evidencing such payment and the amount thereof. Within fifteen days after receipt of such evidence satisfactory to the Director, the Authority shall pay to the Contractor by check the amount provided in this numbered clause.
If at any time the Authority shall be or become dissatisfied with any surety or sureties then upon any bond furnished in accordance with the requirements of the Authority, or if for any other reason such bond shall cease to be adequate security to the Authority, the Contractor shall, within five days after notice from the Authority so to do, substitute a new bond in such form and sum and signed by such other sureties as may be necessary in the opinion of the Authority to constitute adequate security.

PART II – STANDARD CONTRACT TERMS AND CONDITIONS

PART A GENERAL DEFINITIONS

To avoid undue repetition, the following terms, as used in this Agreement, shall be construed as follows:

Authority or Port Authority - shall mean the Port Authority of New York and New Jersey.

Contract, Document or Agreement - shall mean the RFP in its entirety and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written Addenda issued over the name of the Authority's Manager, Purchasing Services Division.

Days or Calendar Days - shall mean consecutive calendar days, Saturdays, Sundays, and holidays, included.

Week - unless otherwise specified, shall mean seven (7) consecutive calendar days, Saturdays, Sundays, and holidays.

Month - unless otherwise specified, shall mean a calendar month.

Director - shall mean the Director of the Department overseeing the Scope of Work under this Contract, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

Manager - shall mean the Manager of the Facility for the time being or his/her successor in duties for the purpose of this Contract, acting personally or through his/her duly authorized representative for the purpose of this Contract.

No person shall be deemed a representative of the Director or Manager except to the extent specifically authorized in an express written notice to the Contractor signed by the Director or Manager, as the case may be. Further, no person shall be deemed a successor in duties of the Director unless the Contractor is so notified in writing signed by the Authority's Manager, Purchasing Services Division. No person shall be deemed a successor in duties of the Manager unless the Contractor is so notified in a writing signed by the Director.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

(a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;

(c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;

(d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Site of the Work - or words of similar import shall mean the Facility and all buildings and properties associated therewith as described in this Contract.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- The principal place of business must be located in New York or New Jersey;
- The firm must have been in business for at least three years with activity;
- Average gross income limitations by industry as established by the Port Authority.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely his/her own personal labor or his/her own personal services. "Subcontractor," however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are

controlled by one or more women who are citizens or permanent or resident aliens.

Work - shall mean all services, equipment and materials (including materials and equipment, if any, furnished by the Authority) and other facilities and all other things necessary or proper for, or incidental to the services to be performed or goods to be furnished in connection with the service to be provided hereunder.

PART B GENERAL PROVISIONS

1. Facility Rules and Regulations of The Port Authority

   a. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the facility Rules and Regulations of the Port Authority now in effect, and such further reasonable Rules and Regulations which may from time to time during the term of this Agreement be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance and efficient operation of the Facility. The Port Authority agrees that, except in case of emergency, it shall give notice to the Contractor of every Rule and Regulation hereafter adopted by it at least five days before the Contractor shall be required to comply therewith.

   b. A copy of the facility Rules and Regulations of the Port Authority shall be available for review by the Contractor at the Office of the Secretary of the Port Authority.

2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of the Port Authority for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of the Port Authority.

3. Contractor's Warranties

The Contractor represents and warrants:

a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with its Proposal are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;

b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;

c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;

d. That no Commissioner, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

Moreover, the Contractor accepts the conditions at the Site of the Work as they may eventually be found to exist and warrants and represents that it can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at its own cost and expense, anything in this Contract to the contrary notwithstanding.

Nothing in the Specifications or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof.

The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Port Authority to review thoroughly all documents forming this Contract prior to opening of Proposals on this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents, that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

The Contractor further recognizes that the provisions of this numbered clause (though not only such provisions) are essential to the Port Authority's consent to enter into this Contract and that without such provisions, the Authority would not have entered into this Contract.

4. Personal Non-Liability

Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Contractor with any liability, or held personally liable to the Contractor under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.

5. Equal Employment Opportunity, Affirmative Action, Non-Discrimination

a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.

b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

6. Rights and Remedies of the Port Authority

The Port Authority shall have the following rights in the event the Contractor is deemed guilty of a breach of any term whatsoever of this Contract:

a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.

b. The right to cancel this Contract as to any or all of the Work yet to be performed.

c. The right to specific performance, an injunction or any appropriate equitable remedy.

d. The right to money damages.

For the purpose of this Contract, breach shall include but not be limited to the following, whether or not the time has yet arrived for performance of an obligation under this Contract: a statement by the Contractor to any representative of the Port Authority indicating that the Contractor cannot or will not perform any one or more of its obligations under this Contract; any act or omission of the Contractor or any other occurrence which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract; any suspension of or failure to proceed with any part of the Work by the Contractor which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract.

The enumeration in this numbered clause or elsewhere in this Contract of specific rights and remedies of the Port Authority shall not be deemed to limit any other rights or remedies which the Authority would have in the absence of such enumeration; and no exercise by the Authority of any right or remedy shall operate as a waiver of any other of its rights or remedies not inconsistent therewith or to stop it from exercising such other rights or remedies.

7. Rights and Remedies of the Contractor

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract which may be committed by the Port Authority, the Contractor expressly agrees that no default, act or omission of the Port Authority shall constitute a material breach of this Contract, entitling the Contractor to cancel or rescind this Contract or to suspend or abandon performance.

8. Submission To Jurisdiction

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy

arising out of, connected with, or in any way concerning this Contract.

The Contractor agrees that the service of process on the Contractor in relation to such jurisdiction may be made, at the option of the Port Authority, either by registered or certified mail addressed to it at the address of the Contractor indicated on the signature sheet, or by actual personal delivery to the Contractor, if the Contractor is an individual, to any partner if the Contractor be a partnership or to any officer, director or managing or general agent if the Contractor be a corporation.

Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it might otherwise have been served in a different manner.

9. Harmony

a. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of the Port Authority or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected

by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

b. During the time that the Contractor is performing the contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.
The Contractor shall so plan and conduct his/her operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

11. No Third Party Rights

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action."

12. Provisions of Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

13. Costs Assumed By The Contractor

It is expressly understood and agreed that all costs of the Contractor of whatever kind or nature and whether imposed directly upon the Contractor under the terms and provisions hereof or in any other manner whatsoever because of the requirements of the operation of the service or otherwise under this Agreement shall be borne by the Contractor or without compensation or reimbursement from the Port Authority, except as specifically set forth in this Agreement. The entire and complete cost and expense of the Contractor's services and operations hereunder shall be borne solely by the Contractor and under no circumstances shall the Port Authority be liable to any third party (including the Contractor's employees) for any such costs and expenses incurred by the Contractor and under no circumstances shall the Port Authority be liable to the Contractor for the same, except as specifically set forth in this Section.

14. Default, Revocation or Suspension of Contract

a. If one or more of the following events shall occur:

1. If fire or other cause shall destroy all or a substantial part of the Facility;

2. If any governmental agency shall condemn or take a temporary or permanent interest in all or a substantial part of the Facility, or all of a part of the Port Authority's interest herein;

then upon the occurrence of such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right on twenty-four (24) hours written notice to the Contractor to revoke this Contract, such revocation to be effective upon the date and time specified in such notice.

In such event this Contract shall cease and expire on the effective date of revocation as if said date were the date of the expiration of this Contract. Such revocation shall not, however, relieve the Contractor of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

b. If one or more of the following events shall occur:

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or

of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation, by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or

4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or

5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right upon five (5) days notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder; termination to be effective upon the date and time specified in such notice as if said date were the date of the expiration of this Contract. Termination shall not relieve the Contractor of any liabilities or obligations hereunder which have accrued on or prior to the

effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or

2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control); then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

d. If any of the events enumerated in this Section shall occur prior to commencement date of this Contract the Port Authority upon the occurrence of any such event or any time thereafter during the continuance thereof by twenty-four (24) hours notice may terminate or suspend this Contract and the rights of the Contractor hereunder, such termination or suspension to be effective upon the date specified in such notice.

e. (Reserved)

f. (Reserved)

g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an

exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this contract as aforesaid.

h. (Reserved)

i. If The Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.

j. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.

k. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his/her affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

15. Sales or Compensating Use Taxes

Sales to the Port Authority are currently exempt from New York and New Jersey State and local sales and compensating use taxes and generally from federal taxation. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and the Port Authority will not separately reimburse the

Contractor for any taxes unless specifically set forth in this Agreement.

16. No Estoppel or Waiver

The Port Authority shall not be precluded or estopped by any payment, final or otherwise, issued or made under this Contract, from showing at any time the true amount and character of the services performed, or from showing that any such payment is incorrect or was improperly issued or made; and the Port Authority shall not be precluded or estopped, notwithstanding any such payment, from recovering from the Contractor any damages which it may sustain by reason of any failure on its part to comply strictly with this Contract, and any moneys which may be paid to it or for its account in excess of those to which it is lawfully entitled.

No cancellation, rescission or annulment hereof, in whole or as to any part of the services to be provided hereunder, or because of any breach hereof, shall be deemed a waiver of any money damages to which the Port Authority may be entitled because of such breach. Moreover, no waiver by the Authority of any breach of this Contract shall be deemed to be a waiver of any other or any subsequent breach.

17. Records and Reports

The contractor shall set up, keep and maintain in effect in accordance with accepted accounting practice during the term of this Agreement and any extensions thereof and for three years after the expiration, termination or revocation thereof, records, payroll records and books of account (including records of original entry and daily forms) recording all transactions of the Contractor, at, through or in any way connected with or related to the operations of the Contractor hereunder, including but not limited to all matters relating to the charges payable to the Contractor or the Authority hereunder and such additional information as the Port Authority may from time to time and at any time require, and also including, if appropriate, recording the actual number of hours of service provided under the Contract, and keeping separate records thereof which records and books of account shall be kept at all times within the Port District. The Contractor shall permit in ordinary business hours during the term of this Agreement including any extensions thereof and for three years thereafter the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Contractor, or which owns or controls the Contractor if said company performs services similar to those performed by the Contractor anywhere in the Port District. However, if within the aforesaid three year period the Port Authority has notified the Contractor in writing of a pending claim by the Port Authority under or in connection with this Contract to which any of the aforesaid records and documents of the Contractor or of its subcontractors relate either directly or indirectly, then the period of such right of access shall be extended to the expiration of six years from the date of final payment with respect to the records and documents involved.

a. The Contractor hereby further agrees to furnish to the Port Authority from time to time such written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to the Port Authority shall be subject to the continuing approval of the Port Authority.

b. No provision in this Contract giving the Port Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this Contract.

18. General Obligations

a. Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing and all such notices, requests, consents and approvals shall be personally delivered to the other party during regular business hours or forwarded to such party by United States certified mail, return receipt requested, addressed to the other party at its address hereinbefore or hereafter provided. Until further notice the Contractor hereby designates the address shown on the bottom of the Contractors Signature Sheet as their address to which such notices, requests, consents, or approvals may be forwarded. All notices, requests, consents, or approvals of the Contractor shall be forwarded to the Manager at the Facility.

b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits, zoning approvals, or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements are not to be construed as a submission by the Port Authority to the

application to itself of such requirements.

c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.

d. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder. The Contractor shall not do or permit to be done any act which:

1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

3. in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract, or

4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors or

5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

6. shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

e. If by reason of the Contractor's failure to comply with the provisions of this Section and provided the Port Authority has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said

five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay the Port Authority that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by the Port Authority which shall have been charged because of such violations by the Contractor.

f. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of the Port Authority and shall conduct operations hereunder in a courteous, efficient and safe manner.

   a. The Contractor shall provide such equipment and medical facilities as may be necessary to supply first aid service in case of accidents to its personnel who may be injured in the furnishing of service hereunder. The Contractor shall maintain standing arrangements for the removal and hospital treatment of any of its personnel who may be injured.

19. <u>Subcontracting</u>

a. The Contractor shall not sell, transfer, mortgage, pledge, subcontract or assign this Contract or any part thereof or any of the rights granted hereunder or any moneys due or to become due to it hereunder or enter into any contract requiring or permitting the doing of anything hereunder by an independent Contractor, without the prior written approval of the Port Authority, and any such sale, transfer, mortgage, pledge, subcontract, assignment or contract without such prior written approval shall be void as to the Port Authority.

b. All subcontractors who provide permanent personnel to the Contractor for work under this Contract shall be given written notice to comply with all requirements of the Contract. The Contractor shall be responsible and liable for the performance and acts of each subcontractor.

c. All persons to whom the Contractor sublets services shall be deemed to be its agents and no subletting or approval thereof shall be deemed to release this Contractor from its obligations under this Contract or to impose any obligations on the Port Authority to such subcontractor or to give the subcontractor any rights against the Port Authority.

20. Indemnification and Risks Assumed By The Contractor

A. Risks Assumed By The Contractor

The Contractor assumes the following distinct and several risks:

1. The risk of loss or damage to Port Authority property to the extent arising from the willful or negligent acts or omissions of the Contractor, its subcontractors or others under their control;

2. The risk of fines or penalties assessed by courts or governmental agencies or entities against the Contractor, its subcontractors, or others under their control or the Authority, arising out of the performance of services hereunder; and the risk of claims made by third persons against the Contractor, its subcontractors, or others under the control of the Contractor or its subcontractors, or the Authority, on account of injuries (including wrongful death), loss, damage or liability of any kind whatsoever arising out of or in connection with willful or negligent acts of the Contractor, its subcontractors, or others under their control in the performance of the services hereunder or out of or in connection with the Contractor's operations or presence at or in the vicinity of the construction sites or Authority premise; and the risk of claims against the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, or the Authority, for the payment of workers' compensation; whether such claims, fines or penalties are made or assessed and whether such injuries, damage, loss and liability are sustained at any time both before and after the termination or expiration of this Contract; and

3. The risk of loss or damage to any property of the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, and of claims made against the Contractor, its subcontractors or those under their control, or the Authority, for loss or damage to any property of subcontractors, materialmen, workmen and others under the control of the Contractor or its subcontractors, not caused by the willful or negligent acts or omissions of the Authority, occurring at any time prior to completion of removal of such property from the construction sites or Authority premises or the vicinity thereof.

The Contractor shall indemnify the Authority against all claims described above in subparagraphs 1., 2, and 3 as to which the Contractor, its subcontractors or others under their control assumes the risk and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys, except where indemnity would be precluded by New York State General Obligations Law, Section 5-322.1 or by other applicable law. If so directed, the Contractor shall defend against any claim described in subparagraphs 1, 2 and 3 above in which event it shall not without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits

against the Authority. Unless a claim is one that the Contractor is not required to indemnify the Authority against as described in the first sentence of this clause, such defense shall be at the Contractor's cost.

The provisions of this numbered clause shall also be for the benefit of the Commissioners, officers, agents and employees of the Authority, so that they shall have all the rights which they would have under this numbered clause if they were named at each place above at which the Authority is named, including a direct right of action against the Contractor to enforce the foregoing indemnity, except, however, that the Authority by action of its Board of Commissioners may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this numbered clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the issuance of a certificate of completion nor the making of Final Payment shall release the Contractor from his/her obligations under this numbered clause. Moreover, neither the enumeration in this numbered clause nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which he/she is responsible shall be deemed (a) to limit the effect of the provisions of this numbered clause or of any other clause of this Contract relating to such risks or claims, (b) to imply that he/she assumes or is responsible for risks or claims only of the type enumerated in this numbered clause or in any other clause of this Contract, or (c) to limit the risks which he/she would assume or the claims for which he/she would be responsible in the absence of such enumerations.

B.Insurance Procured By Contractor

Pollution Liability Insurance (including lead abatement liability): the Contractor or its subcontractor may be required, on a project-specific basis, for defined periods of time, to procure, maintain, and pay premiums on a Pollution Liability Insurance Policy, including lead abatement liability, on an occurrence basis, providing coverage for bodily injury liability, property damage, or environmental damage caused by pollution conditions, with a limit of liability of not less than $5 million/occurrence and $5 million/aggregate,. The Policy shall name all subcontractors, and the Contractor when applicable, as additional insureds. The policy shall include coverage for environmental cleanup on land, in air, and on water. The policy shall include coverage for completed operations (for 2 years after the completion of the Contract), gradual and sudden and accidental pollution coverage, with a time element of no less than 7 days notice and 30 days reporting. The policy shall not contain a sunset provision, or any other provision, which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. Self-funded, policy fronting, or other non-risk transfer insurance mechanisms are not acceptable to the Authority, unless full disclosure is made to the Port Authority in writing prior to any consideration being given. The policy shall contain a waiver of subrogation in favor of the Port Authority.

The policy shall provide transportation coverage for the hauling of lead based materials, including but not limited to lead paint, from the construction site to the final disposition location. Deductibles are subject to the approval of the Port Authority and shall not reduce the limit of liability. The policy form must "pay on behalf of" rather than

"indemnify the insured". The insurance shall be primary insurance as respects the Port Authority, its representatives, officials, and employees. Any insurance or self-insurance maintained by the Port Authority shall be excess of this insurance and shall not contribute with it. The policy shall provide pollution coverage as respects lead based materials, including but not limited to lead paint for all phases of the abatement process. The policy shall not contain any provisions or definition that would serve to eliminate third party over-claims, including exclusions of the premises owner.
The Authority shall be named as an additional insured in the policy or policies set forth above. The liability policy or policies stated above shall contain coverage for cross-liability/severability of interests, and both shall be stated on the certificate of insurance. Certified copies of the policy or polices described above or a certificate or certificates evidencing the existence thereof, shall be delivered to the General Manager, Risk Management/Treasury, The Port Authority of New York and New Jersey, 225 Park Avenue South, 12th Floor, New York, NY 10003, within ten (10) days after the execution of this Contract by the Contractor. Such policy or policies, certificate or certificates shall state the number of this Contract and shall contain a valid provision or endorsement that the policy or polices may not be canceled, terminated, changed or modified without giving thirty (30) days advance written notice to the Port Authority at the above address. Such liability policy or policies and the certificate of insurance shall contain an additional endorsement stating that, "The insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority." Renewal policies shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the certificates or polices shall be or become unsatisfactory to the Port Authority as to form or substance, or if the carrier issuing any such certificate or policy shall be or become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy. The Port Authority may request at any time certified copies of the above policies.

21. Approval of Methods

Neither the approval of the Port Authority of the methods of furnishing services hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of furnishing services hereunder, nor the failure of the Port Authority to direct the Contractor to take any particular precautions or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property arising out of its operations.

22. Safety and Cleanliness

a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such

barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.

b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Manager.

c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by the Port Authority for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of the Port Authority which are located in said facilities.

23. Accident Reports

The Contractor shall promptly report in writing to the Manager of the Facility and to the Deputy Chief, Litigation Management of the Port Authority all accidents whatsoever arising out of or in connection with its operations hereunder and which result in death or injury to persons or damage to property, setting forth such details thereof as the Port Authority may desire. In addition, if death or serious injury or serious damage is caused, such accidents shall be immediately reported by telephone to the aforesaid representatives of the Port Authority.

24. Trash Removal

The Contractor shall remove daily from the Facility by means provided by the Contractor all garbage, debris and other waste material (solid or liquid) arising out of or in connection with its operations hereunder, and any such garbage, debris and other waste material not immediately removed shall be temporarily stored in a clear and sanitary condition, approved by the Facility Manager and shall be kept covered except when filling or emptying them. The Contractor shall exercise care in removing such garbage, debris and other waste materials from the Facility. The manner of such storage and removal shall always be subject in all respects to the continual approval of the Port Authority. No equipment or facilities of the Port Authority shall be used in such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Facility.

25. Lost and Found Property

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees must be turned in to the Port Authority

and a receipt will be issued therefor.

26. Property of the Contractor

a. All property of the Contractor at the Facility by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.

b. If the Contractor shall fail to remove its property upon the expiration, termination or revocation of this Contract the Port Authority may, at its option, dispose of such property as waste or as agent for the Contractor and at the risk and expense of the Contractor, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty (30) days may sell the same in accordance with any method deemed appropriate; the proceeds of any such sale shall be applied first, to the expenses of sale and second, to any sums owed by the Contractor to the Port Authority; any balance remaining shall be paid to the Contractor. Any excess of the total cost of removal, storage and sale and other costs incurred by the Port Authority as a result of such failure of performance by the Contractor over the proceeds of sale shall be paid by the Contractor to the Port Authority upon demand.

27. Modification of Contract

This Contract may not be changed except in writing signed by the Port Authority and the Contractor. The Contractor agrees that no representation or warranties shall be binding upon the Port Authority unless expressed in writing in this Contract.

28. Invalid Clauses

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

29. Approval of Materials, Supplies and Equipment

Only Port Authority approved materials, supplies, and equipment are to be used by the Contractor in performing its services hereunder. Inclusion of materials or supplies on the Port Authority Approved Products List constitutes approval. The list may be revised from time to time and at any time by the Port Authority and it shall be incumbent upon the Contractor to obtain the most current list from the Manager of the Facility.

At anytime during the bid, pre-performance or performance periods, the Contractor may propose the use of an alternate product or products to those on the Approved Products List, which product(s) shall be subject to review and approval by the Port Authority. Any alternate product so approved by the Port Authority may be used by the Contractor in performing its services hereunder. Until such approval is given, only products on the Approved Products List may be used.

30. Intellectual Property

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks and copyrights, collectively hereinafter referred to as the "Intellectual Property Rights" in the performance of the work shall be obtained by the Contractor without separate or additional compensation. The Contractor shall indemnify the Port Authority against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Port Authority's use, in accordance with the immediately preceding statement, of any protected Intellectual Property Rights. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Port Authority be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify the Port Authority against infringement, then the Port Authority may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to the Port Authority or take such steps as may be necessary to insure compliance by the Port Authority with said injunction, to the satisfaction of the Port Authority.

31A. High Security Areas

a. Services under the Contract may be required in high security areas, as the same may be designated by the Manager from time to time. The Port Authority shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.

b. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the high security areas which will be in effect on the commencement

date. The description of high security areas may be changed from time to time and at any time by the Manager during the term of the Contract.

31B. Notification of Security Requirements

The Port Authority operates facilities and systems, at which terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. The Authority reserves the right to impose multiple layers of security requirements on the performance of the Contract work, including on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, as determined by the Authority. The Contractor shall and shall instruct its subcontractors to cooperate with Authority staff in adopting security requirements. These security requirements may include but may not be limited to the following:

i. Identity Checks and Background Screening

Contractor/subcontractor identity checks and background screening shall include but shall not be limited to: (1) inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; (2) screening of federal, state, and/or local criminal justice agency information databases and files; (3) screening of any terrorist identification files; (4) multi-year check of personal, employment and /or credit history; (5) access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning.

The Contractor may be required to have its staff, and any subcontractor's staff, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. If the Authority directs the Contractor to have identity checks and background screening performed by a particular firm designated by the Authority, the Authority will compensate the Contractor for the cost of such screening pursuant to the Extra Work provisions of the Contract.

ii. Issuance of Photo Identification cards:

If the Authority requires facility-specific identification cards for the Contractor's and subcontractors' staff, the Authority will supply such identification cards at no cost to the Contractor.

iii. Access control, inspection, and monitoring by security guards:

The Authority will provide for facility access control, inspection and monitoring by Authority retained security guards. Should the Authority require the Contractor to hire security guards for

the purpose of facility access control and inspection in lieu of or in addition to the Authority retained facility security guards, the Contractor will be reimbursed for the cost of such security guards pursuant to the Extra Work provisions of the Contract. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work at the facility at its own expense.

The Authority may impose, increase, and/or upgrade security requirements for the Contractor, subcontractors and their staffs during the term of this Contract to address changing security conditions and/or new governmental regulations.

32. Construction In Progress

The Contractor recognizes that construction may be in progress at the Facility and may continue throughout the term of this proposed Contract. Notwithstanding, the Contractor shall at all times during the term hereof maintain the same standards of performance and cleanliness as prevails in non-affected areas as required by the standards hereunder.

33. Permit-Required Confined Space Work

Prior to commencement of any work, the Contractor shall request and obtain from the Port Authority a description of all spaces at the facility which are permit-required confined spaces requiring issuance of an OSHA permit.

Prior to the commencement of any work in a permit-required confined space at a Port Authority facility requiring issuance of an OSHA permit, the Contractor shall contact the Manager to obtain an Authority Contractor Permit-Required Confined Space Notification form. The notification form must be filled out and submitted prior to commencing permit-required confined space work. All confined space work shall be performed in accordance with all applicable OSHA requirements. The Contractor shall provide its employees with a copy of its own company permit and shall furnish the Port Authority with a copy of the permit upon completion of the work. The Contractor must supply all equipment required for working in a confined space.

34. Signs

Except with the prior written approval of the Port Authority, the Contractor shall not erect, maintain or display any signs or posters or any advertising on or about the Facility.

35. Vending Machines, Food Preparation

The Contractor shall not install, maintain or operate on the Facility, or on any other Port Authority property, any vending machines without the prior written approval of the Port Authority. No foods or beverages shall be prepared or consumed at the Facility by any of the Contractor's employees except in areas

as may be specifically designated by the Port Authority for such purpose.

36. Non-Publication

The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, nor shall the Contractor use the Port Authority's logo in any way unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest of is in any way undesirable.

PART III CONTRACTOR'S INTEGRITY PROVISIONS

1. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Bidder and each parent and/or affiliate of the Bidder has not

a. been indicted or convicted in any jurisdiction;
b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of $50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

2. Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the

purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

a. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and
f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the

certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;

* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Bidder, shall be deemed to have been authorized by the Board of Directors of the Bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract or any extension of such period of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder.

3. <u>Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts</u>

Bidders are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Bidder is not eligible to bid on or be awarded public contracts because the Bidder has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Bidder whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Bidder, or (ii) the state agency determination relied upon was made without affording the Bidder the notice and hearing to which the Bidder was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

4. No Gifts, Gratuities, Offers of Employment, Etc.

During the term of this Contract, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Contractor on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract. As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc. which might tend to obligate the Port Authority employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons

using the Facility and shall so instruct its personnel.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

The Contractor shall include the provisions of this clause in each subcontract entered into under this Contract.

5. Conflict of Interest

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of the Port Authority or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by the Contractor of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's services not be performed by the Contractor, reserving the right, however, to have the services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of

this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract which results, directly or indirectly, from the services provided by the Contractor hereunder.

6. Definitions

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer:_____

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date(s):_____
Contract cost:_____
Description of work:

_____
_____
_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date(s):_____
Contract cost:_____
Description of Work:

_____
_____
_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

ATTACHMENT D - PORT AUTHORITY FACILITIES

Aviation

John F. Kennedy International Airport
Newark Liberty International Airport
LaGuardia Airport
Downtown Manhattan Heliport
AirTrain Newark
AirTrain JFK
Teterboro (excluded for purposes of this RFP, but listed for information only)

Tunnels, Bridges & Terminals

George Washington Bridge
George Washington Bridge Bus Station
Lincoln Tunnel
Port Authority Bus Terminal
Holland Tunnel
Bayonne Bridge
Goethals Bridge
Outerbridge Crossing

Port Authority Trans-Hudson

PATH Rail Transit System
Journal Square Transportation Center

Port Commerce

Auto Marine Terminal
Brooklyn Port Authority Marine Terminal
Brooklyn Piers
Red Hook Container Terminal
Elizabeth Port Authority Marine Terminal
Port Newark
Howland Hook Marine Terminal

Economic Development

The Legal Center

The Teleport
Essex County Resource Recovery Facility
Bathgate Industrial Park
Industrial Park at Elizabeth

World Trade Center site

World Trade Center Transportation Hub (under development)

Notes Regarding The Above Facilities

Please note the following facilities will be phased into the Scope of Work of this Contract as existing agreements expire or are otherwise terminated:

- the airport terminals at LaGuardia, John F. Kennedy International, and Newark Liberty International airports, inside the AirTrain Newark stations and cars, inside the AirTrain JFK stations, the 3 Van Wyck Sign Bridges, the LGA Garage, the Terminal 4 Garage, and the Newark Liberty Toll Plaza billboard sign, (Current agreements are in effect through 2005.)
- inside the PATH rail transit system cars and station platforms. (Current agreements are in effect through Aug. 2007.)
- Port Authority Bus Terminal (The interior is under agreement until June 30, 2006; exterior is under agreement until June 30, 2016.)

The Port Authority currently generates approximately $25 million in gross advertising revenue sales from the facilities listed in the bullets above, with approximately 80% of the gross sales total generated through the airports.

ATTACHMENT E - Financial Proposal

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Your full compensation for all services rendered in connection with this Agreement will be derived from your share of the gross advertising sales. You will not be reimbursed for any out-of-pocket costs incurred in connection with any task related to the performances of the duties contained in the Scope of Work.

The Port Authority to itself may construct or have constructed infrastructure at its facilities that may be also suitable for the placement of advertising. In such a cases the Port Authority reserves the right to negotiate with the Contractor a different arrangement for compensation to the Authority than is set forth in this Contract.

ATTACHMENT F - Contractor's officers and staff

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ATTACHMENT G - Advertising Guidelines - Abstract

No advertising material shall be permitted to be displayed unless the Port Authority has given prior written approval as to the content of the material stating that it is in compliance with specific advertising guidelines that will be included in the governing agreement. It is expected that those guidelines will (1) permit only advertising promoting the sale or rental of a product (except tobacco), service or property, travel to a travel destination, or attendance at an event, and (2) prohibit advertising that is defamatory, false or deceptive, concerns illegal services or products, violates proprietary rights, includes images of human nudity or is otherwise material inappropriate for general public view as will be specifically described in the agreement. The guidelines will include provisions for internal Port Authority review procedures as to any denial of approval based on content.

ATTACHMENT H - Olympic 2012 Agreement

Note: Contractor's are hereby given notice that the attached agreement shall be in force in the event that New York City is chosen to host the 2012 Olympic Games.

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew Kimball

Title: Director of Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael Melkus
for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/28/04

APPROVED	
TERMS	FORM
UB	

Schedule A

LaGuardia Airport Inventory Count
867-LGA Sellable Faces
460-LGA Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

John F. Kennedy Airport Inventory Count
1342-JFK Sellable Faces
728-JFK Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6

ATTACHMENT I - SCHEDULE G—FACILITY TRAFFIC

Schedule G - Facility Traffic*

TUNNELS AND BRIDGES

tbound Traffic)	2004	2003
rossings		
Automobiles	115,219,000	112,869,000
Buses	3,123,000	3,041,000
Trucks	8,205,000	7,910,000
Total vehicles	126,547,000	123,820,000
George Washington Bridge		
Automobiles	49,377,000	48,354,000
Buses	606,000	594,000
Trucks	4,219,000	4,023,000
Total vehicles	54,202,000	52,971,000
Lincoln Tunnel		
Automobiles	18,541,000	18,120,000
Buses	2,051,000	1,973,000
Trucks	1,141,000	985,000
Total vehicles	21,733,000	21,078,000
Holland Tunnel		
Automobiles	16,353,000	15,790,000
Buses	221,000	232,000
Trucks	389,000	544,000
Total vehicles	16,963,000	16,566,000
Staten Island Bridges		
Automobiles	30,948,000	30,605,000
Buses	245,000	242,000
Trucks	2,456,000	2,358,000
Total vehicles	33,649,000	33,205,000
Cumulative PA Investment in Tunnels and Bridges (In thousands)	$ 2,877,063	$ 2,633,246

PATH

	2004	2003
Total passengers	57,768,000	47,920,000
Passenger weekday average	194,000	160,000
Cumulative PA Investment in PATH (In thousands)	$ 2,343,740	$ 2,170,285

MARINE TERMINALS

	2004	2003
All Terminals		
Containers	2,401,042	2,231,931
General cargo (a) (Metric tons)	25,474,164	23,538,926
New Jersey Marine Terminals		
Containers	2,084,590	1,903,367
New York Marine Terminals		
Containers	316,452	328,564
Cumulative PA Investment in Marine Terminals (In thousands)	$ 2,338,597	$ 2,078,759

AIR TERMINALS

	2004	2003
Totals at the Three Major Airports		
Plane movements	1,112,800	1,020,000
Passenger traffic	93,823,100	83,669,800
Cargo-tons	2,796,900	2,722,800
Revenue mail-tons	194,200	188,400
John F. Kennedy International Airport		
Plane movements	308,400	268,400
Passenger traffic		
Domestic	20,088,400	16,436,900
International	17,429,700	15,299,600
Cargo-tons	1,787,500	1,734,900
LaGuardia Airport		
Plane movements	383,000	360,000
Passenger traffic		
Domestic	23,119,300	21,435,300
International	1,295,600	1,047,500
Cargo-tons	14,100	12,300
Newark Liberty International Airport		
Plane movements	421,400	391,600
Passenger traffic		
Domestic	23,040,100	21,781,900
International	8,850,000	7,668,600
Cargo-tons	995,300	975,600
Cumulative PA Investment in Air Terminals (In thousands)	$ 9,863,413	$ 9,454,165

TERMINALS

	2004	2003
All Bus Facilities		
Passengers	70,687,400	69,427,600
Bus movements	3,528,800	3,446,700
Port Authority Bus Terminal		
Passengers	56,335,000	55,925,000
Bus movements	2,253,400	2,237,000
George Washington Bridge Bus Station		
Passengers	7,394,400	6,817,600
Bus movements	332,400	303,700
PATH Journal Square Transportation Center Bus Station		
Passengers	6,958,000	6,685,000
Bus movements	943,000	906,000
Cumulative PA Investment in Bus Facilities (In thousands)	$ 735,604	$ 698,449

	2004	2003
Total Port Authority Cumulative Invested in facilities, including the above (In thousands)	$ 21,141,528	$ 19,866,282

(a) International oceanborne general cargo as recorded in the New York - New Jersey Customs District.

* Some 2003 numbers reflect revised data.

ATTACHMENT J - LETTER OF CREDIT FORMAT

LETTER OF CREDIT FORMAT

The Port Authority of New York & New Jersey
225 Park Avenue South, 12th Floor
New York, NY 10003

Date_____

Attn: CREDIT MANAGER

CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____(C)_____

At the request of _____(A)_____, we _____(B)_____ hereby open this CLEAN IRREVOCABLE LETTER OF CREDIT NO. _____(C)_____ in your favor up to an aggregate of _____(D)_____ U.S. Dollars, available by your draft(s) on us at sight.

We warrant to you that all your drafts under this CLEAN IRREVOCABLE LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) drawn on us and presented to us at _____(E)_____ on or before the expiration date set forth below or future expiration date as indicated below. Our obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent upon reimbursement thereto, or upon our ability to perfect any lien or security interest.

All drafts must be marked "Drawn Under _____(B)_____ Letter of Credit No. ___(C)____ dated _____". Partial drawings under this Letter of Credit are permitted.

This CLEAN IRREVOCABLE LETTER OF CREDIT expires at the close of business on _____(F)_____
This CLEAN IRREVOCABLE LETTER OF CREDIT shall be automatically extended without amendment for additional periods of one (1) year from the present or each future expiration date unless we have notified you in writing not less than sixty (60) days before such date that we elect not to extend the Letter of Credit for such additional period, such notice to be sent by registered or certified mail to you at the address herein. Upon receipt by you of such notice you may draw on us at sight for the balance remaining in this Letter of Credit within the then applicable expiration date, no statement required.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

_____
BANK OFFICER/REPRESENTATIVE

LEGEND:
A – INSERT APPLICANT NAME, I.E. TENANT OR LESSEE NAME
B – INSERT NAME OF ISSUING BANK
C – INSERT L/C IDENTIFICATION NUMBER
D – INSERT DOLLAR VALUE OF INSTRUMENT
E – INSERT EXACT ADDRESS OF LOCAL BANK BRANCH
F – INSERT EXPIRATION DATE OF LEASE PLUS 180 DAYS

*** Please instruct your Bank to have the Letter of Credit issued in the above format in "Draft" form and fax to Michael Mayurnik, Credit Manger, at (212) 435-5846 for approval **PRIOR** to issuance in "Original" form. Otherwise, the Letter of Credit can be rejected. If you are in need of further assistance, Mr. Mayurnik can be reached at (212) 435-5838. ****

The successful Proposer(s) may be required to submit a refundable security deposit in the form of a Letter of Credit, issued by an accredited financial institution in an estimated amount of two months of revenue, to demonstrate the proposers financial ability to perform the tasks associated with this Contract.

ATTACHMENT K - PERFORMANCE AND PAYMENT BOND FORMAT

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned[2] Contractor and surety company (or companies), as principal and surety (or sureties), respectively,

Contractor	Surety

2 Insert names of the Contractor and surety company (or companies) in the appropriate columns. If space is insufficient add rider.
If the Contractor is a corporation, give the state of incorporation, using also the phrase "a corporation organized under the laws of _____".
If the Contractor is a common law joint venture or a partnership, give full names of partners, using the phrase "co-partners doing business under the firm name of _____".
If the Contractor is an individual using a trade name, give individual name, using also the phrase "an individual doing business under the trade name of _____.".

are hereby held and firmly bound unto The Port Authority of New York and New Jersey (herein called the "Authority") in the penal sum of

_____ Dollars

and _____ Cents ($ _____.), for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, representatives, executors, administrators, successors and assigns. Each surety, however, if there is more than one, shall be jointly and severally liable for said penal sum.

Signed this _____ day of _____ 20

The condition of the above obligation is that

WHEREAS, the above named principal has entered into a Contract in writing with the Authority, a copy of which is hereby made a part of this bond as though herein set forth in full and which is designated Contract _____ and

WHEREAS, the Authority has required this bond for the faithful performance of all construction obligations imposed by said Contract on the Contractor and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said construction;

NOW, if the said principal shall well and faithfully do and perform the things agreed by him/her to be done and performed according to the terms and true intent and meaning of said Contract and if all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract are paid, then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that, provided the sureties shall comply with the provisions hereof, the aggregate liability of all sureties for any and all claims hereunder shall in no event exceed the penal amount of this obligation as hereinbefore stated.

This undertaking is for the benefit the Authority and all subcontractors, materialmen and workmen having lawful claims arising out of the performance of said construction obligations of the Contractor under the Contract, and all such subcontractors, materialmen and workmen (as well as the Authority itself) shall have a direct right of action upon this bond; but the rights and equities of such subcontractors, materialmen and workmen shall be subject and subordinate to those of the Authority.

The sureties, for value received, hereby stipulate and agree that the obligations of said sureties and their bond shall be in no way impaired or affected by any extensions of time, modification, omission, addition or change in or to the said Contract or the construction to be performed thereunder by the Contractor, or by any supervision or inspection or omission to supervise or inspect the construction, or by any waiver of any provision or condition thereof (whether precedent or subsequent), or by any assignment, subletting or other transfer thereof or of any part thereof or of any construction to be performed or any moneys due or to become due thereunder; and said sureties do hereby waive notice of any and all of such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts and transfers, and hereby expressly stipulate and agree that any and all things done and omitted to be done by and in relation to assignees, subcontractors and other transferees shall have the same effect as to said sureties as though done by or in relation to said principal.

The sureties shall give the General Counsel of the Authority the following notices:
Written notice of an intent to pay any claim of a subcontractor, materialman or workman hereunder;
Written notice within five days of the institution of an action by a subcontractor, materialman or workman hereunder.
The sureties shall not pay the claim of any subcontractor, materialman or workman hereunder until the expiration of thirty days after receipt by said General Counsel of notice under either subparagraph A or B above, describing the claim to be paid.
IN WITNESS WHEREOF, the principal and the sureties have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

_____
Principal

(Seal) By[3]

_____

_____
Surety

By[4] _____

APPROVED AS TO ACCEPTABILITY OF SURETIES:

_____
Credit Manager

_____20

[3] If bond is signed by an officer or agent, give title; if signed by a corporation, affix corporate seal.
[4] Add signatures of additional sureties, if any.

THE PORT AUTHORITY OF NY & NJ

PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FLOOR
JERSEY CITY, NJ 07302

August 16, 2012

VIA EMAIL: Bernard.Parisot@JCDecauxna.com

Bernard Parisot
President & Co-Chief Executive Officer
JCDecaux Airport, Inc.
3 Park Avenue, 33rd Floor
New York, NY 10016

RE: AGREEMENT WITH JCDECAUX AIRPORT, INC. ("JCDECAUX") (THE "AGREEMENT") FOR ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS; CONTRACT #R000007920; OPTION 1

Dear Mr. Parisot:

Pursuant to the Agreement between the Port Authority and JCDecaux dated August 15, 2005, the Port Authority hereby extends the referenced Agreement for the five-year option period effective September 1, 2015 to August 31, 2020.

Furthermore, the Agreement is hereby amended by the following provisions:

1. JCDecaux shall pay $5.0 Million to the Port Authority of New York and New Jersey (the "Port Authority") upon complete execution of this amendment letter;

2. The Port Authority approves, in concept, the installation by JCDecaux of digital advertising fixtures at Newark Liberty International Airport and LaGuardia Airport, subject to approval by the parties to this Agreement on specific locations and standard airline review processes;

3. Subject to the approval of the New Jersey Department of Transportation, the Port Authority agrees, conceptually, to the installation by JCDecaux of digital advertising billboards at three locations – the Holland Tunnel NJ portal, the Lincoln Tunnel helix, and the George Washington Bridge NJ Lower Level approach – as described in Exhibit C of JCDecaux's letter dated June 19, 2012;

4. Subject to all required permits and approvals and the terms of the Agreement, the Port Authority agrees to the installation of one static sign on the Lincoln Tunnel ventilation building at the West Side Highway/39th Street of New York City;

5. The Port Authority will cooperate with JCDecaux to facilitate the issuance and approval of all necessary permits for the installations noted above. Should installation at one or several sites be

denied the necessary permits and approvals by relevant authorities, the Port Authority will cooperate with JCDecaux to find suitable alternative sites;

6. JCDecaux's advertising rights at the World Trade Center Transportation Hub site will continue until the later of August 31, 2015 or the closing of the North Temporary Access Station.

7. The Port Authority agrees to consider further advertising opportunities with JCDecaux for locations at the new PATH Transit Hall within the PATH fare zone.

8. JCDecaux acknowledges that the Port Authority has entered into an extension agreement with CBS Outdoor Group, Inc. ("CBS Outdoor") to place a "media mesh" billboard on the exterior of the Port Authority Bus Terminal. This agreement shall expire on December 31, 2018 and the exterior of the Port Authority Bus Terminal shall not be phased into the Agreement until January 1, 2019, unless the agreement with CBS Outdoor is further extended or supplemented.

Except as specifically modified by the foregoing provisions, all other terms and conditions of the existing Agreement shall remain unchanged and in full force and in effect.

Your facility contact is Roy Bickley, who can be reached at (212) 435-6542. If you have questions regarding this amendment, please contact James Summerville, Pr. Contracts Specialist, at 201-395-3454 or jsummerville@panynj.gov.

Please signify your concurrence by signing at the lower left and returning a signed copy of this letter to the attention of James Summerville.

Sincerely,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: Lilian Valenti

Lilian Valenti

Title: Director, Procurement Dept.

Dated: 8/21/2012

Agreed:

JCDECAUX AIRPORT, INC.

By:

Name: Bernard Parisot

Title: co-CEO

Dated: 08/16/2012

DISPLAY AGREEMENT

THIS DISPLAY AGREEMENT (the "Agreement") is dated as of October 26, 2010 by and among CBS OUTDOOR GROUP INC., a Delaware corporation, whose address is 405 Lexington Avenue, New York, NY 10174 (hereinafter referred to as "CBS" or "Permittee"), GARAGE MEDIA NY LLC, a New York limited liability company (hereinafter referred to as "G-M"), as agreed to and acknowledged by THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, whose address is 225 Park Avenue South, New York, NY 10008 (hereinafter referred to as "PA"). The PA, CBS and G-M may hereinafter be collectively referred to as the "Parties" and individually as a "Party."

WHEREAS, CBS and PA have entered into that certain Permit Agreement, dated May 20, 1996, as amended by that certain Supplemental Agreement No. 1 dated as of May 4, 2004 and that certain Supplemental Agreement No. 2 dated as of October 26, 2010 (collectively, the "Master Agreement"), whereby CBS has the permission to install, place, maintain and operate outdoor advertising signs and spectacular displays along the exposed steel facade of the exterior of the Port Authority Bus Terminal located at 625 8th Avenue, New York, NY (the "Facility"); and

WHEREAS, pursuant to Section 7 of the Master Agreement, CBS has the right to license its rights under the Master Agreement (the "CBS Rights") to a third party with the prior approval of PA; and

WHEREAS, G-M and CBS desire to enter into an agreement whereby G-M would license the CBS Rights and install a Mediamesh® digital display (the "Sign") and other ancillary equipment associated therewith (collectively, the "Equipment") at the Facility in order to advertise digital signage ("G-M Work");

NOW, THEREFORE, in consideration of mutual covenants and conditions as herein contained and other good and valuable consideration, the Parties agree as follows:

1. Conflict. The terms and conditions of the Master Agreement are hereby incorporated into this Agreement. If there is any conflict between this Agreement and the Master Agreement, the terms of this Display Agreement shall control. Notwithstanding anything to the contrary herein, all of the terms and conditions of the Master Agreement, shall apply to this Agreement with G-M being replaced for CBS therein as the Permittee, except for Sections 2, 4, 6, 15, 20, 30, 38 and 39, which shall not apply except to the extent specially set forth herein to the contrary. Nothing contained herein shall affect, impair, diminish, or change any of the duties, responsibilities, liabilities and obligations imposed on CBS under the Master Agreement; except as specifically set forth herein or in the Supplemental Agreement No. 2 of the Master Agreement.

2. Right. For and during the Term (as defined herein) of this Agreement, with the approval of PA as demonstrated by PA's execution of this Agreement, CBS hereby grants to G-M the right to install and operate the Sign and the Equipment at the Facility to display digital

advertising. The Parties specifically understand, acknowledge, and agree, if and to the extent that any right or privilege granted to G-M hereunder is greater than that granted by PA to CBS under the Master Agreement, the greater right and privilege is granted to G-M under this agreement directly by PA, and not by or through CBS.

3. Term. The Term of this Agreement shall commence on the date hereof (the "Commencement Date") and shall expire on the earlier of: (a) the date of expiration or earlier termination of the Master Agreement, (b) December 31, 2018, or (c) upon termination of this Agreement (as the case may be, the "Expiration Date").

4. License Fee.

(a) G-M shall pay to CBS the guaranteed revenue fee ("Fee") as set forth on Exhibit A attached hereto per license year to be paid monthly, without setoff or notice, on the first of every calendar month during the Term hereof. Fee payments shall commence the earlier of: (a) four (4) full calendar months after the drawings, plans and other specifications for the Sign and the Equipment are approved by PA and CBS; (b) the date following the completion of G-M's Work as the PA may designate to CBS as the date on which public operation may be commended for G-M's Work; or (c) December 31, 2010; provided that in the event the Sign is not operational by December 31, 2010, the payment of the Fee shall be deferred until such time as the Sign is operational, provided however, such deferral shall not exceed sixty (60) days.

(b) In addition to the Fee, bonus revenue shall be calculated by G-M and CBS in accordance with Section 10 and the parameters set forth on Exhibit B (the "Bonus Revenue") and payable as follows: (i) sixty (60) days following the quarter in which any of the annual thresholds set forth on Exhibit B are achieved and exceeded by G-M as evidenced by the quarterly statements required pursuant to Section 10 hereof; and (ii) sixty (60) days following the fourth quarter for any additional Bonus Revenue earned in any year where the threshold had previously been achieved and exceeded in an earlier quarter of that respective year.

5. Security. (a) Prior to the earlier of (i) ten (10) days after the date hereof or (ii) the date G-M commences installation of the Sign and/or Equipment, G-M shall deliver to CBS as security of the performance by G-M of all its obligations hereunder an irrevocable letter of credit drawn by a bank reasonably acceptable to CBS in a form reasonably acceptable to CBS in the amount equal to Six Hundred Thousand and 00/100 Dollars ($600,000.00).

(b) PA and CBS hereby subordinate their interest in the Sign and the Equipment to a lender, lessor, or other financer of G-M ("Lender"). The financing agreement between G-M and Lender has been submitted to PA and CBS for their approval (and such approval is hereby given) ("Lender Financing Agreement"). In the event of a G-M default pursuant to the terms and conditions of a loan, lease, or other financing arrangement G-M receives from its Lender whereas Lender forecloses on its security interest (or otherwise divests G-M from any or all of its right, title, or interest) in the Sign and the Equipment, Lender shall have the option to (i) remove the Sign and the Equipment and restore the Facility to its condition prior to any installation in accordance with the terms of the Master Agreement or (ii) continue to operate the Sign and the

Equipment and assume all obligations of G-M as outlined herein, including but not limited to, the payment to CBS of all Fees and Bonus Revenue.

(c) In the event that CBS terminates or breaches this Agreement or the Master Agreement, CBS shall promptly transfer the Security to PA.

6. Removal of Existing Advertising Display at the Facility. Prior to the installation of the Equipment, G-M shall be, at its sole cost and expense, responsible for the removal and disposal of the existing advertising display at the Facility façade and any damage caused by the removal thereof.

7. Installation, Maintenance and Removal of the Equipment. The Facility shall be accepted in "as is" condition without any obligation of the PA or CBS to prepare or construct the Facility for the permitted use. G-M shall furnish to PA, copying CBS, copies of drawings, plans and other specifications necessary to detail the location and size of the Sign and all Equipment to be installed at the Facility. Such submissions or any approvals or rejections shall be subject to the prior written approval of the PA, to the extent required by the Master Agreement. G-M's submission or any approvals or rejections shall impose no liability or responsibility on the PA or CBS. Submissions shall be made to PA, copying CBS within thirty (30) days from the execution of this Agreement. Any resubmissions required by PA shall be made to PA, copying CBS, within fifteen (15) days from notification to G-M of the changes required by PA. G-M is responsible, at their cost, for the partial removal of the existing grid. CBS and PA shall provide to G-M with copies of all readily available plans, drawings and specifications with respect to the existing grid in order to enable G-M to complete such removal efficiently and expeditiously.

In addition to the installation of the Sign and Equipment, PA hereby approves the installation of the architectural lighting scheme, subject to PA's Tenant Alteration Application process, at G-M's cost, as set forth on Exhibit E hereto. It is understood that such lighting will provide visual support for the Sign and illuminate approximately 25,000 square feet of steel structure on the "X" bracing trusses. It is hereby agreed that the mounting of the light fixtures and the painting of the steel trusses by PA will be coordinated between PA and A2a MEDIA, Inc., subject to G-M's prior approval of the costs incurred.

As of the date hereof, G-M will be responsible for purchasing, delivering, installing, assembling, and maintaining the Sign and the Equipment, at no cost to the PA or CBS; provided, that the installation of the Sign and Equipment shall be subject to the reasonable requirements and approval of the PA. G-M will install the Sign and the Equipment, including all its necessary components to provide digital advertising at the Facility within the earlier of (i) one hundred and fifty (150) days after the date hereof; or (ii) March 31, 2011, subject to any Force Majeure Event (as hereinafter defined). In addition, G-M will procure, at its sole cost and expense, all licenses, certificates, permits and other authorizations necessary for the conduct of its operations hereunder from all governmental authorities having jurisdiction over such operations. It being expressly understood by all parties that G-M shall not procure any licenses, certificates, permits and other authorizations from the New York City Department of Buildings, including but not limited to any permits to construct, install and maintain the Sign and Equipment. PA and CBS

each agrees to cooperate, at no expense or cost to PA or CBS, with G-M in its procurement of such licenses and certificates.

PA acknowledges and agrees that the nature of the Sign and the Equipment render it not feasible of being relocated without significant expense and interruption of service, and accordingly, absent an emergency, PA agrees that it shall not request the relocation of the Sign and Equipment. In the event G-M agrees to a relocation requested by PA pursuant to the provisions of Section 3(b) of the Master Agreement, (a) no Fee or Bonus Revenue shall be due and payable to CBS appropriately allocable for period the Sign is not illuminated as a result of relocation; (b) PA shall be solely responsible for reimbursing (or paying) the costs of deinstalling the Sign and/or Equipment, of reinstalling the Sign and/or Equipment, regardless of whether the relocation is performed by CBS, PA, or G-M; and (c) all deinstallation and reinstallation shall be performed by the Sign's manufacturer/GKD-USA, Inc. However, if G-M earns revenue from an advertiser during a relocation, the appropriately prorated Fee and the applicable Bonus Revenue shall be due and payable to CBS.

G-M shall otherwise comply with all applicable Facility regulations or requirements in performing any of its responsibilities under this Agreement, including but not limited to any requirements with regard to employees and agents as well as the Equipment to be installed hereunder.

G-M shall, at G-M's sole cost and expense, maintain the portions of the Facility used by the Sign and Equipment in good, clean and safe condition and make all necessary nonstructural repairs thereto within forty-eight (48) hours of receiving notice from the PA and/or CBS; provided, however, no prior notice shall be required in the event of an emergency.

In the event of early termination of this Agreement before the Expiration Date for any reason whatsoever, G-M shall remove the Sign and the Equipment from the Facility and shall restore the Facility to accept a new advertising display of like character and form as the existing advertising display within forty-five (45) days of the date of termination of this Agreement; provided that upon any revocation or termination by PA without cause, PA shall not enter into any agreement with any party, including but not limited to CBS, to provide same or similar display technology as G-M through term of this Agreement.

8. Electricity at the Facility. Subject to Section 21 of the Master Agreement, PA shall furnish and supply to G-M and G-M shall take and pay for, in reasonable quantities, the supply of electricity to be made available by the PA to G-M at such points at the Facility as PA shall designate for connection to its various electrical distribution systems; provided, however, that given the nature of the Sign and the Equipment, PA shall cooperate with G-M in assuring adequate connection points and power supply; provided, however, that there shall be no right to suspend providing any services pursuant to Section 21(f) of the Master Agreement unless notice has been provided to G-M and, in the case of a default in respect of the failure to pay an amount due under by G-M, G-M shall not have cured the default within 10 business days of receipt of such notice or, in the case of any other default, G-M shall not have immediately upon receipt of such notice commenced taking all reasonable steps to cure the default, and continue therewith until a cure is effected. The PA shall have no responsibility for the distribution of electrical

current at the Facility or for the maintenance therein of any electrical usage. The quantity of electricity used by G-M shall be metered by the PA and paid for by G-M. G-M shall be invoiced for its electricity use and shall submit payment within fifteen (15) days of receipt of invoice. Notwithstanding that the PA has agreed to supply electricity to G-M, the PA shall be under no obligation to provide or continue such service if the PA is prevented by law, agreement or otherwise from metering as hereinabove set forth or elects not to so meter the same, then in any such event G-M shall make all arrangements and conversions necessary to obtain electricity directly from the public utility; provided, that PA and CBS shall reasonably cooperate, at no expense or cost to CBS or PA, with G-M in any actions taken in order to facilitate obtaining electricity from a public utility. Upon reasonable prior notice to G-M, PA shall have the right to temporarily discontinue the supply of electricity when necessary or desirable in the opinion of the PA in order to make repairs, alterations, changes or improvements in the Facility; provided, however, that if such disruption in electricity shall endure for a twenty-four (24) hour period, the Fees payable hereunder appropriately allocable to the period of disruption shall be proportionately reduced, and, further, except in emergencies, all such activities shall be scheduled in full consultation with G-M and so as not to unduly interrupt Sign activities.

9. Advertising Restrictions.

(a) All advertising copy or material to be displayed at the Facility shall be subject to the written approval of the PA. G-M shall immediately remove any advertising copy or material if notified by the PA for which approval has not been given. G-M agrees to display public service announcements during any time in which G-M has no agreements with advertisers (a "Sublicense Agreement") contracted to display copy on the Sign. G-M agrees to only enter into arms' length transactions, and no barters or bonus space will be allotted at the Facility. In addition to the foregoing, G-M agrees to preempt the display of copy in order to utilize the Sign for public service messages in connection with (a) an Amber Alert, or (b) the request of any Federal, State or local authority, any public emergency (including but not limited to emergencies related to homeland security); provided, however, that if such preemption shall endure for more than a twenty-four (24) hour period, the Fees payable hereunder Fees payable hereunder appropriately allocable to the applicable period shall be proportionately reduced.

(b) In the event CBS intends to install any advertising signs along the exposed steel façade of the Facility, it shall give G-M thirty (30) days advance notice of its intention to do so. Such installation shall be subject to G-M's written approval, not to be unreasonably withheld, delayed or conditioned, it being the intention of the parties that any CBS signs shall in no way unreasonably or materially interfere with the use of G-M's sign or equipment or adversely effect its value

10. Quarterly Statements. Within twenty (20) days of the end of each whole quarter of the Term, G-M shall submit to CBS a written statement reflecting the total revenue earned by G-M for its operation of the Sign for such period evidenced solely by invoices issued by G-M, less commissions actually paid, not to exceed sixteen and sixty-six hundredths percent (16.66%), at the Facility (the "Gross Revenue") from the immediately preceding quarterly period.

11. Annual Certified Statement of Revenue. G-M shall submit to CBS on or before the date which is forty-five (45) days after the end of each license year, a complete statement showing clearly, accurately and in reasonable detail the Gross Revenue during the immediately preceding license year and the total Bonus Revenue that is payable to CBS for that license year. Such statement shall be certified by an independent certified public accountant or an authorized officer of G-M.

12. Record Keeping. G-M agrees to keep, retain and preserve at its notice address as set forth in Paragraph 25 of this Agreement or at such other principal place of business as designated by G-M to CBS in writing, for at least three (3) years after the expiration of the respective license year of the Term, all sales records, checks and other pertinent records of each transaction or accurate and legible copies of same, complete accurate books and records (including but not limited to copies of all Sublicense Agreements) in accordance with generally accepted accounting practices of all sales and service as well as all other data or facts necessary to determine or verify Gross Revenue and the Bonus Revenue hereunder.

13. Audit. CBS may, at its own expense, conduct an audit of the books and records of G-M pertaining to the operations of the Sign at the Facility and any other documents relevant to any statement G-M is required to submit to CBS, including but not limited to Sublicense Agreements (the "CBS Audit"). If the CBS Audit demonstrates that G-M has underpaid CBS the Bonus Revenue (a "Deficiency"), CBS shall promptly notify G-M in writing the details of such Deficiency (the "Notice of Deficiency"). If G-M does not dispute the Deficiency within thirty (30) days, G-M shall pay to CBS (i) an amount equal to the Deficiency and (ii) all audit expenses incurred by CBS in the event that the Deficiency in the amount of Gross Revenue is more than five percent (5%) of the amount of Bonus Revenue reported by G-M. In the event G-M disputes the CBS Audit, an independent auditor (the "Auditor") shall be appointed by the mutual agreement of each of the CBS and G-M within thirty (30) days following the expiration of the thirty (30) day period referred to above. For the purpose of performing the audit, the Auditor shall be given access to, and may review, subject to appropriate confidentiality arrangements, all books, records and information reasonably available to G-M, and applicable to such determination. The Auditor shall prepare and submit its written determination as to the existence of a Deficiency (the "Audit Report"). If the CBS and G-M are unable within that thirty (30) day period to agree on an Auditor, then the each of G-M and CBS shall appoint an Auditor within an additional fifteen (15) day period. If either party does not appoint an Auditor in such period, the other party's appointed Auditor shall solely be responsible for the determination of the existence of a Deficiency. Each Auditor shall submit a written report. Each of the Auditors' reports shall be submitted to a third independent auditor appointed by the American Arbitration Association who shall be permitted to determine the existence and the amount of a Deficiency based on the Audit Reports. The determination of the existence of a Deficiency pursuant to the foregoing procedures shall be conclusive and binding on the parties. The parties shall pay the fees and expenses of any Auditor designated or appointed by the parties that submitted an Audit Report in accordance with this Section 13; provided, that if it is determined that a Deficiency reported by G-M to CBS is more than five percent (5%) of the amount of Bonus Revenue reported by G-M, all audit expenses incurred by CBS shall be paid within 30 days to CBS by G-M.

14. Indemnification. G-M shall indemnify, hold harmless and defend the PA and CBS and their respective parents, subsidiaries and affiliates, commissioners, principals, partners,

members, agents, trustees, shareholders, officers, directors and employees and their respective successors and assigns (collective "Indemnified Parties") from and against any and all claims, actions, damages, liability and expense, including but not limited to attorneys and other professional fees, in connection with personal injury or damage to property and all other claims arising from or alleged to arise from or out of the use by or occupancy of G-M of the Facility or wholly or in part by (i) an act or omission of G-M, or any of its subsidiaries, or its respective officers, agents, representatives, contractors or employees or persons doing business with or on behalf of G-M, (ii) installation or removal of and/or the existence of the Sign or any Equipment at the Facility, or (iii) a breach of G-M's obligations under this Agreement or the Master Agreement. If so directed, G-M shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling the same it shall not, without obtaining express advance permission from the General Counsel of the PA, raise any defense involving in any way the jurisdiction of the tribunal over the person of the PA, the immunity of the PA, its Commissioners, officers, agents or employees, the governmental nature of the PA, or the provisions of any statutes respecting suits against the PA.

(b) CBS shall indemnify, hold harmless and defend G-M and its parents, subsidiaries and affiliates, commissioners, principals, partners, members, agents, trustees, shareholders, officers, directors and employees and their respective successors and assigns, including, without limitation, Lender and its successors and assigns (collective "G-M Indemnified Parties") from and against any and all claims, actions, damages, liability and expense, including but not limited to attorneys and other professional fees, in connection with any default or breach by CBS of its existing obligations under the Master Agreement (except as the same are obligations of G-M under this Agreement), arising from or alleged or in part by (i) an act or omission of CBS, or any of its subsidiaries, or its respective officers, agents, representatives, contractors or employees or persons doing business with or on behalf of CBS, or (ii) a breach of CBS's obligations under this Agreement or the Master Agreement.

15. Disclosure. Except to the extent as may be necessary to disclose to a governmental agency or as required by law and except for confidential disclosures to Lender and its financing sources, the Parties each agree not to disclose the terms of this Agreement to any third parties without the consent of the remaining Parties. Each Party shall keep confidential all information obtained by that respective Party pursuant to this Agreement.

16. Insurance and Indemnification. G-M shall procure and maintain comprehensive public liability insurance, including automotive, bodily-injury (including death), property-damage liability and premises-operation, or if the work is to be done by an independent contractor, G-M shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth below:

(a) Bodily Injury Liability:

i.	For injury or wrongful death to one person:	$2,000,000.00
ii.	For injury or wrongful death to more than one person from any one accident:	$2,000,000.00

(b) Property damage liability (for all damages arising out of injury or destruction of property in any one accident: $2,000,000.00

Each such policy shall include a contractual liability endorsement covering the indemnity obligations assumed by G-M pursuant to the provisions of this Agreement. The PA and CBS and Lender shall be named as additional insured of any policy as their respective interests shall appear, and each such policy shall contain an endorsement providing that the protection afforded G-M with respect to any claim or action against G-M by a third party shall pertain and apply with like effect with respect to any claim or action against G-M by the PA or CBS or Lender and against the PA or CBS or Lender by G-M, but such endorsement shall not limit, vary, change or affect the protection afforded the PA and CBS and Lender as additional insured, and an endorsement providing that the insurer shall not, without obtaining express advance permission from the General Counsel of the PA, raise any defense involving in any way the jurisdiction of the tribunal over the person of the PA, the immunity of the PA, its Commissioners, officers, agents or employees, the governmental nature of the PA or the provisions of any statutes respecting suits over the PA.

A certificate evidencing the existence of the policies of insurance, in a form reasonably acceptable to the PA and CBS, shall be delivered to CBS at least fifteen (15) days prior to G-M's commencement of any work at the Facility.

17. Liens. G-M shall not create, permit to be created or permit to remain and will discharge, remove or cause to be removed and discharged promptly, at its sole cost and expense, any lien, encumbrance, or charge at the Facility which arises out of or is in any way connected with the use of the Facility by G-M, its contractors, subcontractors, agents, sublicenses, licensees and invitees, except in accordance with Section 19 of the Master Agreement for any security interest or other right, title and interest granted by G-M to Lender. G-M shall indemnify and hold the PA and CBS harmless from any and all liability, judgments, decrees and costs (including but not limited to attorneys fees and costs) in connection therewith. Each of PA and CBS agrees that there shall be no lien, claim, or encumbrance on the Sign or Equipment arising by, through, or under it, and it will discharge, remove or cause to be removed and discharged promptly, at its sole cost and expense, any lien, encumbrance, or charge on the Sign or the Equipment; provided, in the event of uncured default by G-M with respect to which a judgment is entered by a court of competent jurisdiction in favor of CBS and/or PA, nothing in the foregoing shall condition, limit, or affect any judgment lien the Party obtaining the judgment shall be entitled to on the Sign or Equipment, that is subordinate to the Lender's right, title, and interest in the Sign or Equipment; provided further that CBS and/or PA shall not enforce any such lien without providing Lender thirty (30) days written notice of its intention to do so; provided further, that in the event of any uncured default by Lender with respect to which a judgment is entered by a court of competent jurisdiction in favor of CBS and/or PA, nothing in the foregoing shall condition, limit, or affect any judgment lien the Party obtaining the judgment shall be entitled to on the Sign or Equipment.

18. Force Majeure.

(a) CBS shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of CBS. Further, CBS shall not be liable unless the failure, delay or interruption shall result from failure on the part of CBS to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

(b) G-M shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of G-M (a "Force Majeure Event"). Further, G-M shall not be liable unless the failure, delay or interruption shall result from failure on the part of G-M to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption. During a Force Majeure Event, no Fee or Bonus Revenue shall be due and payable to CBS appropriately allocable for the period the Sign is not illuminated, is inoperable and/or the view from the Sign is materially obstructed; provided, however, if G-M earns revenue from an advertiser during a Force Majeure Event, the appropriately prorated Fee and the applicable Bonus Revenue shall be due and payable to CBS.

(c) As used herein, "causes or conditions beyond the control" shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which the respective party is not responsible, terrorist attacks, disruption in electrical services, injunctions, labor troubles or disputes of every kind and, in general, any other conditions or circumstances whether similar to or different from the foregoing which are beyond the control of the respective party or which could not be reasonably foreseen and prevented, or remedied, by reasonable effort and at reasonable expense.

19. Defaults and Remedies. G-M shall be considered to be in default of this Agreement upon the occurrence of any of the following events ("Events of Default"): (a) in the event that no advertising copy or public service announcements are displayed on the Sign or the Sign is not illuminated for thirty (30) consecutive days, except in the event of a Force Majeure Event; (b) G-M's failure to pay when due all or any portion of the Fee, which failure to pay is not cured within five (5) business days of receipt of notice of the payment being delinquent ("Monetary Failure"); (c) G-M's failure, other than a Monetary Failure, to comply with any term, provision or covenant of this Agreement, if such failure is not cured within ten (10) business days after written notice to G-M or sooner if required by PA or, if failure of a nature that cannot be cured within such period, G-M fails to diligently pursue a cure and actually cure the default within sixty (60) days of such notice; or (d) in the event that a petition shall be filed by or against G-M to declare G-M bankrupt or to delay, reduce or modify G-M's debts or obligations or if G-M is declared bankrupt or deemed bankrupt or insolvent, or if any assignment of G-M's property shall be made for the benefit of creditors, or if a receiver or trustee is appointed for G-M, and any such filing, proceeding, assignment or other action that is involuntary continues unstayed or undismissed for 60 days after the commencement thereof (collectively, "Events of Default").

Upon any Event of Default, CBS shall have the right, in its sole and reasonable discretion, to take either or both of the following actions: (i) to terminate this Agreement and require G-M to remove the Sign and the Equipment from the Facility and restore the Facility,

including the restoration of the existing advertising display, to its original condition within sixty (60) days of the date of the termination of this Agreement; and (ii) to make one or more draws upon the letter of credit serving as Security in an amount or amounts in the aggregate equal to the amount of any past due Fee or Bonus Revenue and any and all other losses or damages (including, without limitation attorneys fees) suffered by CBS as a result of such Event of Default. G-M shall pay CBS on demand the amount of any past due Fee or Bonus Revenue and any and all other losses or damages (including, without limitation attorneys fees) suffered by CBS as a result of the Event of Default. In the event CBS elects to terminate this Agreement, at CBS' sole option, any Sublicense Agreements shall terminate effective as of the date CBS elects to terminate this Agreement. Notwithstanding the foregoing upon an Event of Default hereunder and termination, at the sole election of CBS, G-M's interest under the Sublicense Agreements shall be deemed to have automatically been assigned to CBS and CBS shall have the right to receive 100% of any revenue or fees payable to the sublicensee under any Sublicense Agreement. The aforesaid remedies shall be in addition to any other remedies available to CBS under the law of the State of New York and CBS' right to require removal of the Sign pursuant to this Agreement.

Subject to G-M's rights and obligations under the last paragraph of Section 7, G-M hereby expressly waives any and all defenses to any action by CBS or PA to recover possession of the Facility for any Event of Default continuing G-M hereunder.

20. Termination Fee. In the event PA elects to terminate the Master Agreement the "Unamortized Capital Cost" which PA shall pay to G-M (and which payment obligation will be absolute and unconditional upon the date of such termination) will be the sum of the unamortized portion of the G-M's cost basis ("Cost Basis") for the Sign and Equipment plus the unamortized portion of a termination fee equal to $9,795,000 where such amounts are calculated on a straight-line amortization basis for eight (8) years beginning on the Final Acceptance Date, all as further described and stipulated to on Exhibit C attached hereto; provided, however, that if the termination is effective before the Final Acceptance Date, the termination fee shall be the sum of such amounts without amortization; and provided further, however, that such termination fee, collectively, shall not exceed $11,000,000. The Final Acceptance Date is the acceptance date of the Equipment as provided in the Equipment Agreement, by and between G-M, A2A Media, Inc., Lender and GKD USA, Inc. (the "Equipment Purchase Agreement").

21. Assignment. G-M shall not assign, sell, convey, transfer, mortgage or pledge in whole or in part this Agreement or the privileges hereunder, except for (i) the security interest and other right, title, or interest held by Lender; and (ii) upon the acquisition of G-M by a sale or other disposition of all or substantially all of the assets of the G-M or any merger, consolidation or other form of reorganization; in either case to be submitted to the PA and CBS for their prior written consent, not to be unreasonably withheld, conditioned or delayed. G-M shall not use or authorize any person to use the Facility for any other purpose except as set forth herein.

22. Representations and Warranties; Covenants.

(a) G-M hereby represents and warrants that it holds the license or sub-license to all applicable patents and trade secrets and other intellectual properties necessary for the ordinary operation of the Sign and Equipment. G-M shall indemnify and hold the PA and CBS harmless from any and all liabilities, costs and expenses (including but not limited to reasonable attorney's fees) arising from or relating to the failure of the above representations and warranties, as well as from any claim that the Sign and the Equipment provided by G-M hereunder infringes on any patent, copyright, trade secret or other intellectual property rights.

(b) G-M covenants and agrees to operate the Sign and Equipment throughout the term the Agreement in accordance with the Equipment Purchase Agreement, previously provided to PA and CBS, and as the same may be amended with the approval of PA and CBS (not to be unreasonably withheld, delayed, or conditioned).

(c) G-M shall cause Garage Media, LLC, a Connecticut limited liability company, to execute and deliver a Guaranty for the benefit of CBS and PA, as applicable, in the form attached hereto as Exhibit D.

(d) Upon the expiration and termination of this Agreement, if and only if the Expiration Date is on and as of December 31, 2018, G-M hereby covenants and agrees to: (i) exercise the option to purchase the Sign and Equipment pursuant to the agreement by and between G-M and the Lender and thereafter to transfer ownership of the Sign and Equipment to PA; (ii) assign such right to option to purchase the Sign and Equipment to PA; or (iii) in the event that G-M has previously purchased the Sign and Equipment from Lender, the ownership of the Sign and Equipment shall vest with PA AS-IS, WHERE-IS, in accordance with the terms set forth in Section 44 of the Master Agreement.

23. Independent Contractors. The Parties intend that PA, CBS and G-M shall at all times be independent contractors. No representations made by each Party shall create an agency, employment, partnership or joint venture. No Party shall be responsible for the acts or omission of the other.

24. No Joint Venture or Partnership. Nothing in this Agreement shall be construed as establishing a joint venture or partnership between PA, CBS and G-M. No Party shall have the right to enter into any agreement that binds or obligates the other Party in any way without the written consent of the other Party or as otherwise provided in this Agreement.

25. Late Charges. (a) If G-M should fail to pay any amount under this Agreement when due to CBS, including without limitation any payment of any basic or percentage rent or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, CBS may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owning to CBS as the

result of CBS' audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefore by CBS. No acceptance by CBS of payment of any unpaid amount or of any unpaid late charge or late charges payable under the provisions of this Section shall be deemed a waiver of the right of CBS to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of CBS under this Agreement or (ii) any obligations of the G-M under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum. Notwithstanding this Late Charge provision, PA's late charge provision in its Master Agreement with CBS will control the relationship between CBS and PA.

(b) Notwithstanding anything to the contrary in this Agreement, in the event that CBS shall default or cause any breach under the Master Agreement, beyond any applicable cure, notice or grace periods, PA hereby acknowledges that G-M shall succeed to all rights and obligations held by CBS, in which case: (i) PA shall be bound by (and G-M's rights and obligations shall continue to be) determined by all of the terms of this Agreement; (ii) G-M shall pay in full to PA that which it otherwise would have paid to CBS and in general otherwise perform this Agreement for PA in in the same manner and to the same extent it would have performed it for CBS; and (iii) in general, in the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control. Thus, by way of clarification and not of limitation: any defaults and termination for default shall be determined as provided under Section 19 of this Agreement and not under Section 38 of the Master Agreement; and fees to be paid by G-M to PA under this Agreement shall be the Fees and Bonus Revenue provided for in this Agreement, and not as provided in Sections 4 and 6 of the Master Agreement).

26. Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be either: (i) delivered by hand, in which event the notice shall be deemed effective when delivered; (ii) delivered by prepaid registered or certified mail, return receipt requested in which event the notice shall be deemed effective when received; or (iii) delivered by recognized overnight courier services and shall be deemed to have been received as of the regularly scheduled time for delivery established by such courier service. All notices and other communications under this Agreement shall be given to the Parties hereto at the following addresses:

G-M: Garage Media LLC NY
One Union Place
Hartford, CT 06103
Attn: Gary Neff
Facsimile: (203) 413-2933

With a copy to: Mark D. Geraghty

Steve N. Spanolios
Davidoff Malito & Hutcher LLP
650 Third Avenue, 34th Floor
New York, NY 11105
Facsimile: (212) 286-1884

CBS: CBS Outdoor Group Inc.
405 Lexington Avenue
New York, NY 10174
Attn: Richard Ament

With a copy to: CBS Outdoor Group Inc.
405 Lexington Avenue
New York, NY 10174
Attn: General Counsel

PA: Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003
Attn: Roy Bickley

The parties may designate that a notice be given to such other address as they may from time to time specify by written notice as herein provided to the other party.

27. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

28. Non-waiver. Failure by either party at any time to enforce any of the terms hereof or a breach by the other party shall not constitute a waiver of any of the provisions hereof or of subsequent breaches.

29. Governing Law, Jurisdiction, Waiver, Attorneys' Fees Counterparts, Facsimile Signatures. This Agreement is the entire agreement between the Parties and, except as otherwise provided herein, can only be changed, modified, amended or terminated by an instrument in writing executed by the Parties. The Parties hereby mutually waive their respective right to a jury trial. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. Any legal proceedings arising pursuant to this Agreement shall be instituted in, and the Parties each hereby submit themselves to the jurisdiction of the State of New York, New York County. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. For purposes of this Agreement, facsimile signatures shall be deemed originals.

[Signature Page to Follow]

IN WITNESS OF WHEREOF, the Parties have signed this Agreement as of the date hereof.

GARAGE MEDIA NY LLC

By: GARAGE MEDIA, LLC
Manager

Name: Gary Neff
Title: Member

CBS OUTDOOR GROUP INC.

Name:
Title:

AGREED TO AND ACKNOWLEDGED BY:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Name:
Title:

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

RB/RR

IN WITNESS OF WHEREOF, the Parties have signed this Agreement as of the date hereof.

GARAGE MEDIA NY LLC

By: GARAGE MEDIA, LLC
Manager

Name: Gary Neff
Title: Member

CBS OUTDOOR GROUP INC.

Name: Raymond Nowak
Title: EVP/CFO and CAO

AGREED TO AND ACKNOWLEDGED BY:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Name:
Title:

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

RB/RR

80067136.20

EXHIBIT A
Guaranteed Revenue Fee

Year 1	$600,000
Year 2	$650,000
Year 3	$700,000
Year 4	$750,000
Year 5	$800,000
Year 6	$850,000
Year 7	$900,000
Year 8	$950,000

EXHIBIT B

Bonus Revenue Share

A. In any license year where Gross Revenue is at least $3,000,000 but less than $4,500,000, G-M shall pay CBS, twenty percent (20%) of the difference between the total Gross Revenue amount and $3,000,000.

By way of an example, if G-M's Gross Revenue for any license year is $4,000,000, G-M shall pay CBS Bonus Revenue equal to $200,000.

($4,000,000 - $3,000,000) * .2 = $200,000)

B. In any license year where Gross Revenue is at least $4,500,000 but less than $6,000,000, G-M shall pay CBS, twenty percent (20%) of the difference between the $4,500,000 and $3,000,000, **plus** twenty-five percent (25%) of the difference between the total Gross Revenue amount and $4,500,000.

By way of an example, if G-M's Gross Revenue for any license year is $5,500,000, G-M shall pay CBS Bonus Revenue equal to $550,000.

(($4,500,000 - $3,000,000) * .2) + (($5,500,000 - $4,500,000) * .25) = $550,000

C. In any license year where Gross Revenue is at least $6,000,000, G-M shall pay CBS, twenty percent (20%) of the difference between $4,500,000 and $3,000,000, **plus** twenty-five percent (25%) of the difference between $6,000,000 and $4,500,000, **plus** thirty percent (30%) of the difference between the total Gross Revenue amount and $6,000,000.

By way of an example, if G-M's Gross Revenue for any license year is $7,000,000, G-M shall pay CBS Bonus Revenue equal to $550,000.

(($4,500,000 - $3,000,000) * .2) + (($6,000,000 - $4,500,000) * .25))
+ (($7,000,000 - $6,000,000 * .3)) = $975,000

EXHIBIT C

Cost Basis

In determining the Unamortized Capital Investment to be paid to G-M if and as required under this Agreement, the Cost Basis (previously or hereinafter to be incurred by or on behalf of G-M or Lender) shall is hereby agreed and stipulated to by the Parties to include, without limitation, the following:

Description	**Payee**	**Amount**
Purchase Price for the Sign/Equipment/Garage Media Work	G-M	$8,100,000
Site Reconfiguration, Remove Old Display	G-M	600,000
Professional Fees	G-M	400,000
Inspections	G-M	79,000
Pre Illumination Project Management	G-M	400,000
Network Operating Station	G-M	216,000
Total		$9,795,000

PA hereby acknowledges and agrees that of the total Cost Basis the amount described above for the Purchase Price for the Sign/Equipment/Garage Media Work has been incurred and that—subject to the sole condition that PA receives evidence of Lender's payment of the "Lessor's Basis" as provided in the Lender Financing Agreement (as the term "Lessor's Basis" is defined therein)—PA has received such evidence thereof as it may have required to document such costs and execute this Agreement with this stipulation. The "Approved Amounts" hereunder shall be proportion of the Purchase Price stated above that is equal to the proportion that (i) the amount of such payments by Lender for which such evidence of payment is so received by PA bears to (ii) the total amount of such Lessor's Basis originally stated in the Lender Financing Agreement (without, for the avoidance of doubt, giving effect to any changes therein, whether pursuant to its terms or as the same may be amended by written agreement of the parties).

After any Cost Basis (that is not Approved Amounts) is incurred (and as a condition to the incurring and/or payment thereof, if requested by G-M or Lender), PA agrees with all due haste to consider any statements detailing such Cost Basis amounts (paid or unpaid), including copies of invoices and contracts, and certified by a responsible officer of G-M, and G-M shall permit PA, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of such cost, to examine and audit the records and books of account of G-M within the Port of New York District during such time.

If G-M includes in Cost Basis (that is not Approved Amounts) any items as having been incurred but which, in the reasonable opinion of the PA, if so incurred are not items identified as elements of cost in this Exhibit C or otherwise properly chargeable to cost under sound accounting practice, then the PA will with all due haste, and in all events within ninety (90) days after receipt of said statement of cost, give written notice to G-M stating its objection to any such item and the grounds therefor (it being specifically agreed by all Parties that the purchase price for the Sign/Equipment/Garage Media Work and any other Approved Amounts are hereby stipulated to

as being Cost Basis that has been incurred (without further examination, evidence, or condition) and any other elements of Cost Basis identified in this Exhibit C, as and when incurred, shall qualify as elements of Cost Basis hereunder. If such notice is given and if the dispute is not settled within ninety (90) days of PA's notice by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by PA and G-M.

In any such arbitration as to whether any item included by G-M in its computation of cost (other than Approved Amounts) has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

> "Was all or any part of such cost incurred by G-M; and if part but not all of such cost was incurred, what was the amount which was so incurred?"

In any such arbitration as to whether any item included by G-M in its computation of Cost Basis (that is not Approved Amounts) is properly chargeable thereunder under this Agreement, the question to be submitted to the arbitrators for decision shall be as follows:

> "Can it reasonably be held that all or any part of such cost is properly chargeable under their agreement or otherwise under sound accounting practice; and if part but not all of such cost can reasonably be held to be chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such questions shall be submitted shall be accountants or auditors.

In amortizing Cost Basis as provided in this Agreement and the Master Agreement, Unamortized Cost Basis will be determined by multiplying Cost Basis by a fraction, the numerator of which shall be the 96 minus the number of whole calendar months elapsing since the Final Acceptance Date, and the denominator of which shall be 96.

Notwithstanding anything to the contrary herein contained, the Unamortized Capital Cost PA shall be obligated to pay to G-M hereunder shall not be diminished by the amount of any unsatisfied lien, mortgage or other encumbrance on the Sign and Equipment, it being agreed that the ownership of the Sign and Equipment being vested with G-M or its financer, as applicable.

For the avoidance of doubt, if there is any inconsistency between this Exhibit C and Section 26 of the Master Agreement, this Exhibit C shall be controlling, as it pertains solely to G-M.

EXHIBIT D

PARENT GUARANTY

GUARANTY

THIS GUARANTY (this "Guaranty"), dated as of October 26, 2010, is executed by GARAGE MEDIA LLC, a Connecticut limited liability company (the "Guarantor"), in favor of CBS OUTDOOR GROUP INC., a Delaware corporation ("CBS").

WHEREAS, in order to induce CBS to enter into the Display Agreement (the "Agreement"), dated as of October 26, 2010, between CBS and GARAGE MEDIA NY LLC, a New York limited liability company ("Garage Media") and to enter into that certain Supplemental Agreement with the Port Authority of New York and New Jersey ("PA") for benefit of Garage Media and Guarantor, Guarantor has agreed, subject to the terms and conditions contained in this Guaranty, to guarantee the payment and performance of all obligations, liabilities and indemnities of Garage Media now existing or hereafter arising under the Agreement (collectively, the "Obligations") and to execute and deliver this Guaranty;

WHEREAS, Guarantor will benefit, directly or indirectly, from the consummation of the transactions contemplated by the Agreement;

WHEREAS, each capitalized term defined in the Agreement and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement when used herein;

NOW, THEREFORE, in consideration of the foregoing, and intending to be legally bound hereby, Guarantor agrees as follows:

Section 1. Unconditional Guaranty.

(a) Guarantor fully and irrevocably guarantees the payment and performance of the Obligations when due. Guarantor is hereby made fully responsible for the acts and omissions of Garage Media that constitute a breach of the Agreement. This Guaranty shall be a full, unconditional, irrevocable, absolute and continuing guarantee of payment and performance and not a guarantee of collection, and Guarantor shall remain liable on the Obligations hereunder until the payment in full of the Obligations.

(b) Except as provided in Section 1(f) below, Guarantor's guarantee and responsibility shall not be discharged, released, diminished, or impaired in whole or in part by any setoff, counterclaim, defense, act or occurrence which Guarantor may have against CBS as a result of or arising out of the Agreement or from any other agreement or matter.

(c) The Obligations of Guarantor hereunder shall not be released, discharged, diminished or impaired by (i) the renewal, extension, modification or alteration by CBS and Garage Media, with or without the knowledge or consent of Guarantor, of the Agreement or of any liability or obligation of Garage Media thereunder or of any document or instrument under which the Obligations arise, (ii) any forbearance or compromise granted to Garage Media by CBS when dealing with Garage Media except to the extent of such forbearance or compromise, (iii) any change in corporate structure or ownership of Garage Media or the bankruptcy,

insolvency, liquidation, receivership, dissolution, winding-up or termination of Garage Media or the fact that at any time Garage Media does not exist, (iv) the inaccuracy of any of the representations and warranties of Garage Media under the Agreement, (v) any neglect, delay, omission, failure or refusal of Garage Media to take or prosecute any action in connection with the Agreement, (vi) the full or partial release of Garage Media on any liability or obligation, except that Guarantor shall be released *pro tanto* to the extent CBS expressly releases Garage Media from liability with respect to the Obligations, or (vii) any other circumstance relating to the Obligations that might otherwise constitute a legal or equitable discharge of or defense to the Guarantor not available to Garage Media who is liable for such Obligations.

(d) Guarantor waives notice of (i) acceptance of this Guaranty, (ii) the creation, renewal, extension, modification, alteration or existence of any liability or obligation of Garage Media constituting part of the Obligations, and (iii) any breach of or default in the performance of the Obligations.

(e) If Garage Media fails to perform Obligations requiring payment, in whole or in part, when such Obligations are due, Guarantor shall promptly pay such Obligations in lawful money of the United States. Guarantor shall pay such amount within 5 business days after receipt of demand for payment from CBS. CBS may enforce Guarantor's obligations under this Guaranty without first suing Garage Media or joining Garage Media in any suit against Guarantor, or enforcing any rights and remedies against Garage Media, or otherwise pursuing or asserting any claims or rights against Garage Media or any other person or entity or any of its or their property which may also be liable with respect to the matters for which Guarantor is liable under this Section 1.

(f) Guarantor reserves the right to assert defenses which Garage Media may have to payment or performance of any Obligation, other than defenses that Garage Media may possess relating to (i) lack of validity or enforceability of the Agreement against Garage Media arising from Garage Media's defective incorporation or lack of qualification to do business in any applicable jurisdiction, (ii) Garage Media's lack of corporate authority to enter into or perform the Agreement or the due execution and delivery thereof, or (iii) the termination of existence, dissolution, liquidation, insolvency, bankruptcy, receivership, or other reorganization of Garage Media.

Section 2. Refund of Payments by CBS. If under applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws of general application with respect to creditors, CBS is required to refund part or all of any payment hereunder to Guarantor, such payment shall not constitute a release from any liability hereunder, and Guarantor's liability hereunder shall be reinstated to such extent.

Section 3. Rescission of Obligations. If under applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws of general application with respect to creditors, any payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by CBS, this Guarantee shall continue to be effective, or be reinstated, as the case may be, all as though such payment had not been made.

Section 4. Representation as to Benefit. Guarantor warrants and represents for and as to itself that it has received, or will receive, direct or indirect benefit from the making of this Guaranty.

Section 5. Representations and Warranties of Guarantor. Guarantor hereby represents and warrants to CBS as follows:

(a) Organization. Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Connecticut and has the requisite power to carry on its business as it is now being conducted.

(b) Authority Relative to this Guarantee. Guarantor has full power and authority to execute and deliver this Guaranty and to consummate the transactions contemplated hereby. The execution and delivery by Guarantor of this Guaranty and the consummation by Guarantor of the transactions and performance of the terms and conditions contemplated hereby have been duly and validly authorized, and no other proceedings on the part of Guarantor are necessary to authorize this Guaranty or consummate the transactions so contemplated. This Guaranty has been duly and validly executed and delivered by Guarantor, and this Guaranty constitutes a valid and binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) Consents and Approvals; No Violation. Neither the execution and delivery by Guarantor of this Guaranty nor the performance of its obligations under the Guaranty contemplated hereby do or will (i) conflict with or result in any breach of any provision of the operating agreement (or other similar governing documents) of Guarantor, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, except where it is reasonably expected that the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, would not prevent or delay in any material respect such performance, (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, license, agreement or other instrument or obligation to which Guarantor is a party or by which Guarantor or any of its assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or will be obtained prior to the Expiration Date, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Guarantor, or any of its assets.

(d) Litigation; Claims. There is no claim, action, proceeding or investigation pending or, to the knowledge of Guarantor, threatened against Guarantor before any court or governmental or regulatory authority or body that would prevent or delay in any material respect the performance by Guarantor of the guarantee contemplated hereby. Guarantor is not subject to any judgment or outstanding order, writ, injunction or decree that would have a material adverse effect on its ability to perform its obligations under the guarantee contemplated hereby and that would prevent or delay in any material respect the performance by Guarantor of the guarantee.

Section 6. Costs and Expenses. Each party agrees to pay to the prevailing party, upon demand, all reasonable costs and expenses, including reasonable attorneys' fees, that may be incurred by the prevailing party in enforcing or defending its rights under this Guaranty.

Section 7. Governing Law and Consent to Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and performed in such State.

Section 8. Benefit. This Guaranty shall inure to the benefit of CBS and its successors and assigns, and shall be binding upon Guarantor and its successors and assigns; provided, however, that (i) neither CBS nor Guarantor shall assign its rights or obligations under this Guaranty without the prior written consent of the other except by operation of law, and except that CBS may assign its rights or obligations under this Guaranty to an affiliate, (ii) no assignment or other transfer by, through or under CBS shall operate to increase Guarantor's obligations hereunder, and (iii) Guarantor shall be fully protected in making and shall receive full credit for any payments or other performance made by it to CBS or its successors and assigns with respect to the Obligations prior to the time Guarantor receives written notice of such assignment or succession. In the event that CBS shall default upon its Agreement with the PA, this Guaranty shall pass to the PA, wherein the PA shall assume the role of CBS.

Section 9. Continuing Guarantee. Subject to the terms, conditions and limitations hereof, this Guaranty is a continuing guarantee and shall remain in full force and effect and be binding upon Guarantor until the Obligations have been satisfied in full.

Section 10. Notices. Any notice, demand or other communication required or permitted under this Guaranty shall be in writing and given by hand delivery, facsimile, overnight courier, or United States mail. All notices shall be properly addressed to the recipient, with all postage and other charges being paid by the party giving notice. Notices shall be effective when actually received by the party being notified. The addresses of the parties for purposes of notice are as follows:

If to Guarantor, to: Garage Media LLC NY
One Union Place
Hartford, CT 06103
Attn: Gary Neff
Facsimile: (203) 413-2933

With a copy to: Mark D. Geraghty
Steve N. Spanolios
Davidoff Malito & Hutcher LLP
650 Third Avenue, 34th Floor
New York, NY 11105
Facsimile: (212) 286-1884

CBS: CBS Outdoor Group Inc.
405 Lexington Avenue
New York, NY 10174
Attn: Richard Ament

With a copy to: CBS Outdoor Group Inc.
405 Lexington Avenue
New York, NY 10174
Attn: General Counsel

Either party may change its address by giving two (2) days' advance written notice to the other party.

Section 12. Subrogation. Upon payment of all of the Obligations owing to CBS, Guarantor shall be subrogated to the rights of CBS against Garage Media, and CBS agrees to take, at Guarantor's expense, such steps as Guarantor may reasonably request to implement such subrogation.

IN WITNESS WHEREOF, the undersigned has executed this Guarantee as of the date first above written.

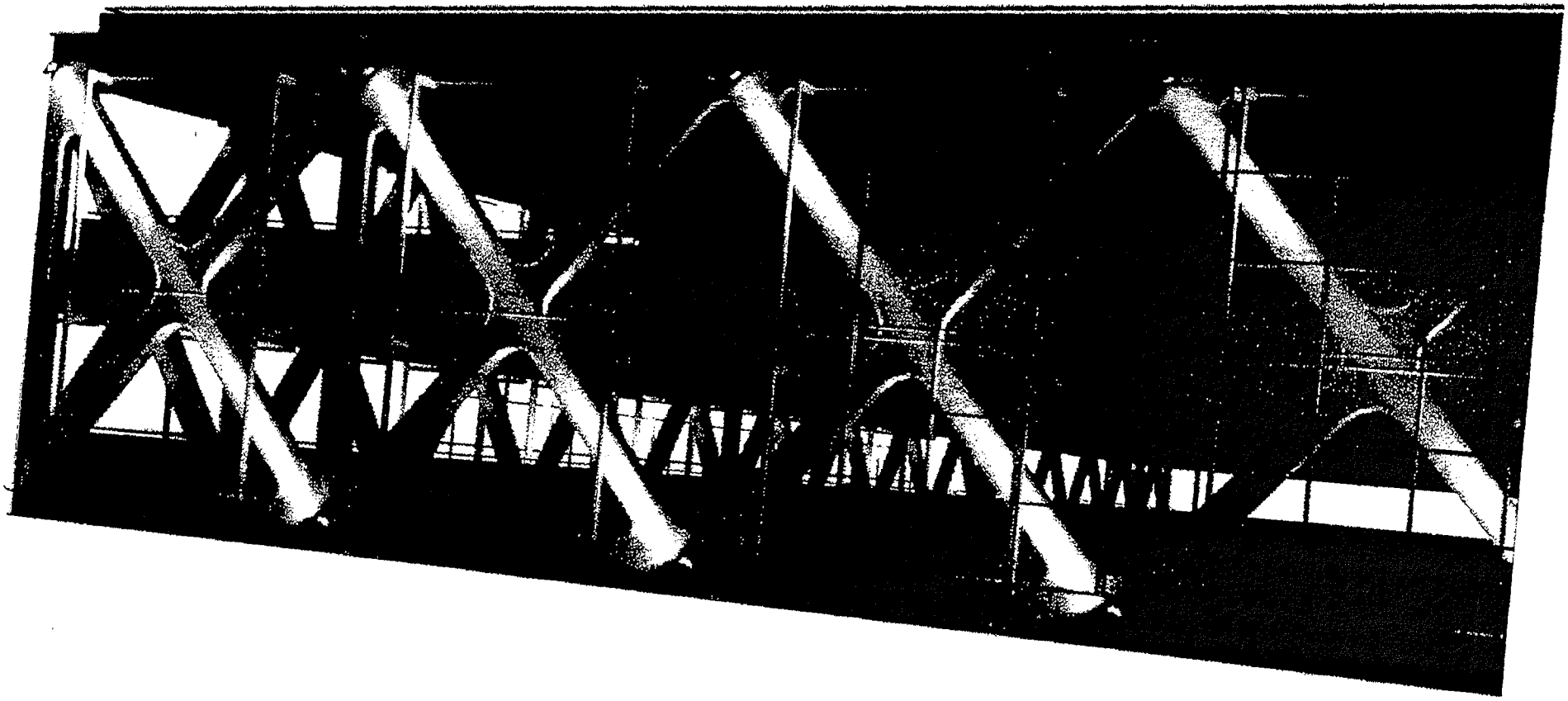
GUARANTOR:

GARAGE MEDIA LLC

By:_____
Name: Garrett Neff
Title: Member

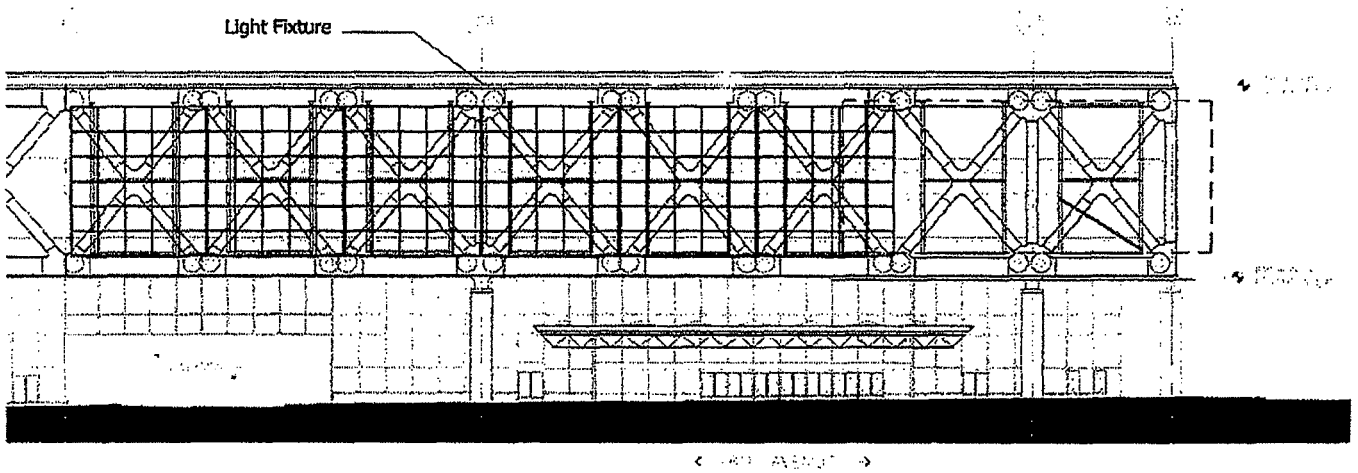
EXHIBIT E

ADDITIONAL LIGHTING SCHEME



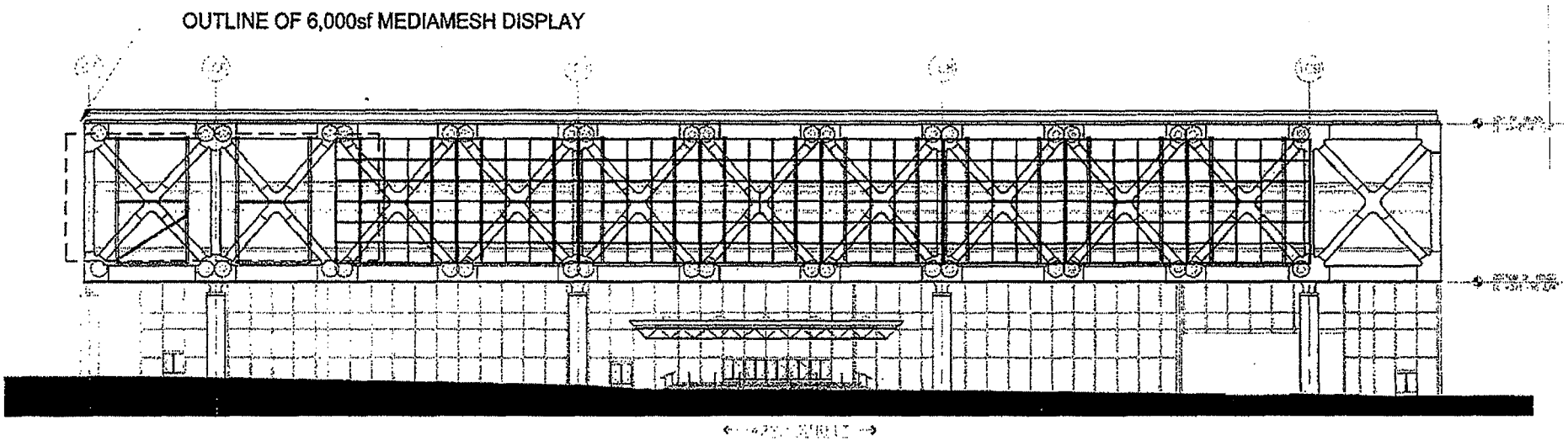
A2aMEDIA

Lam Partners
ARCHITECTURAL LIGHTING DESIGN



NOTES

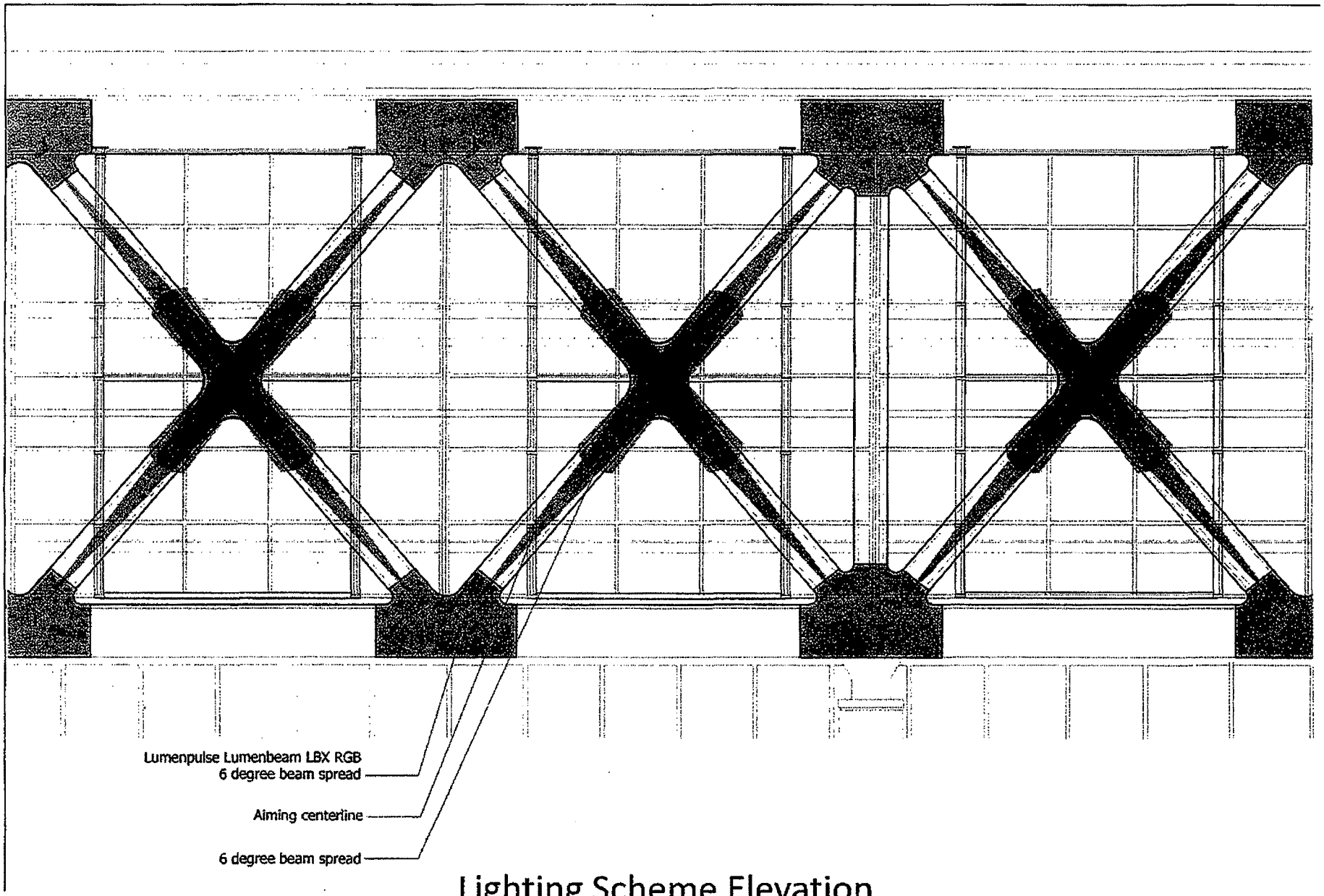
Fixture:	Lumenpulse Lumenbeam LBX RGB Fixture with 6 degree beam
Number of Fixtures:	72
Lumens:	4392
Wattage:	132
Weight:	7.83 kg/17.26 lbs.
Dimensions (WxHxD):	17 1/16" x 22 7/8" x 4 7/8"
Warranty:	5 years



Lighting Scheme Elevation

A2aMEDIA

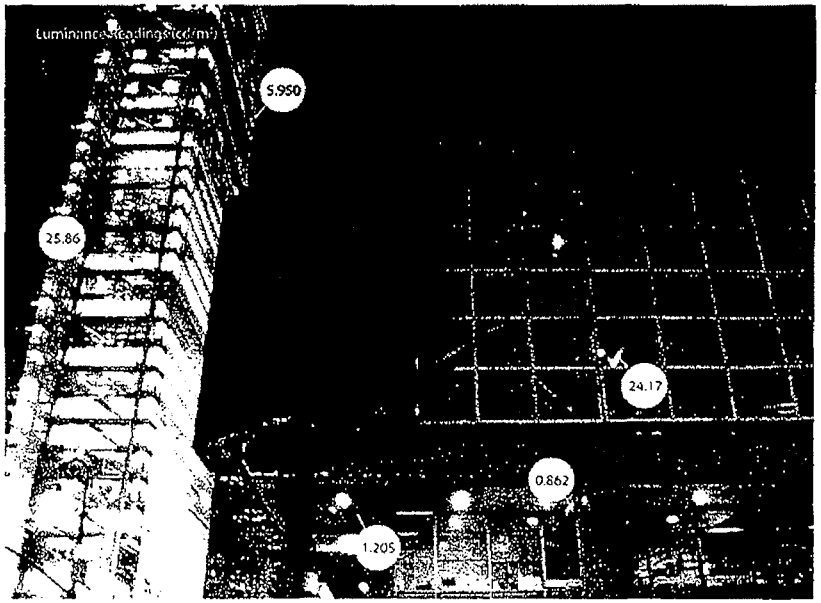
Lam Partners
ARCHITECTURAL LIGHTING DESIGN

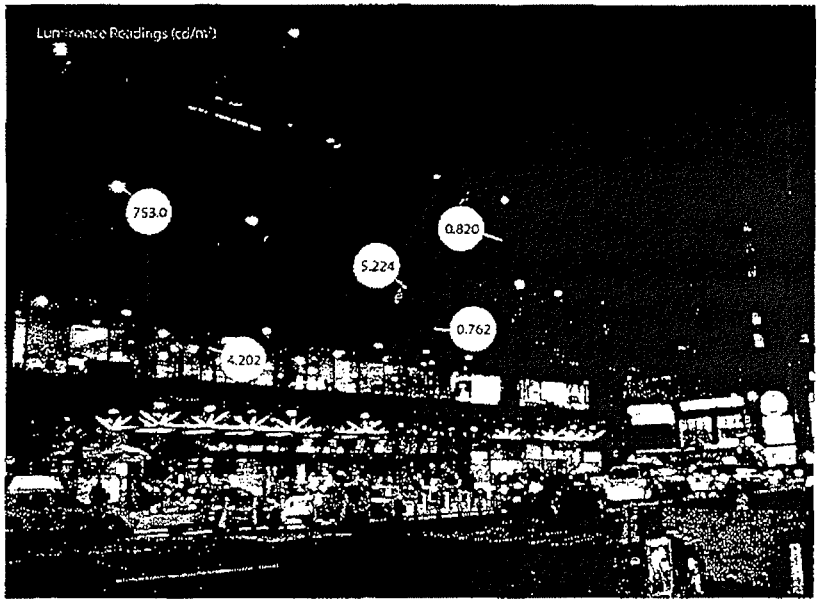


Lighting Scheme Elevation

A2aMEDIA

Lam Partners
ARCHITECTURAL LIGHTING DESIGN





A2aMEDIA

Luminance Readings

Lam Partners
ARCHITECTURAL LIGHTING DESIGN

pabt-outdr-adv-per.96F

Permit No. P-BT-168

THIS AGREEMENT, made as of the 20th day of May, 1996, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and TRANSPORTATION DISPLAYS, INCORPORATED, (hereinafter called the "Permittee"), a corporation organized and existing under and by virtue of the laws of the State of Delaware, having an office and place of business at 275 Madison Avenue, New York, New York, 10016 whose representative is William M. Apfelbaum, President/Chief Executive Officer

WITNESSETH THAT

The Port Authority and the Permittee, for and in consideration of the fees, provisions and agreements hereinafter contained, mutually agree as follows:

Section 1. Space

The Port Authority hereby grants to the Permittee permission to use, for the purposes hereinafter described in Section 3, such locations (each such location being hereinafter respectively referred to as a "Display Area") along the exposed steel facade on the exterior of the Port Authority Bus Terminal (hereinafter referred to as "the Facility") as from time to time may be designated by the Port Authority for the Permittee's use pursuant to the provisions of this Agreement:

Section 2. Term

(a) The permission granted by this Permit shall take effect at 12:01 o'clock A.M. on July 1, 1996 (the "Effective Date") and shall expire, unless sooner terminated at 11:59 o'clock P.M. on June 30, 2016 (the "Expiration Date").

(b) The Permittee recognizes and understands that the occurrence of the Effective Date shall not be deemed to authorize the Permittee to commence any work at the Facility unless the Port Authority's final approval of the Construction Application and plans and specifications referred to in Section 4 has been obtained by the Permittee.

Section 3. Privileges of User by the Permittee

(a) The Permittee shall use each Display Area as may from time to time be designated by the Port Authority for such use for the installation, placement, maintenance and operation of such outdoor advertising signs and spectacular displays as may be consented to from time to time by the Port Authority, and for no other purpose or purposes whatsoever.

(b) The Permittee recognizes that the Port Authority may from time to time require the relocation of one of the Permittee's advertising displays from a designated Display Area to a different location along the exposed steel facade on the exterior of the Facility and the Permittee agrees that it shall comply promptly at its own expense with any such direction or requirement from the Port Authority. In the event of relocation the Permittee shall leave the vacated area in the condition required under this Permit in the case of expiration and all obligations with respect to the area which would have matured on the effective date of expiration of the Permit shall mature as to the vacated area on the required date of relocation hereunder. In the event the Permittee fails to immediately transport its display to such new location, the Port Authority shall have the right to do so at the risk of the Permittee, and the Permittee shall pay the Port Authority the expense thereof on demand. Each location along the exposed steel facade on the exterior of the Facility designated by the Port Authority pursuant to this subparagraph shall constitute a Display Area under this Permit and all the provisions, terms and conditions hereof shall apply thereto. Without limiting the foregoing, the Permittee agrees to take good care of each Display Area and to restore the same upon the expiration or revocation of the effective period of the permission granted under this Permit to the condition existing prior to the installation of the Permittee's advertising displays.

(c) Immediately after the execution of this Agreement by the Port Authority and the Permittee, the Permittee shall submit to the Port Authority a Construction Application in the form prescribed by the Port Authority, including such terms and conditions and such plans and specifications as the Port Authority may require setting forth in detail the installation work to be performed by the Permittee to prepare and equip each Display Area for the operation of the Permittee's advertising displays, as well as all other installations, equipment and Facility connected therewith. The Permittee acknowledges that certain design criteria covering matters of safety, health, aesthetic impact, and compatibility of the Permittee's advertising signs and displays with the Facility and with the area surrounding the Facility have been adopted by the Port Authority and are attached to this Agreement as Attachment A" hereby made a part hereof. The Permittee shall adopt and incorporate in its plans and specifications the criteria and other requirements for design and construction set forth in Attachment A. The Permittee's plans and specifications shall reflect all of the requirements set forth in Attachment A, and that to the extent that Attachment A does not presently indicate the precise information or other necessary description to enable the Permittee to design and construct the advertising signs and displays in conformance with the provisions of this paragraph, such information and/or description will be

supplied to the Permittee by the Port Authority on request. The data to be supplied by the Permittee shall identify separately for each Display Area each item of work to be performed therein, and shall describe in detail the display to be installed as well as all other installations, equipment and Facility connected therewith, including electrical and other systems, and shall show the proposed method of tying in such systems to the utility lines or connections brought to the perimeter of the Display Area. The Permittee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Permittee to the Port Authority shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with the Port Authority's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by the Port Authority of the Permittee's submissions under this paragraph, the Permittee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as the Port Authority may require for such review. The Permittee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Permittee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Permittee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All work to be performed by the Permittee hereunder shall be done in accordance with the said Construction Application and final plans and specifications approved by the Port Authority, shall be subject to inspection by the Port Authority during the progress of the work and after the completion thereof and the Permittee shall redo or replace at its own expense any work not done in accordance therewith. Without in any way limiting the provisions of Section 14 of this Permit, the Permittee shall not install in, place upon, or attach to any Display Area, or to any portion of the Facility, any equipment, Facility, fixtures, supplies, materials or property of any kind until the Construction Application and plans and specifications referred to above have been finally approved by the Port Authority. Upon completion of the Construction Work the Permittee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Permittee's plans pursuant to the provisions of this paragraph that all of the work performed by the Permittee has been performed in accordance with the plans and specifications approved by the Port Authority and the provisions of this Agreement and the Permittee shall supply the Port Authority with as-built drawings in form and number as requested by the Port Authority. The Permittee shall conduct no public operations in any Display Area until the Port Authority shall have notified the Permittee in writing that the work in such Display Area has been completed or substantially completed to its satisfaction. In the event of any inconsistency between the provisions of this Agreement and those of the Construction Application, the provisions of this Agreement shall control.

(d) Without limiting the generality of the foregoing all work done by the Permittee under this Permit, including without limitation all work involving in any way (i) the installation, removal or relocation of any of the Permittee's advertising displays, or (ii) the repair or maintenance thereof, shall be done strictly in accordance with the following terms and conditions:

(1) The Permittee shall be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Permittee, of the Port Authority, its Commissioners, officers, agents and employees, third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative willful acts done by the Port Authority subsequent to the commencement of the work:

(i) The risk of loss or damage to all repairs, alterations, installations, additions, improvements, or structures being made in connection with the performance of the work prior to the completion thereof. In the event of such loss or damage, the Permittee shall forthwith repair, replace and make good the work without cost to the Port Authority;

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Permittee shall indemnify the Port Authority, its Commissioners, officers, agents and employees for all such injuries and damages, and for all loss suffered by reason thereof;

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees arising or alleged to arise out of the performance of the work. The Permittee shall indemnify the Port Authority, its Commissioners, officers, agents and employees against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) The Permittee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work; and shall cause its contractors and subcontractors to pay all such claims lawfully made against them. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the Facility.

(3) The Permittee shall procure and maintain comprehensive public liability insurance, including automotive, and covering bodily-injury (including death) and property-damage liability, which shall be in addition to all policies of insurance otherwise required by this Permit, or, if the work is to be done by an independent contractor, the Permittee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in the following schedule:

(i) Bodily injury liability:

For injury or wrongful death to one person:	$2,000,000.00
For injury or wrongful death to more than one person from any one accident:	$2,000,000.00

(ii) Property damage liability:

For all damages arising out of injury to or destruction of property in any one accident:	$2,000,000.00

As to any insurance required by this subparagraph, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified, without giving ten (10) days' written advance notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement.

The Port Authority shall be named as an additional insured in any policy of liability insurance required by this subparagraph.

(e) In the event that from time to time additional Display Areas are included under the Permit or the Port Authority requires the relocation of any or all of the Permittee's advertising Displays from a designated Display Area to a new location, the Permittee shall prior to the installation of advertising displays in such areas prepare and submit a Construction Application covering each such Display Area and shall provide the information described above in subparagraph (c) with respect thereto.

(f) The Permittee and its contractors will be required to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed at the Facility. The Port Authority has a long standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps the Port Authority takes to maximize opportunities for MBEs and WBEs to participate in the performance of Port Authority construction contracts either directly or as subcontractors are set forth for the Permittee's consideration in the schedule attached hereto, hereby a made part hereof, and marked "Schedule E".

Section 4. Fees

(a) Definitions

For the purposes of this Section 4 and for all other purposes under this Agreement the following terms shall have the respective meanings provided below:

(1) "Fee Payment Start Date" shall mean the earlier of the following dates:

(i) the one hundred eightieth (180th) day following the Effective Date established pursuant to the provisions of paragraph (a) of Section 2 of this Agreement, or

(ii) such earlier date following the completion of the installation work described the Section 3 of this Agreement as the Port Authority may designate to the Permittee as the date on which public operations may be commenced in the first Display Area designated by the Port Authority pursuant to this Agreement.

The Permittee recognizes and understands that the occurrence of the Effective Date shall not be deemed to authorize the Permittee to commence any work in any designated Display Area unless the Port Authority's final approval of the Construction Application and plans

and specification referred to Section 3 of this Agreement has been obtained by the Permittee. The Permittee further recognizes that its obligation to pay the basic fee shall commence on the Fee Payment Start Date established pursuant to this subparagraph whether or not the Permittee is conducting public operations at the Facility on such date.

(2) "Annual period" shall mean, as the context requires, the twelve month period (the "first annual period") commencing on the second anniversary of the Fee Payment Start Date and each of the twelve-month periods thereafter occurring during the effective period of the permission granted under this Agreement commencing on the third anniversary of the Fee Payment Start Date and on each anniversary of that date thereafter occurring during the effective period of the permission granted under this Agreement, provided, however, that the last annual period shall expire in any event upon the expiration date of the period of the permission granted hereunder.

(3) The term "gross receipts" shall include (i) all monies paid or payable to the Permittee for any advertising matter or other presentations or exhibitions installed, placed or displayed on the Permittee's advertising displays; and (ii) all other monies paid or payable to the Permittee for services rendered or for sales made at or from the Facility regardless of when or where the order therefor is received and outside the Facility if the order therefor is received at the Facility, including without limitation all monies paid or payable to the Permittee for any preparation, placement, operation, installation and maintenance in connection with any advertising hereunder and any other revenue of any type whatsoever arising out of the Permittee's operations at the Facility, including, without limitation, the value of services rendered to the Permittee by a another party in exchange for services performed by the Permittee for such party provided, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom, and provided further, that any advertising agency commissions paid by the Permittee (which it is agreed, shall be reasonable in amount) shall be excluded therefrom. There shall also be excluded from gross receipts hereunder any receipts of the Permittee which arise from its operations under any other agreement with the Port Authority at the Facility and which are subject to a percentage fee or rental under that agreement.

(4) "Annual percentage fee amount" shall mean for each annual period occurring during the effective period of the permission granted under this Agreement the sum of Sixty-two and one-half percent (62.5 %).

(b) Percentage Fee

The Permittee shall pay to the Port Authority during each annual period an annual percentage fee equivalent to the product obtained by applying the annual percentage fee amount established for such annual period to the gross receipts of the Permittee arising during such annual period from its operations under this Agreement.

The computation of percentage fee for each annual period, or a portion of an annual period as hereinafter provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment of the percentage fee and the method calculation thereof shall be as set forth in paragraph (c) of this Section.

(c) Time of Payment of Rentals, Computations of Amounts and Accounting

(1) The Permittee shall pay the percentage fee as follows: on the 20th day of the first month following the Effective Date and on the 20th day of each and every month thereafter occurring during each annual period occurring during the effective period of the permission granted under this Agreement, including the month following the end of each annual period, the Permittee shall render to the Port Authority a sworn statement showing all its gross receipts for the preceding month, separately stating the amount of gross receipts arising from each advertising display installed at the Facility during the period for which the report is made, and also showing the cumulative amount of such gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month, likewise separately stating the amount of gross receipts arising from each advertising display installed at the Facility during such annual period; the Permittee shall pay at the time of rendering such statement an amount equal to the annual percentage fee amount established for the annual period for which the report is made applied to all of the Permittee's gross receipts for the preceding month. Within twenty (20) days after the effective date of any termination or revocation of the effective period of the permission granted under this Agreement (even if stated to have the same affect as expiration), the Permittee shall render to the Port Authority a certified statement of all its gross receipts for the annual period in which the effective date of termination or revocation happens to fall, separately stating the amount of gross receipts arising from the advertising displays installed by the Permittee in the Facility, and the payment then due shall be an amount equal to the product obtained when the annual percentage fee amount established for such annual period is applied to all the gross receipts of the Permittee arising during such annual period from its operations in the Facility, less any percentage fee payments previously made for such annual period.

(2) In the event that during the effective period of the permission granted under this Agreement the Permittee shall be denied the use of some of the Display Areas, or if the Port Authority revokes the permission granted hereunder as to less than all the Display Areas the Permittee agrees that notwithstanding it might have the right to suspend payment of any fees in the absence of this provision, it agrees to pay and will pay the full amount of the fees reserved hereunder.

(3) There shall be no abatement of fees under this Agreement for any portion of the Display Areas or for any portion of the effective period of this Agreement.

(4) Nothing contained in this Section shall affect the survival of the obligations of the Permittee as set forth in the Section of this Agreement entitled "Survival of the Obligations of the Permittee".

(5) In the event that there is any revocation of the effective period of the permission granted hereunder to use and occupy any Display Area for the use of which the Permittee is at the effective date of such revocation in receipt of any prepayment of the consideration therefor from any third party for any advertising to be displayed in such Display Area, the Permittee shall, within ten (10) days after such effective date, refund such prepayment to such third party; and, in the event of any such revocation, if the Permittee shall have made a payment to the Port Authority of percentage fee based on such prepayment, the Port Authority shall credit to the Permittee's other obligations to the Port Authority under this Permit an amount equal to the portion of such payment of percentage fee based on such prepayment and, if there are no such obligations or if said amount exceeds such obligations, the said amount or part thereof due, as the case may be, shall be paid to the Permittee on demand. Prepayment shall not include any payment covering an elapsed period of time even though such payment may have been included in a greater amount covering a period partially elapsed (on the effective date of such revocation), and the exact prepayment in any such instance shall be determined on a pro rata basis.

THERE IS NO SECTION 5 IN THIS AGREEMENT

Section 6. Obligations in Connection with Percentage Fee

(a) The Permittee shall take all reasonable measures (including but not limited to reasonable promotional activities) in every proper manner to develop, maintain and increase the business which it is authorized to conduct hereunder;

(b) The Permittee shall not divert or cause or allow to be diverted any business from the Facility;

(c) The Permittee shall maintain, in accordance with accepted accounting practice during the term of the privileges hereunder and for one (1) year thereafter and for such further period until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all its transactions at, through or in any wise connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District, and permit in ordinary business hours during such time the examination and audit, by the officers, employees, agents and representatives of the Port Authority, of such records and books of account;

(d) In addition to the statements of gross receipts required pursuant to the provisions of Section 4(d) of this Agreement the Permittee shall furnish to the Port Authority at such time and for such periods as are prescribed in said Section, sworn statements of all monies (other than gross receipts) paid to or received by the Permittee for any preparation, placement, installation, operation and maintenance in connection with any advertising hereunder and any other revenue of any type whatsoever arising out of or in connection with the Permittee's operations hereunder at the Facility. All monies paid or payable to or received or receivable by the Permittee for or in connection with any advertising and the placement, installation, operation and maintenance thereof shall be fully set forth in the Permittee's third party agreements referred to in Section 7 hereof. The Permittee has represented and does represent that the monies it will receive for displaying such advertising will include charges for normal placement, installation, operation and maintenance, which charges, it is agreed, shall all be included in gross receipts. The Permittee recognizes that the Port Authority has relied upon these representations and the Permittee agrees that it shall conduct its operations in accordance with such representations.

Section 7. Permittee's Third-Party Agreements

All arrangements of the Permittee with third parties for the display, exhibition or dissemination of advertising matter, announcements, or information of any kind at the Facility shall be represented by written agreements with such third parties and the printed form of such agreement shall be submitted to the Port Authority for its prior approval. Even though a form of such agreement may have been approved, no agreement on such form shall be entered into by the Permittee until and unless the Port Authority has given approval as to any such agreement including but not limited to the location of any equipment to be used and the advertising matter arising therefrom or other information to be disseminated thereunder and the Permittee's charges and fees thereunder. True copies of all executed agreements shall be delivered by the Permittee to the Port Authority within ten (10) days after execution. Without limiting the foregoing the Permittee agrees that each such agreement entered into by it shall contain provisions expressly making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this Permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any advertising or other material or information displayed, shown, exhibited or disseminated by

the Permittee, including charges for normal placement, installation, operation and maintenance thereto shall be fully set forth in the Permittee's third party agreements.

Section 8. Approval of Advertising Displays

No advertising material or matter of any kind nor any other announcement shall be displayed, shown, exhibited or disseminated by the Permittee or from its equipment in any Display Area unless the Port Authority has given prior approval as to the type, quality, kind, form, substance, character and content thereof and unless any such and the content thereof and the operation and maintenance thereof meet with the continuing approval of the Port Authority. Any such display, material, exhibit or matter including he content thereof and the operation and maintenance thereof, which does not continue to meet with the approval of the Port Authority shall be immediately discontinued by the Permittee on notice from the Port Authority.

Section 9. Governmental Requirements

(a) The Permittee shall procure all licenses, certificates, permits and other authorizations necessary for the conduct of its operations hereunder from all governmental authorities having jurisdiction over such operations.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present or future governmental laws, rules and regulations, requirements, orders and directions which may pertain or apply to its operations hereunder or its use of the Display Areas; and the Permittee shall, in accordance with and subject to the provisions of Sections 3 and 14 hereof, make any and all nonstructural improvements, alterations or repairs of the Display Areas that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(c) The Permittee shall pay all taxes and all license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on or in connection with its property or operations hereunder or on the gross receipts or income therefrom and shall make all applications, reports and returns required in connection therewith.

(d) The obligation of the Permittee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

Section 10. Rules and Regulations

(a) The Permittee shall observe and obey (and compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the Rules and Regulations of the Port Authority for the government of the conduct and operations of the Permittee now in effect and such further reasonable rules and regulations (including amendments and supplements thereto) as may from time to time throughout the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health or preservation of property, or for the maintenance of the good and orderly appearance of the Facility, including any Display Areas covered by this Permit, or for the safe or efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it will give notice to the Permittee of every such further rule or regulation adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) If a copy of the Rules and Regulations referred to in paragraph (a) of this Section is not attached to this Agreement, then the Port Authority will notify the Permittee thereof either by delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority. No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the changes, prices, rates or fees stated therein shall be or remain in effect throughout the effective period of the permission granted under this Permit, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 11. Various Obligations of the Permittee

(a) The Permittee shall conduct its operations in a first-class, orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall take all reasonable measures to eliminate vibrations tending to damage the Display Areas or any other part of the Facility and to keep the sound level of its operations as low as possible.

(b) The Permittee shall control the conduct, demeanor and appearance of its officers, employees, agents, representatives, contractors, and persons doing business with it while they are at the Facility and, upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such, shall immediately take all steps necessary to remove the cause of the objection.

(c) No debris or other waste materials (whether solid or liquid) shall be allowed by the Permittee to collect or accumulate in or on the Display Areas, and the Permittee shall be responsible for the prompt removal from the Facility of all debris and other waste materials (whether solid or liquid) arising out of its use of the Display Areas. The Permittee shall use extreme care when effecting the removal of any and all such waste and in no event shall use any Facility of the Port Authority without its prior consent and shall effect such removal only during such hours and by such means as are prescribed by the Manager of the Facility.

(d) If the Port Authority deems it advisable for security reasons, the Permittee shall provide and its employees while at the Facility shall wear or carry badges or other suitable means of identification which shall be subject to the prior approval of the Manager of the Facility.

(e) The Permittee shall supply, place, install, operate and maintain all advertising displays including any outside casings to be used in the Display Areas and all material, labor and personnel required in connection therewith. The Port Authority shall be under no obligation to supply any of the foregoing but if it supplies any such displays including any outside casings the Permittee shall install, operate and maintain the same.

(f) Anything to the contrary in this Permit contained notwithstanding, all the Permittee's operations hereunder, including but not limited to the placement, installation, operation and maintenance of three-dimensional and other advertising displays, shall be conducted by the Permittee in accordance with the highest standards of advertising practice and in accordance with the operation of a first-class transportation terminal.

Section 12. Prohibited Acts

The Permittee shall not: (a) commit any nuisance in or on the Display Areas or elsewhere at the Facility, or do or permit to be done anything which may result in the creation or commission of a nuisance in or on the Display Areas or elsewhere at the Facility; (b) cause or permit to be caused or produced upon the Display Areas or elsewhere at the Facility, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapors or odors; (c) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems for portions thereof in or on the Display Areas or elsewhere at the Facility, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, teleregister, pneumatic-tube dispatch and intercommunication services, including but not limited to lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to any such systems, nor do or permit to be done anything which may interfere with free access and passage in and to the Display Areas, elsewhere at the Facility or in the streets, roads or other common ways

adjacent to the Facility; (d) overload any part of a Display Area; (e) do or permit to be done any act or thing upon the Display Areas which will invalidate or conflict with any insurance policies covering the Facility or any part thereof, or which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof; and the Permittee shall promptly observe, comply with and execute the provisions of any and all present or future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Permittee in and on the Display Areas and the Permittee shall, subject to and in accordance with the provisions of Sections 3 and 14 hereof, make any and all nonstructural improvements, alterations or repairs of the Display Areas that may, in connection with its operations hereunder, be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction; and, if, by reason of any failure on the part of the Permittee to comply with the provisions of this subdivision, any insurance rate on the Display Areas or any of them or on the Facility or any part thereof shall at any time be higher than it otherwise would be, then the Permittee shall pay to the Port Authority that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violations or failure by the Permittee.

Section 13. Maintenance and Repair

(a) The Permittee shall at all times keep the Display Areas in a clean and orderly condition and appearance.

(b) The Permittee shall be responsible for the repair, replacement and rebuilding of any and all parts of the Display Areas and any other parts of the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, employees, agents, representatives, contractors or persons doing business with it. All nonstructural repair, replacement and rebuilding shall be done by the Permittee, subject to and in accordance with the provisions of Sections 3 and 14 hereof; and structural repair, replacement and rebuilding may be done by the Port Authority, the cost thereof to be paid by the Permittee on demand.

Section 14. Installation by the Permittee

(a) The Permittee shall not install any advertising displays, including any outside casings, fixtures or equipment in the Display Areas, or erect any structures, make any repairs, changes, alterations, improvements or do any other construction work on or to the Display Areas without the prior approval of the Port Authority (including but not limited to the time for the performance of any such installations or work); and, in the event any installation, construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then, upon notice so to do, the Permittee shall remove the same, or, at the option of the

Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Permittee to comply with such notice, the Port Authority may effect the removal or change; and the Permittee shall pay the cost thereof to the Port Authority on demand.

(b) The structural grid, and the electrical and operational equipment installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement shall be and become the property of the Port Authority upon the installation thereof, provided, however, that the Port Authority shall have the right to require the Permittee to remove all such property from the Display Areas and the Facility on or before the expiration or revocation of this Permit and the effective period of the permission granted hereunder; and if the Port Authority so elects, the Permittee shall effect such removal and the Display Areas shall be restored by the Permittee to the condition prior to any placement or installation. In the event of partial revocation, the obligation of removal and restoration shall apply only to the Display Area or Areas affected. In case of any failure on the part of the Permittee so to remove or restore, the Port Authority may do so and the Permittee shall pay the cost thereof to the Port Authority on demand. All other installations, equipment, and facilities installed by the Permittee pursuant to the permission granted hereunder, including, without limitation, any advertising displays, outside casings, fixtures, and equipment shall be and remain the property of the Permittee and shall be removed by the Permittee from the Display Areas and the Facility on or before the expiration or revocation of this Permit and the effective period of the permission granted hereunder.

(c) If the Permittee shall fail to remove from the Display Areas and the Facility within the time allowed any property or thing whatsoever which it is obligated under this Permit to remove, the Port Authority may remove such property or thing and the Permittee shall pay the cost thereof to the Port Authority upon demand. The Port Authority may but shall not be obligated to remove such property or thing to a public warehouse for deposit or retain the same in its own possession and in either event sell the same at public auction, the proceeds of which shall be applied first to the expense of removal, retention, storage and sale, second to any sums owed by the Permittee to the Port Authority, with any balance remaining to be paid to the Permittee; if the expenses of such removal, retention, storage and sale shall exceed the proceeds of sale, the Permittee shall pay such excess to the Port Authority upon demand. Any action of the Port Authority hereunder shall not relieve the Permittee of any restoration obligation.

(d) Without in any wise limiting any other provision of this Permit, the Permittee agrees that it shall not do any servicing or maintenance on or to any Display Areas or to any property thereon or therein unless the Port Authority has approved the time of performance thereof.

Section 15. Liability Insurance

(a) The Permittee in its own name as assured shall secure and pay the premiums on a policy or policies of comprehensive general liability insurance including, but not limited to, premises-operations, covering bodily injury, including, wrongful death, and property damage which shall be effective throughout the effective period of the permission granted hereunder. Each such policy shall include a contractual liability endorsement covering the indemnity obligations assumed by the Permittee pursuant to the provisions of this Agreement and shall be maintained in the minimum amount of Two Million Dollars and No Cents ($2,000,000.00) combined single limit for each occurrence.

(b) The Port Authority shall be named as an additional insured in any policy of liability insurance required by the provisions of this Agreement and each such policy of insurance so required shall contain an endorsement providing that the protection afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third party shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and against the Port Authority by the Permittee, but such endorsement shall not limit, vary, change, or affect the protection afforded the Port Authority as an additional insured, and an endorsement providing that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(c) A certified copy of each of the policies of insurance required by this Section or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified, without giving ten (10) days written advance notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of the privileges hereunder, as the same may be from time to time extended. If at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement.

Section 16. Indemnity

The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, representatives and employees from all claims and demands of third persons, including but not limited to those for death, for personal injuries or for property damages, arising out of the use of the Display Areas by the Permittee or out of any other acts or omissions of the Permittee, its officers, employees, agents, representatives, contractors or persons doing business with it where such acts or omissions are in or on the Display Areas or elsewhere at the Facility.

Section 17. Patents and Trademarks

The Permittee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

Section 18. Additional Fees

(a) If the Port Authority has paid any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Permittee to perform or fulfill any one or more of the terms, conditions or agreements contained in this Permit or as a result of an act or omission of the Permittee contrary to the said terms, conditions and agreements, the Permittee agrees to pay promptly to the Port Authority the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of a sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Permittee that the amount of such payment was necessary and reasonable. If the Port Authority elects to use its own operating and maintenance staff in making any repairs, replacements and/or alterations and to charge the Permittee with the cost of the same, any time sheet of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Permittee that the amount of such charge was necessary and reasonable.

Section 19. Assignment

(a) The Permittee shall not assign, sell, convey, transfer, mortgage or pledge this Permit, or the privileges hereunder, or any part thereof.

(b) he Permittee shall not use, or permit any person to use, the Display Areas or any potion thereof, except for the purposes set forth in Section 3 hereof.

Section 20. More Favorable Agreement

The Permittee agrees that if it shall at any time during this Permit have any agreement with any party or parties for or covering the display of advertising matter at a transportation facility or terminal where the mode of advertising is substantially similar to that covered hereunder and where the gross revenues to the Permittee from or on behalf of advertisers are or will be on an absolute or comparative basis substantially similar to or less than the gross revenue to the Permittee from or on behalf of advertisers in the Facility hereunder and if such agreement is on terms or with provisions more favorable to any such party than are contained in this Permit, then the Permittee shall notify the Port Authority of that fact, shall provide it with a true copy of any such agreement and shall at the option of the Port Authority give the Port Authority the benefit of any or all of the terms and conditions thereof retroactively to the date when any such more favorable agreement shall have been entered into by the Permittee; and this Permit shall thereupon be modified accordingly.

Section 21. Electricity

(a) The Port Authority, shall furnish and supply to the Permittee for the purposes set forth in this Permit, and the Permittee shall take and pay for, electricity, in reasonable quantities, the supply of electricity to be made by the Port Authority to the Permittee at such points on or off the various Display Areas as the Port Authority shall designate for connection to the systems to be installed by the Permittee in such areas for electrical distribution with the Port Authority's lines and conduits and the Port Authority shall have no responsibility for the distribution of electrical current in any of the Display Areas or for the maintenance therein of any electrical usage. The quantity of electricity used by the Permittee shall be metered by the Port Authority and paid for by the Permittee at the greater of: (1) the rates (including the fuel or other adjustment factor if any) which the Permittee at the time of such purchase and under the service classification then applicable to it would have to pay for the same quantity of electricity to be used for the same purposes under the same conditions if it received the electricity directly from the public utility supplying the same to commercial buildings in the vicinity, or (2) the Port Authority's cost of obtaining and supplying the same quantity of electricity. Notwithstanding that the Port Authority has agreed to supply electricity to the Permittee, the Port Authority shall be

under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering as hereinabove set forth or elects not to so meter the same, then in any such event the Permittee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Permittee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Permittee based on its costs and expenses for the said lines and equipment.

(b) The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

(c) No failure, delay, interruption, or reduction in the supply of any agreed service, including without limitation thereto any failure, delay, interruption, or reduction under subparagraph (b) of this paragraph, (whether or not a separate charge is made therefor) shall be construed to be an eviction of the Permittee, shall be grounds for any abatement or diminution of the fees payable under this Permit or shall relieve the Permittee of any other obligations hereunder (unless resulting from the negligent acts of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority), shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Port Authority shall have the right to temporarily discontinue the supply of the above services when necessary or desirable in the opinion of the Port Authority in order to make any repairs, alterations, changes or improvements in the display areas or elsewhere at the Facility including all systems for the supply of services.

(e) If any federal, state, municipal or other governmental body, authority or agency or any pubic utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Display Areas or to any occupants or users of the Facility, or to the structure or building of which the Display Areas form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Permittee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Permittee pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Display Areas or the Permittee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority.

(f) The Permittee shall not be entitled to receive any service or services during any period during which the Permittee shall be in default under any of the provisions of this Agreement.

(g) The Port Authority shall have no obligations or responsibility with respect to the performance of any services or providing, supplying or furnishing to the Permittee of any utilities or services whatsoever except as expressly provided in this Endorsement.

Section 22. Force Majeure

(a) The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of the Port Authority. Further, the Port Authority shall not be liable unless the failure, delay or interruption shall result from failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

(b) No diminution or reduction of the fees or other charges payable by the Permittee shall be claimed by or allowed to the Permittee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefor, or by any other cause or condition beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes or conditions.

Section 23. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Display Areas for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Permit or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives and contractors, shall have the right, for the benefit of the Permittee or for the benefit of others at the Facility, to maintain existing and future utilities systems or portions thereof in or on the Display Areas, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, teleregister, pneumatic-tube dispatch and intercommunication services, and

to enter upon the Display Areas at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable, and, from time to time, to construct or install over, in, under or through the Display Areas new systems, lines, pipes, mains, wires, conduits and equipment, and to use the Display Areas for access to other portions of the Facility not otherwise conveniently accessible; provided, however, that such repair, alteration, replacement, construction, or access shall not unreasonably interfere with the use of the Display Areas by the Permittee.

Section 24. Condemnation

In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any of the Display Areas, the Permittee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, it being understood and agreed between the Port Authority and the Permittee that the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Permittee.

Section 25. Sales and Services by the Permittee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Facility, all other members of the public, and persons employed at the Facility, the services which the Permittee is permitted to render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of the Port Authority's obligation to operate Facility for the use and benefit of the public, and the Permittee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Sections 3 and 14), personnel, supplies, materials and other Facility and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the Display Areas) shall on installation become the property of the Port Authority and a part of the Display Areas, provided, however, that the Port Authority shall have the option, exercisable by notice delivered to the Permittee on or before a date sixty (60) days after expiration or termination hereof, to require the Permittee to remove any or all such fixtures, equipment and improvements and to restore the Display Areas to the condition thereof prior to any installation and in the event of a failure on the part of the Permittee so to remove and restore, the Port Authority may do so, and the Permittee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality.

(b) The Permittee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Facility; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

Section 26. Thirty-Day Termination

(a) Notwithstanding any other provision of this Permit, the Port Authority shall have the right to revoke this Permit and the effective period of the permission granted hereunder, without cause, at any time, on thirty (30) days' notice to the Permittee. In the event of revocation pursuant to this Section, this Permit and the said effective period shall cease and expire on the effective date of revocation stated in the notice in the same manner and with the same effect as if that date were the date originally stated herein for the expiration of this Permit.

(b) The Port Authority may exercise the right of revocation described in paragraph (a) of this Section as to any Display Area but not all the Display Areas by thirty (30) days' notice to the Permittee and in such event the effective period of the permission granted hereunder shall cease and determine as to the Display Areas affected by the exercise of such right of revocation on the effective date of revocation in the same manner and with the same effect as if that date were the original date of expiration set forth in this Permit; provided, however, that, the Permit and the effective period of the permission granted hereunder shall continue in full force and effect as to the remaining Display Area or Areas.

(c) Unless sooner revoked, the period of the permission granted under this Permit shall expire on the expiration date set forth elsewhere in this Permit. Upon such expiration, or in the event the period of the permission granted under this Permit is revoked by the Port Authority pursuant to subparagraph (a) of this paragraph, all installations, equipment, and facilities installed by the Permittee pursuant to the permission granted hereunder, including, without limitation, any advertising displays, outside casings, fixtures, and equipment, but excluding the structural grid, and the electrical and operational equipment installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement shall be removed by the Permittee from the Display Areas and the Facility.

(d) In the event the effective period of the permission granted under this Permit is revoked pursuant to the provisions of subparagraph (a) of this paragraph, the Port Authority shall pay the Permittee its Unamortized Capital Investment, as hereinafter defined, in the structural grid, and the electrical and operational equipment initially installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement provided, however, that tender of payment of such Unamortized Capital Investment shall not be a pre-requisite for the exercise of the Port Authority's right of revocation pursuant to subparagraph (a) of this

paragraph, but the Permittee shall be entitled to five per cent (5%) interest per annum on such Unamortized Capital Investment for the period from the effective date of revocation to the date of tender of payment (excluding any period prior to the rendering by the Permittee to the Port Authority of any required statement or other documentation of cost). As used herein "Unamortized Capital Investment" shall mean a pro rata share of the Permittee's cost of supplying and installing in the Display Areas the structural grid, and the electrical and operational equipment as are initially installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement. To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Permittee for the structural grid, and the electrical and operational equipment initially installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement , and to the extent that such sum does not exceed Two Million Dollars and No Cents ($2,000,000.00), shall constitute "cost" under the this Section:

(1) Direct labor and material costs;

(2) Contract costs for purchases and installation excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures or improvements for which they are incurred, and not to exceed 20% of the total of the amounts covered by subdivisions (1) and (2) above.

(e) A statement of the cost detailing all the foregoing including copies of invoices and contracts and certified by a responsible officer of the Permittee shall be delivered by the Permittee to the Port Authority not later than ninety (90) days after the complete installation of the structural grid, and the electrical and operational equipment initially installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement and the Permittee shall permit the Port Authority, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of account of the Permittee within the Port of New York District during such time.

(f) If the Permittee includes in cost any items as having been incurred but which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority within ninety (90) days after receipt of the said statement of cost as mentioned in subparagraph (b) above, shall give written notice to the Permittee stating its objection to any such item and the grounds therefor. If such notice is given

and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by the Port Authority and the Permittee.

(g) In any such arbitration as to whether any item included by the Permittee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

> "Was all or any part of such cost incurred by the Permittee; and if part but not all of such cost was incurred, what was the amount which was so incurred?"

(h) In any such arbitration as to whether any item included by the Permittee in its computation of costs is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

> "Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part but not all of such cost can reasonably be held to be chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such questions shall be submitted shall be accountants or auditors.

(i) The proration of cost as referred to in this Section shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the effective period of the permission as originally set forth) subsequent to the effective date of revocation, and the denominator of which shall be 240.

(j) Notwithstanding anything to the contrary herein contained, the amount the Port Authority shall be obligated to pay to the Permittee hereunder shall be diminished by the amount of any unsatisfied lien, mortgage or other encumbrance on the structural grid, and the electrical and operational equipment initially installed by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement, and less any amounts whatsoever due from the Permittee to the Port Authority which the Permittee hereby authorizes the Port Authority to withhold and keep from such amount, and to apply to the satisfaction and discharge of the foregoing.

Section 27. Labor

(a) The Permittee shall immediately give oral notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies affecting or in connection with the Permittee's operations hereunder and shall give oral notice to the Port Authority of the progress thereof. The Permittee shall use its best efforts to resolve any such complaint, trouble, dispute or controversy.

(b) In its operations hereunder, the Permittee shall not contract with anyone, employ any persons, use or have any equipment or materials or allow any condition to exist if any such, in the opinion of the Port Authority, may cause or be conducive to any labor complaints, troubles, disputes or controversies either at the Display Areas or elsewhere at the Facility, or may in any other respect be objectionable to the Port Authority. The Port Authority's determination shall be conclusive on the Permittee; and, upon notice from the Port Authority, the Permittee shall immediately withdraw from the Facility any persons, equipment or materials specified in the notice and replace them with unobjectionable persons, equipment and materials, and shall immediately rectify any condition specified in the notice.

(c) In the event that any type of strike, boycott, picketing, work stoppage or slowdown is directed against the Permittee, or any of its operations at the Facility, whether or not the same is due to the fault of the Permittee and whether or not caused by or on account of the employees of the Permittee or those doing business with it and notwithstanding that the Port Authority may or may not have issued directions or made decisions in connection with the same, the Port Authority may, by twenty-four (24) hours' notice, revoke this Permit and the effective period of the permission granted hereunder effective at the time specified in such notice, if such strike, boycott, picketing, work stoppage or slowdown continues for twenty-four (24) hours after the giving of the notice. In the event of revocation pursuant to this Section, the effective period of the permission granted hereunder shall cease and determine on the effective date of revocation in the same manner and with the same effect as if that date were the original date of expiration set forth in this Permit, provided, however, that notwithstanding anything to the contrary set forth elsewhere in this Permit the Permittee shall not be entitled to any abatement in the fees or other charges payable hereunder, nor to any reimbursement from the Port Authority on account of the cost of performing any construction and installation work.

Section 28. Delivery of Display Areas

The Permittee agrees to yield and deliver peaceably to the Port Authority possession of the Display Areas on the date of the cessation of the effective period of the permission granted hereunder, whether such cessation be by revocation, expiration or otherwise, promptly and in good condition, reasonable wear and tear excepted.

Section 29. Brokerage

The Permittee represents and warrants that no broker has been concerned in the negotiation of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify and save harmless the Port Authority of and from any claim for commission or brokerage made by any and all persons, firms or corporation whatsoever for services in connection with the negotiation and execution of this Permit.

Section 30. Extent of Privileges Granted

The privileges granted hereunder to the Permittee are non-exclusive.

Section 31. Relationship of the Parties

Notwithstanding that the percentage fee hereunder is measured by a percentage of gross receipts and other monies, no partnership relationship between the parties hereto or joint adventure is created by this Permit.

Section 32. Remedies to be Non-exclusive

All remedies provided in this Permit shall be and be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority at law or in equity.

Section 33. Place of Payments

All payments required of the Permittee by this Permit shall be sent to the Port Authority at the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 17309
NEWARK, NEW JERSEY
or to such other officer or address as may be substituted therefor.

Section 34. Notices

All notices, requests, demands, consents and approvals required to be given to or by either party shall be in writing; and all such notices and requests shall be personally delivered to the party or to the duly designated officer or representative of such party or delivered to the office of such party, officer or representative during regular business hours or forwarded to him

or to the party at such office by registered mail. The Permittee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, the Port Authority hereby designates its Executive Director and the Permittee designates the person named as representative on the first page hereof as their respective officers or representatives upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York, and the Permittee designates its office at its address stated on the first page hereof, as their respective offices where notices and requests may be served.

Section 35. Designations, Consents and Approvals

(a) Any designation, consent, permission, authorization or approval by the Port Authority under any Section of this Permit may from time to time in the sole discretion of the Port Authority be made, given, revoked or rescinded by notice to the Permittee.

(b) The Port Authority's rights under this Section shall not be or be construed to be limited by any provision of this Permit covering the Port Authority's rights of termination.

Section 36. Permittee's Representative

The Permittee's representative, hereinbefore specified in this Permit (or such substitute as the Permittee may hereafter designate in writing), shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof.

Section 37. Headings

The section headings and the subdivision headings, if any, are inserted only as a matter of convenience and or reference and in no way define, limit or describe the scope or intent of any provision hereof.

Section 38. Termination

(a) If any one or more of the following events shall occur, that is to say:

(1) The Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition to answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Permittee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Permittee is a corporation, by any of the stockholders of the Permittee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Permittee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The interest or estate of the Permittee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Permittee, if a corporation, shall, without the prior consent of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Permittee is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all the property of the Permittee or any execution any of its property, whereupon the use or occupancy of the Display Areas shall be taken by someone other than the Permittee, and any such use or occupancy shall continue in effect for a period of fifteen (15) days; or

(8) Any lien is filed against the Display Areas because of any act or omission of the Permittee and is not removed within ten (10) days; or

(9) The Permittee shall voluntarily abandon, desert, vacate or discontinue its operations in the Display Areas or, after exhausting or abandoning any right of further appeal, the Permittee shall be prevented for a period of thirty (30) days by action of any governmental agency from conducting its operations, regardless of the fault of the Permittee; or the Permittee shall fail to take occupancy and commence operations within fifteen (15) days after the effective date; or

(10) The Permittee shall fail duly and punctually to pay the fees or to make any other payment required hereunder when due to the Port Authority; or

(11) The Permittee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Permittee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may by five (5) days' notice revoke the permission granted hereunder, such revocation to be effective upon the date specified in such notice. Such right of revocation and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in paragraph (a) of this Section shall occur prior to the effective date of the permission granted hereunder, the Permittee shall not be entitled to use or occupy the Display Areas and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice may cancel the interest of the Permittee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of fees for any period or periods after a default of any of the terms, provisions or conditions of this Permit shall be deemed a waiver of any right on the part of the Port Authority to revoke this Permit. No waiver by the Port Authority of any default on the part of the Permittee in performing any of the terms, provisions or conditions of this Permit to be performed, kept or observed by the Permittee shall be or be construed to be a waiver by the Port Authority of any other subsequent default in performance of any of the said terms, provisions and conditions.

(d) The rights of revocation described above shall be in addition to any other rights of revocation provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Permittee and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

Section 39. Security Deposit

(a) The Port Authority and the Permittee have heretofore entered into a certain permit agreement dated as of November 1, 1983 and bearing Port Authority Permit Number P-BT-132 covering the installation and operation of various types of advertising displays in the Port Authority Bus Terminal (such permit agreement is hereinafter referred to as "the Former PABT Permit"). Pursuant to the provisions of Section 39 of the Former PABT Permit, the Permittee has heretofore delivered to the Port Authority a clean irrevocable letter of credit in the amount of Fifty Thousand Dollars and No Cents ($50,000.00) as security (which letter of credit is hereinafter referred to as the "Existing PABT Letter of Credit"). Although the period of the permission granted under the Former PABT Permit has expired, pursuant to the terms of a certain supplemental agreement entered into by and between the Permittee and the Port Authority dated August 8, 1994 and denominated "Supplement No. 4" to the Former PABT Permit (which supplemental agreement is hereinafter referred to as the "Repayment Agreement") the Permittee has undertaken certain payment obligations to the Port Authority in connection with the Former PABT Permit, and such obligations are in effect through the period expiring March 31, 1997. In addition, Port Authority Trans-Hudson Corporation ("PATH") and the Permittee have heretofore entered into a permit agreement dated as of July 27, 1995 and bearing PATH Permit Number P-RR-126 covering the installation and operation of various types of advertising displays in and on the property, facilities, and train cars owned or operated by PATH (which permit agreement

as amended and extended, is hereinafter referred to as "the PATH Permit"), and pursuant to the provisions of Section 39 thereof the Permittee has heretofore delivered to PATH a clean irrevocable letter of credit in the amount of Two Hundred Fifty Thousand Dollars and No Cents ($250,000.00) as security (which letter of credit is hereinafter referred to as the "PATH Letter of Credit"), and the Permittee and the Port Authority have also entered into a certain permit agreement dated as of May 20, 1996 and bearing Port Authority Permit Number P-BT-167 covering the installation, placement maintenance, and operation of indoor advertising signs and displays at certain location within the Facility (which permit agreement, as the same may be amended and extended, is hereinafter referred to as "the Indoor Permit"). The Permittee acknowledges that the pursuant to the provisions of paragraph 6 of that certain agreement entered into by and between PATH and the Permittee, dated as of August 25, 1995 and denominated "Supplement No. 1" to the PATH Permit, the letter of credit delivered to PATH pursuant to the provisions of Section 39 of the PATH Permit is available as security in connection with the PATH Permit as well as the Repayment Agreement. The Permittee hereby agrees that the letter of credit in the amount of Fifty Thousand Dollars and No Cents delivered to the Port Authority pursuant to the provisions of Section 39 of the Indoor Permit (which letter of credit is hereinafter referred to as the "New PABT Letter of Credit") shall be held and used by the Port Authority as security in connection with this Permit as well as the Indoor Permit and the provisions of paragraphs (a) and (b) of Section 39 of the Indoor Permit shall apply to the Permittee's obligations under this Permit as if incorporated herein in *haec verba* and the New PABT Letter of Credit shall be deemed to have been delivered under both the Indoor Permit and this Permit. The Permittee further agrees that in addition to the New PABT Letter of Credit, the Permittee shall cause the Existing PABT Letter of Credit and the PATH Letter of Credit heretofore delivered, respectively, to the Port Authority as security pursuant to Section 39 of the Former Port Authority Permit and to PATH as security pursuant to Section 39 of the PATH Permit, to be amended to provide that they shall remain in effect for the balance of the period of the permission granted under this Permit and the Indoor Permit, and that the Existing PABT Letter of Credit and the PATH Letter of Credit, together with the New PABT Letter of Credit delivered to the Port Authority pursuant to the provisions of this Section, and any other sums deposited or additional letters of credit delivered to the Port Authority in accordance with the provisions of this Section, shall constitute the security deposit described in this Section subject to all of the terms thereof. The Permittee hereby agrees that the Port Authority may make drawings under the Existing PABT Letter of Credit and the PATH Letter of Credit, as well as under the New PABT Letter of Credit and any additional letters of credit delivered to the Port Authority in accordance with the provisions of this Section, and may have resort to any additional cash deposited by the Permittee with the Port Authority as security in accordance with the provisions of this Section, in connection with the Repayment Agreement, the PATH Permit, this Permit, or the Indoor Permit, and that the Existing PABT Letter of Credit, the PATH Letter of Credit, the New PABT Letter of Credit, and any other sums deposited or additional letters of credit delivered to the Port Authority in accordance with the provisions of this Section shall be held and used by the Port Authority and PATH, respectively, as security in connection with the Repayment Agreement, the PATH

Permit, this Permit, and the Indoor Permit, and the applicable provisions of each such agreement shall apply as to all such letters of credit and deposits if all such letters of credit and deposits had been delivered or deposited under each such agreement. None of the letters of credit or deposits described in this paragraph shall be returned to the Permittee until the Repayment Agreement, the PATH Permit, this Permit, and the Indoor Permit have all expired and except in accordance with the applicable provisions of the last of such agreements to expire.

(c) In connection with the provisions of this Section the Lessee hereby certifies that its Employer Identification Number is _____.

(d) In addition to the letter of credit in the amount of Fifty Thousand Dollars and No Cents ($50,000.00) delivered to the Port Authority as security pursuant to the provisions of paragraph (a) of this Section, upon notice from the Port Authority made at any time during the fourth annual period established under this Agreement, the Permittee shall deposit with the Port Authority and keep deposited throughout the effective period of the permission granted hereunder a sum to be designated by the Port Authority, or, as the case may be, shall deliver to the Port Authority another letter of credit satisfactory to the Port Authority in an additional amount to be designated by the Port Authority, such sum or additional amount, in each case, not to exceed an amount which, when added to the letter of credit in the amount of Fifty Thousand Dollars and No Cents ($50,000.00) delivered to the Port Authority as security pursuant to the provisions of paragraph (a) of this Section shall be equal to twenty-five percent (25%) of the gross receipts generated by the Permittee in the preceding annual period from the exercise of the privilege granted pursuant to this Permit. The sum deposited by the Permittee, or the additional letter of credit delivered to the Port Authority, as the case may be, together with the letter of credit in the amount of Fifty Thousand Dollars and No Cents ($50,000.00) delivered to the Port Authority as security pursuant to the provisions of paragraph (a) of this Section shall thereafter constitute the security deposit described in this Section, and shall be subject to all of the terms hereof.

Section 40. Late Charges

If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority, including without limitation any payment of any basic or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than

thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including without limitation the Port Authority's rights set forth in Section 38 of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

Section 41. Definitions

The following Terms, when used in this Permit, shall have the respective meanings given below:

(a) "The Port Authority Bus Terminal shall mean the building bounded by 40th and 41st Streets, 8th and 9th Avenues, in the City, County and State of New York, and the extension of the Port Authority Bus Terminal, contiguous thereto and lying to the north thereof, which, together with the Port Authority Bus Terminal as heretofore existing, constitutes the Port Authority Bus Terminal;

(b) "Causes or conditions beyond the control of the Port Authority", shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other conditions or circumstances whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority or which could not be prevented or remedied by reasonable effort and at reasonable expense.

Section 42. Non-Liability of Individuals

Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit or because of its execution or attempted execution, or because of any breach thereof.

Section 43. Ethics

(a) During the effective period of the permission granted under this Agreement, the Permittee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Permittee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority lease, contract or matter. Any such conduct shall be deemed a material breach of this Agreement.

(b) As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority lease or contract), etc., which might tend to obligate the Port Authority employee to the Permittee, (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority lease or contract.

(c) In addition, during the effective period of the permission granted under this Agreement, the Permittee shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated as of July 18, 1994 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

(d) The Permittee shall include the provisions of this Section in each sublease, contract or subcontract entered into under and pursuant to the provisions of this Agreement.

(e) The Permittee certifies that it has not made any offers or agreements, or given or agreed to give, anything of value (as defined in paragraph (b) of this Section) or taken any other action with respect to any Port Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of

Ethics and Financial Disclosure dated as of July 18, 1994, referred to in paragraph (c) of this Section, nor does the Permittee have any knowledge of any act on the part of a Port Authority employee or former Port Authority employee relating either directly or indirectly to the Permittee which constitutes a breach of the ethical standards set forth in said Code.

Section 43. Entire Permit

This Permit consists of the following: pages 1 through 36, inclusive, and Schedule E. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Permittee. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Permit.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

ATTEST: _____ Secretary

By _____ (Seal)

ATTEST: _____ Secretary

TRANSPORTATION DISPLAYS INCORPORATED

By _____

(Title) Exec Vice President / General mgr

(Corporate Seal)

APPROVED FOR TRANSMITTAL FORM | TERMS

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SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central South American origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least

fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises and Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(1) Dividing work into smaller portions where feasible.

(2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Permittee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Permittee shall supply to the Port Authority such information, data, and documentation with respect to the efforts the Permittee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as the Port Authority may from time to time and at any time request.

(3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.

(4) Meeting regularly with representatives of the Port Authority to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by the Port Authority, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.

(5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Permittee and its contractors will meet their obligations hereunder.

(6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.

(7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

The Port Authority has compiled a list, which may be supplemented and revised from time to time by the Port Authority, of the firms the Port Authority has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Permittee and its contractors upon request. The Port Authority makes no representation as to the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by the Port Authority as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by the Port Authority from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of the Port Authority shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet the Port Authority's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to the Port Authority for a determination as to eligibility as provided above.

1. National Minority Bus. Council, Inc.
   235 East 42nd Street
   New York, N.Y. 10017
   (212) 573-2385

2. N.Y./N.J. Minority
   Purchasing Council.
   1412 Broadway - 11th floor
   New York, N.Y. 10018
   (212) 944-2442

3. Newark, Paterson, Jersey
   City Business Development
   Center
   60 Park Place, Suite 1307
   Newark, N.J. 01702
   (201) 623-7712

4. The Council For Airport Opportunity
   2 World Trade Center
   Suite 2228
   New York, N.Y. 10048
   (212) 466-1091

5. Assoc. of Minority Enterprises of
   New York (AMENY)
   165-40A Baisley Blvd., Suite #3
   Jamaica, New York, 11434

6. Air Services Development Office
   90-04 161st Street
   Jamaica, N.Y. 11432
   (718) 262-9012

In the event that the participation of any MBE or WBE selected by the Permittee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is canceled or terminated for any reason, the Permittee agrees and agrees to require its contractors to make every good faith effort, to the maximum extent feasible, and consistent with the Permittee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the foregoing provisions of this Schedule, and without limiting any of the terms and conditions of the Agreement to which this Schedule is attached, the Permittee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of the Agreement to which this Schedule is attached to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community

labor force with respect to minority and female participation and will work with the Port Authority's Office of Business and Job Opportunity to identify referral sources when needed. The Permittee will cooperate with the Port Authority to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Permittee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Permittee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate work force in each trade on all construction work are as follows:

Journey level trade workers

Minority participation:	30%
Female participation:	6.9%

Laborers and other unskilled workers

Minority participation:	40%
Female participation:	6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(a) The Permittee agrees to require its contractors and subcontractors to provide written notification to the Permittee and the Permittee agrees to provide written notification to the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction contract or subcontract in excess of $10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(b) The Permittee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(c) The Permittee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (f) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Permittee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Permittee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(d) The Permittee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(e) The Permittee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(f) The Permittee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Permittee's

evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Permittee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each phase of the construction project. The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

(4) Provide immediate written notification to the Permittee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman, sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.

(7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's work force.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(g) The Permittee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (f) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (f) hereof provided that: the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female work force participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Permittee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(h) Goals for minorities and a separate single goal for women have been established. The Permittee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Permittee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(i) The Permittee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(j) The Permittee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(k) The Permittee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Permittee further agrees to require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Permittee.

(l) The Permittee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Permittee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (f) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Permittee shall proceed accordingly.

(m) The Permittee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the contractor's EEO obligations as may be required, and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(n) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(o) Without limiting any other term or provision of this Agreement, the Permittee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Permittee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between the Port Authority and the Permittee.

(p) In addition to and without limiting any of the terms and provisions of this Agreement, the Permittee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either the Port Authority or the Permittee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Permittee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.

SB

For the Port Authority

Initialed:

DRA

For the Permittee

pabt-outdr-adv-per.96F

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 19th day of August, 1996, before me personally came James Chowky to me known, who, being by me duly sworn, did depose and say that he resides in; Jersey City, NJ that he is the General Mgr of TBT The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

CONSTANCE DELLABARCA
Notary Public, State of New York
No. 03-4831312
Qualified in Bronx County
Commission Expires 2/23 1998

Constance DellaBarca

STATE OF New York)
) ss.:
COUNTY OF New York)

On the 8 day of August, 1996, before me personally came Donald R Ellman, to me known, who, being by me duly sworn, did depose and say that he resides in Darien, Conn.; that he is the Exec. Vice President of Transportation Displays, Incorporated, one of the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

TINA KOWALSKY
Notary Public, State of New York
No. 02KO4999349
Qualified in Westchester County
Commission Expires July 20, 1998

THIS SUPPLEMENT SHALL NOT BE BINDING UPON
THE PORT AUTHORITY UNTIL DULY EXECUTED
BY AN EXECUTIVE OFFICER THEREOF AND
DELIVERED TO THE PERMITTEE BY AN AUTHORIZED
REPRESENTATIVE OF THE PORT AUTHORITY

Port Authority Bus Terminal
Port Authority Permit No. PBT - 168
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of May 4, 2004, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "Port Authority"), and VIACOM OUTDOOR GROUP INC. (formerly known as "Transportation Displays Incorporated") (hereinafter called "Permittee");

WITNESSETH, that the Port Authority and the Permittee hereby agree to amend as of the date set forth below, that certain Permit dated as of May 20, 1996 (identified above by the Port Authority Permit Number and covering Space at the above mentioned Port Authority Facility) issued by the Port Authority to the Permittee and hereinafter called the "Permit";

NOW, THEREFORE, for and inconsideration of the covenants and mutual agreements herein contained, the Port Authority and the Permittee hereby agree as follows:

1. Effective as of September 1, 2002, the words and number "Two Million Dollars and No Cents ($2,000,000.00)" appearing in the penultimate line of the first full paragraph of Paragraph (d) of Section 26 of the Permit are hereby deleted and the words and number "Three Million Dollars and No Cents ($3,000,000.00)" are hereby substituted in lieu thereof.

2. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Permit shall be and remain in full force and effect.

3. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Permittee with any liability or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted breach thereof. The Permittee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

4. This Agreement and the Permit which it amends constitutes the entire agreement between the Port Authority and the Permittee on the subject matter, and may not be changed, modified discharged or extended except by an instrument in writing duly executed on behalf of both the Port Authority and the Permittee.

5. All obligations undertaken by the Permittee pursuant to the Permit and the alteration Permits, if any, issued in connection therewith, shall maintain in full force and effect.

IN WITNESS WHEREOF, the Port Authority and the Permittee have caused these presents to be executed as of the date herein above set forth.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By_____
(Title)_____

VIACOM OUTDOOR GROUP INC.
(Permittee)

By_____
(Title)_____President_____

THIS SUPPLEMENT SHALL NOT BE BINDING UPON THE PORT AUTHORITY UNTIL DULY EXECUTED BY AN EXECUTIVE OFFICER THEREOF AND DELIVERED TO THE PERMITTEE BY AN AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY

Port Authority Bus Terminal
Port Authority Permit No. PBT - 168 Supplement No. 2

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of October 26, 2010, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "Port Authority"), and CBS OUTDOOR GROUP INC. (formerly known as "Viacom Outdoor Group Inc." and as "Transportation Displays Incorporated") (hereinafter called "Permittee");

WITNESSETH, that the Port Authority and the Permittee are parties to an Agreement dated as of May 20, 1996, as amended, (identified above by the Port Authority Permit Number and covering Space at the above mentioned Port Authority Facility) issued by the Port Authority to the Permittee and hereinafter called the "Permit";

WITNESSETH, that the Permittee has entered into a subcontract agreement ("the Display Agreement") with Garage Media NY LLC, a New York limited liability company (referred to, together with any lender, lessor, or other financer consented to by the Port Authority having any right, title, or interest in the Garage Media Work, as "G-M"), as agreed to and acknowledged by the Port Authority, for the installation, operation and maintenance of a 6,000 square-foot electronic signage system on the exterior grid structure of the North Wing of the Port Authority Bus Terminal;

WITNESSETH, that the Port Authority and the Permittee hereby agree to amend certain provisions of the Permit in the manner hereinafter set forth;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Permittee hereby agree as follows:

1. In Section 2 of the Permit, make the following changes:

   (a) The date "June 30, 2016" appearing in the last line of Paragraph (a) is hereby deleted and the date "December 31, 2018" is hereby substituted.

   (b) Add the following new sentence at the end of Paragraph (a):

   "In the event Permittee shall fail to install the Garage Media Work,

as hereinafter defined, or, if Permittee should terminate this Display Agreement because of a contract default, the Expiration Date shall be deemed to be June 30, 2016 or, if later, the date of such termination."

2. In Section 3 of the Permit, at the end of Paragraph (b), insert the following:

"Notwithstanding the foregoing, in the event the Port Authority shall require, the relocation of the Garage Media Work, as hereinafter defined, such relocation shall be to an area mutually acceptable to Permittee and the Port Authority. The Port Authority shall be responsible for the cost of such relocation. In the event a mutually acceptable location is not agreed to by the parties, the permission granted under this Permit with respect to the Garage Media Work shall be deemed revoked pursuant to the provisions of subparagraph (a) of Section 26 of this Permit, and in such case the Port Authority shall pay to Permittee the Unamortized Capital Investment in the Garage Media Work, subject to the provisions of subparagraph (d) of Section 26 of this Permit."

3. In Section 4 of the Permit, insert the following new subparagraph after subparagraph (a)(1):

"(2) Upon full execution of this Agreement as hereinafter defined, the "Fee Payment Start Date" shall mean the earlier of the following dates:

(i) December 31, 2010; provided that in the event the Garage Media Work is not operational by December 31, 2010, the payment of the Fee shall be deferred until such time as the Garage Media Work is operational, provided however, such deferral shall not exceed sixty (60) days, or

(ii) The date following the completion of the Garage Media Work as the Port Authority may designate to the Permittee as the date on which public operation may be commenced for the Garage Media Work, or

(iii) Four months following the date of the Port Authority's approval of the plans and specifications for the Garage Media Work."

4. In Section 4 of the Permit, insert the following new paragraph after paragraph (c)(5):

"(6) Notwithstanding anything in Section 4 to the contrary, in the event

that any administrative, regulatory or judicial action is taken by the City of New York which prohibits the Permittee from operating the sign, the Permittee shall not be obligated to remit to the Port Authority all fees due and payable for the days the Sign is not operational, provided, however, that if the Permittee receives revenue during such a time, the entire or prorated percentage fee shall be due and payable to Port Authority."

5. In Section 4 of the Permit, insert the following paragraph after paragraph (c)(6):

"(7) The Port Authority shall receive its applicable share of the bonus revenue (as due under the Display Agreement) upon the Permittee's receipt of this bonus revenue from G-M."

6. Section 9 of the Permit shall be amended as follows:

(i) The words ", which the Port Authority deems applicable and provides notice to the Permittee thereof" shall be added following the words "Display Areas" in the first sentence of subparagraph (b);

(ii) "The Permittee and G-M shall not be required to procure permits from New York City Department of Buildings with respect to the Sign." shall be added following the last sentence in subparagraph (b).

(iii) The first sentence of subparagraph (d) shall be deleted and replaced by the following:

"(d) The obligations of the Permittee to comply with governmental requirements, if any, is provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility."

(iv) Subparagraph (e) shall be added as follows:

"(e) In the event that (i) any government agency having authority over the operation of the Sign takes any action that prohibits the Permittee from operating the Sign, including any action taken under the provisions of the New York City Zoning Resolution, the New York City Administrative Code, the Rules of the City of New York and the Rules of the New York City Department of Buildings applicable to signs and sign structures (collectively the "Sign Regulations") or (ii) any administrative, regulatory or judicial action is taken in order to prohibit the Permittee from operating the Sign pursuant to the Sign Regulations, then the Port Authority may, at its option, either:

(1) dispute the validity of such Sign Regulation and/or its

applicability to the Port Authority and/or Permittee, or

(2) pay to Permittee and G-M the Unamortized Capital Investment in the Initial Installation Work and Garage Media Work as set forth in the Display Agreement and subject to the provisions of subparagraph (d) of Section 26 of this Permit (and the Display Agreement).

The Port Authority will decide as soon as is feasible, but no later than ninety (90) days of any party's receipt of a stop-work order and/or an administrative, regulatory, or judicial action whether to choose options (1) or (2), and will so notify both the Permittee and G-M in writing of its decision to either dispute the validity of the Sign Regulation or pay the Unamortized Capital Investment. In the event that any administrative, regulatory or judicial action is taken by the City of New York or other state or municipal agency which putatively prohibits or would prohibit the Permittee from operating the Sign and receiving revenue for a six month period, the Port Authority will terminate the Permit and pay to Permittee and G-M the Unamortized Capital Investment in the Initial Installation Work and Garage Media Work, and such payment will unconditionally be made upon the expiration of such six month period (with revocation under Section 26 of the Permit being deemed to have occurred at the beginning of such six month period; provided that during any period where the Port Authority is disputing the validity of the Sign Regulations, no interest shall accrue on the Unamortized Capital Investment).

7. In Section 14 of the Permit the words "With the exception of the Garage Media Work, which shall remain the property of Permittee", shall be inserted at the beginning of subparagraph (b).

8. In Section 19 of the Permit, the following shall be inserted at the end of subparagraph (a):

> "; except for (i) the security interest held by the Permittee's or Permittee's subcontractor's lender; and (ii) upon the acquisition of the Permittee by a sale or other disposition of all or substantially all of the assets of the Permittee or any merger, consolidation or other form of reorganization; in either case to be submitted to the Port Authority for its prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed.

9. In Section 26 of the Permit, the following shall be inserted following the first sentence of subparagraph (a):

> "; provided, that upon any revocation or termination by the Port Authority without cause, the Port Authority shall not enter into any agreement with any party, including but not limited to the Permittee, to provide the same or similar display technology as G-M through the

stated Expiration Date of this Agreement."

10. In Section 26 of the Permit, delete the first paragraph of Paragraph (d) in its entirety and substitute the following therefore:

"(d) In the event the effective period of the permission granted under this Permit is revoked pursuant to the provisions of subparagraph (a) of this paragraph, the Port Authority shall pay the Permittee its Unamortized Capital Investment, as hereinafter defined, in the structural grid, and the electrical and operational equipment initially installed by the Permittee (the "Initial Installation Work"). In the event the Display Agreement is terminated with G-M, pursuant to the terms of the Display Agreement, the Port Authority shall pay G-M for the installation of an electronic signage system including all associated electrical and operational equipment installed under the Display Agreement (the "Garage Media Work") to operate the advertising displays; provided, however, that tender of payment of such Unamortized Capital Investment shall not be a pre-requisite for the exercise of the Port Authority's right of revocation pursuant to subparagraph (a) of this paragraph, but the Permittee shall be entitled to five per cent (5%) interest per annum on such Unamortized Capital Investment for the period from the effective date of revocation to the date of tender of payment (excluding any period prior to the rendering by the Permittee to the Port Authority of any required statement or other documentation of cost); provided, further, that the payment of the Unamortized Capital Investment and any accrued interest shall be paid no later than six (6) months after the effective date of revocation. As used herein "Unamortized Capital Investment" shall mean a pro rata share (assuming straight line depreciation from the date of installation to the Expiration Date) of the Permittee's cost of supplying and installing in the Display Areas the Initial Installation Work to operate the advertising displays installed pursuant to the terms of this Agreement. To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Permittee to operate the advertising displays installed pursuant to the terms of this Agreement, and to the extent that such sum does not exceed Three Million Dollars and No Cents ($3,000,000.00) in the case of the Initial Installation Work and Eleven Million Dollars and No Cents ($11,000,000.00) with respect to the Garage Media Work, shall constitute "cost" under the this Section 26."

11. Add Section 44 to the Permit, entitled "Ownership of the Garage Media Work", which states:

"Notwithstanding Section 14(b), during the Term of the Permit, the ownership of the Garage Media Work is vested with G-M. Upon expiration of the Permit, if and only if the Expiration Date is on and as of December 31, 2018, the - ownership of the Garage Media Work shall vest with the Port Authority AS-IS,

WHERE-IS, and without further obligation of the Permittee under this or other provisions of the Permit (other than with respect to the payment of previously earned fees, which shall survive). Should the Port Authority terminate the Permit, prior to December 31, 2018, with or without cause, the ownership of the Garage Media Work shall nonetheless remain vested with G-M."

12. The undersigned Permittee, for the greater assurance of the Port Authority, and for and in consideration of the covenants, agreements, provisions and representations of the Port Authority set forth in this Agreement, hereby releases and forever discharges the Port Authority from any and all debts, claims, demands, damages, judgments, actions or causes of action of whatsoever nature and whether in law or in equity, whether presently known or unknown, arising from acts, omissions or events that have occurred from the beginning of the world to the date first set forth above, which arise out of, by reason of, under or in connection with the Permit and any work labor, services, and materials so performed and furnished by the Permittee or its contractors and sub-contractors. This Release shall be a complete and unconditional Release of all claims under, or in connection with, the Permit by the Permittee against the Authority. If any person whosoever, shall make a claim against the Port Authority, based on a claim against such person made by the Permittee on account of anything done, or furnished, or to be done, or furnished, in connection with the Permit, or on account of any act, or neglect of the Port Authority or others relating to or arising out of the Permit, then the Permittee shall indemnify the Authority against such claim by such person, and for all expense incurred by the Port Authority in the defense, settlement, or satisfaction of such claim, by such person, including expenses of neither this Release, nor its acceptance by the Port Authority, shall operate, or be deemed to operate to affect, impair, or diminish the duties, or obligations of the Permittee under, or upon the Permit, or to release said Permittee from any of said duties, or obligations or to vary, or affect the provisions of the Permit. Nothing contained in this Release, is intended for the benefit of third persons, or entities except, however, that this Release shall be deemed to include equally, the Commissioners, officers, agents, employees, successors, and assigns of the Authority. This Release may not be changed, or modified, except by, in writing, signed by the party to be charged therewith.

13. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Permit shall be and remain in full force and effect.

14. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Permittee with any liability or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted breach thereof. No representations or warranties with respect to this Agreement shall be binding upon the Port Authority or the Permittee unless expressed in writing herein.

15. This Agreement and the Permit which it amends constitutes the entire agreement between the Port Authority and the Permittee on the subject matter, and may not be changed, modified discharged or extended except by an instrument in writing duly executed on behalf of both the Port Authority and the Permittee.

16. All obligations undertaken by the Permittee pursuant to the Permit and the alteration Permits, if any, issued in connection therewith, shall maintain in full force and effect.

IN WITNESS WHEREOF, the Port Authority and the Permittee have caused these presents to be executed as of the date herein above set forth.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name: Francis A. DiMola
Title: Director
Real Estate Services Department

CBS OUTDOOR GROUP INC.

By: _____
Name: _____
Title: _____

APPROVED	
TERMS	FORM
BB	RR

IN WITNESS WHEREOF, the Port Authority and the Permittee have caused these presents to be executed as of the date herein above set forth.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name: _____
Title: _____

CBS OUTDOOR GROUP INC.

By: _____
Name: Raymond Nowak
Title: EVP/CFO and CAO