

JSTC Public Parking Lot

Lease No. LRR-378

Agreement between the

PORT AUTHORITY TRANS-HUDSON CORPORATION

and



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This agreement, made as of the [REDACTED] by and between the Port Authority Trans-Hudson Corporation (hereinafter called "PATH"), a corporation organized and existing under the Laws of the States of New York and New Jersey and a wholly-owned subsidiary of 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 (hereinafter called the "Port Authority"), and having an office at 4 World Trade Center, in the Borough of Manhattan, City, County and State of New York, and [REDACTED] (hereinafter called the "Lessee"), a corporation organized under the laws of [REDACTED] having an office and place of business at [REDACTED] whose representative is [REDACTED]

Witnesseth that PATH and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

SECTION 1. LETTING

PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH: (i) the space on the first parking level and on the roof level of the Journal Square Transportation Center in the City of Jersey City, County of Hudson and State of New Jersey (hereinafter called "JSTC"), shown on the sketch attached hereto hereby made a part hereof and marked "Exhibit 3" and (ii) such other space as shall be designated by the Manager of the Facility, as hereinafter defined, together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, all said space(s), fixtures, improvements, and other property of PATH being hereinafter collectively referred to as the "premises." PATH and the Lessee hereby acknowledge that the premises constitutes non-residential real property.

SECTION 2. TERM

- (a) The term of the letting under this Agreement shall commence at 12:01 o'clock A.M. on [REDACTED] as such date may be postponed from time to time pursuant to the provisions of paragraph (c) of this Section (the "Commencement Date") and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock p.m. on the day preceding the fifth (5th) anniversary of the Commencement Date (the "Expiration Date").
- (b) PATH shall have the right to extend this Agreement for two (2) additional two (2))-year periods (hereinafter the "Two Year Option Periods") from the Expiration Date originally fixed herein upon the same terms and conditions subject to the following: not later than sixty (60) days prior to the Expiration Date of this Agreement as the same may be extended, PATH may send a notice of intention to extend the term of the letting and the Lease shall thereupon be extended for the applicable extension period.
- (c) If PATH has exercised both of the Two Year Option Periods, PATH shall thereafter have the right to extend this Agreement for one (1) additional one (1)-year period (hereinafter the "One Year Option Period") upon the same terms and conditions subject to the following: not later than thirty (30) days prior to the

Expiration Date of this Agreement as the same may be extended, PATH may send a notice of intention to extend the term of the letting and the Lease shall thereupon be extended for the applicable extension period.

- (d) Without in any way limiting the provisions set forth in the Sections of this Agreement entitled "*Termination*," "*Right of Re-entry*" and "*Survival of the Obligations of the Lessee*," unless otherwise notified by PATH in writing, in the event the Lessee remains in possession of the Premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time, in addition to any damages to which PATH may be entitled under this Agreement or other remedies PATH may have by law or otherwise, the Lessee shall pay to PATH a rental for the period commencing on the day immediately following the date of such expiration or the effective date of such termination (the "*Scheduled Expiration Date*") and ending on the date that the Lessee shall surrender and completely vacate the Premises at an annual rate equal to twice the sum of (i) the annual rate of rental in effect on the Scheduled Expiration Date, plus (ii) all items of additional rent and other periodic charges payable with respect to the Premises by the Lessee at the annual rate in effect during the 365 day period immediately preceding the Scheduled Expiration Date. Nothing herein contained shall give, or be deemed to give, the Lessee any right to remain in possession of the Premises after the expiration or termination of the letting under this Agreement. The Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the Premises to PATH on the Scheduled Expiration Date, or after the terminating of the letting under this Agreement, will or may cause PATH injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay PATH for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold PATH harmless against any such injury, damage or loss.

SECTION 3. RIGHTS OF USER BY THE LESSEE

The Lessee shall use the premises for the following purposes only and for no other purpose whatsoever: (i) for the operation of a first-class public vehicular parking facility for motor vehicles on a daily rate basis, which rates have been established only with the prior approval of PATH, on a monthly rate basis; and (ii) subject to availability, space which shall be used for a clerical and administrative office in connection with the Lessee's operations elsewhere on the premises. The Lessee shall also provide such other services as are set forth in Exhibits attached hereto and hereby under a part hereof, which schedule may be amended from time to time at any time by PATH.

SECTION 4. RENTAL

- (a) The Lessee agrees to pay to PATH a basic rental and the percentage rental stated in Item I of Exhibit B, attached hereto and hereby made a part hereof.
- (b) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item I of Exhibit B.

SECTION 5. OBLIGATIONS IN CONNECTION WITH ANY PERCENTAGE RENTAL

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee

shall:

- (a) Take all reasonable measures in every proper manner to maintain, develop, and increase the business conducted by it hereunder;
- (b) Not divert or cause or allow to be diverted any business from the Facility;
- (c)
 - i. Maintain in accordance with accepted accounting practice during the letting, and for one year thereafter and for such further period until the Lessee shall receive written permission from PATH to do otherwise, records and books of account recording all transactions at, through, or in, anywise connected with the premises, 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, and representatives of PATH 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 Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District.
 - ii. In the event that upon conducting an examination and audit as described in this Section PATH determines that unpaid amounts are due to PATH by the Lessee, the Lessee shall be obligated, and hereby agrees, to pay to PATH a service charge in the amount of five percent (5%) of each amount determined by PATH audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill, or otherwise) made at any time therefore by PATH. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to PATH by the Lessee under this Lease or otherwise.
 - iii. No acceptance by PATH of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of PATH to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify, or diminish in any way (i) any rights of PATH under this Lease, including, without limitation, PATH's rights to terminate this Lease or (ii) any obligations of the Lessee under this Lease.
- (d) Permit in ordinary business hours the inspection by the officers, employees and representatives of PATH of any equipment used by the Lessee, including but not limited to revenue control systems, cash registers, and recording tapes;
- (e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;
- (f) Install and use such cash registers, sales slips, invoicing machines, and any other equipment

of devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

SECTION 6. GOVERNMENTAL REQUIREMENTS

- (a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licenses, certificates, permits or other authorization, which may be necessary for the conduct of its operations.
- (b) The Lessee shall pay all taxes, license, certification, permit, and examination fees and excises which may be assessed, levied, exacted, or imposed on its property or operation hereunder or on the gross receipts or income there from, and shall make all applications, reports, and returns required in connection therewith.
- (c) The Lessee shall promptly observe, comply with, and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders, and directions which may pertain or apply to the operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations, or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.
- (d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by PATH to the application to itself of such requirements or any of them.

SECTION 7. RULES AND REGULATIONS

The Lessee covenants and agrees to observe, obey, and compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, and those doing business with it to observe and obey the special rules and regulations of PATH for the government of the conduct and operations of the Lessee, and such further reasonable rules and regulations as may from time to time during the letting be promulgated by PATH for reasons of safety, health, or preservation of property, or for the maintenance of the good and orderly appearance of the premises and the Facility. The PATH Rules and Regulations can be found at <http://www.panynj.gov/path/rules-regs.html>.

SECTION 8. METHODS OF OPERATION

- (a) The Lessee covenants as follows:
 - i. The Lessee shall provide at the Facility a fully qualified parking manager satisfactory to PATH who shall be in charge of and responsible for the operation at all times and shall be regularly scheduled to be on duty at the Facility during the hours of 7:00 A.M. to 3:00P.M. of each weekday (Monday through Friday.) In addition, the Lessee shall provide an Assistant Manager, during the hours of 3:00PM to 11:00 PM, a Night Supervisor from 11:00 PM to 7:00AM, (Monday through Friday) and a Weekend Supervisor.
 - ii. The Lessee shall furnish the necessary competent and qualified labor to perform the

functions and fulfill the responsibilities of parking attendant at the premises.

- (b) The Lessee shall provide and its employees shall wear, carry, or display photographic identification cards and its employees shall wear appropriate uniforms. Nameplates shall be affixed to the outside of the tollbooths. All badges, means of identification, uniforms, and methods of display shall be subject to the prior and continuing consent of PATH in writing. None of the costs of such badges, means of identification, or uniforms (or replacements thereof) shall be reimbursed to the Lessee. The Lessee shall be responsible for ensuring that its employees at all times wear their uniforms and appropriate shoes. All outerwear shall bear the Lessee's corporate logo.
- (c) The Lessee shall make a daily inventory, between 2:00 A.M. and 4:00 A.M., listing all vehicles, which have remained parked in the premises over the previous night. The Lessee shall provide to the Manager of the Facility or such person designated by the Manager, an up-to-date record of such vehicles listing the full time each vehicle has been left in the premises, so that collection of the appropriate charge may be made when each vehicle leaves the premises. All procedures utilized by the Lessee in connection with this function shall be subject to the prior and continuing approval of PATH.
- (d) The Lessee shall conduct all operations hereunder in an orderly and proper manner and so as not to annoy, disturb, or be offensive to others at the Facility. PATH shall have the right to object to the Lessee regarding the demeanor and conduct of the Lessee's employees, invitees, and those doing business with it whereupon the Lessee will take all steps necessary to remove the cause of the objections.
- (e) The Lessee shall adopt methods and procedures, and cause its employees to comply with the same, so as to keep the premises in a neat and orderly condition.
- (f) The Lessee shall not do or permit to be done anything on the premises which may interfere with the effectiveness or accessibility of any sprinkler system, alarm system, fire hydrants, and hoses installed or located in the premises or which may result in the creation or maintenance of a nuisance on or at the Facility.
- (g) The Lessee shall maintain all its own fixtures, equipment, and personal property in the premises in first-class operating order, condition, and appearance at all times, making all repairs and replacements necessary therefore, regardless of the cause or the condition necessitating any such repair or replacement. Notwithstanding the foregoing, the Lessee shall also be obligated to maintain and repair the accepted revenue control system and associated equipment, in compliance with all applicable technology standards and guidelines, including any associated equipment supplied by PATH to the Lessee to operate the parking lot service at the Facility.
- (h) The Lessee shall remove snow and ice from the premises in accordance with the procedures set forth in the schedule attached hereto, hereby made a part hereof and marked "Exhibit SR".
- (i) Neither the requirements of PATH under this Agreement, nor approval of PATH of the methods of furnishing services hereunder, nor the failure of PATH to call attention to improper or inadequate methods, or to require a change in the

method of furnishing services hereunder, nor the failure of PATH to direct the Lessee to take any particular precautions or to refrain from doing any particular thing, shall relieve the Lessee of its liability for injuries to persons or damage to property arising out of its operations.

- (j) At no time shall garbage, debris, or other waste material (whether solid or liquid) be allowed to collect or accumulate in the premises, and the Lessee shall remove from the premises and the Facility all garbage, debris, and other waste materials (whether solid or liquid,) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall the Lessee use any facilities of PATH without its prior consent in writing; the Lessee shall effect such removal only during such hours as are prescribed by PATH.

Subject to all of the terms, conditions, and provisions of this Agreement, and in implementation of the provisions of this paragraph, the Lessee agrees to remove from the premises all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises by delivering the same daily to PATH compaction unit located at the facility, and PATH hereby grants to the Lessee the privilege to use PATH compaction unit during such hours and in such manner as may be specified by PATH for the compaction of all such garbage, debris and waste materials. PATH shall thereafter arrange, through its agents, employees or contractors, for the collection and removal of all such debris, garbage, and waste material from the facility. The privilege granted hereunder to the Lessee is non-exclusive and PATH and all persons, firms or corporations designated by it shall have the right to use the said compaction unit and to enter upon the space designated for the location thereof for the purposes set forth herein. Nothing contained herein shall limit or be deemed to limit any rights PATH or its designees may have under this Agreement, or otherwise, to enter upon or use such space.

Prior to delivery to the PATH compaction unit, the Lessee shall store all garbage, debris, and waste materials in suitable garbage and waste receptacles, to be provided by the Lessee at its sole cost and expense. All such receptacles shall be of a design safely and properly to contain whatever may be placed therein and shall be kept closed or covered except when being filled and maintained in a clean and sanitary condition at all times. The Lessee shall exercise extreme care in bringing all such garbage, debris and waste materials to the PATH compaction unit and shall pick up and clean all spillage and accumulations thereof. Without limiting the applicability thereof in any way, the Lessee's repair and maintenance obligations under this Agreement shall extend to and include its activities under this paragraph. Unless otherwise directed by PATH, the Lessee shall not contract for waste, rubbish, or garbage removal services and shall not dispose of garbage, debris, or other waste materials except in the manner specified in this Agreement.

PATH shall have the right to temporarily discontinue the Lessee's non-exclusive right to use the compaction unit when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes, or improvements thereto. Nothing contained herein shall impose or be construed to impose on PATH any obligation to make any repairs, alterations, changes, or improvements or to create any liability for any failure to do so. PATH shall have the right to revoke the privilege granted hereunder to use the PATH compaction unit on thirty (30) days prior written notice to the Lessee, provided, however, that it may be revoked by PATH upon twenty-four (24) hours' notice if the Lessee shall fail to keep, perform, and

observe each and every condition, term, and provision contained herein.

Revocation shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation. The exercise of the foregoing rights by PATH shall not release, relieve, or discharge the Lessee from any of its obligations under this Agreement and upon the exercise of such rights, the Lessee shall dispose of all garbage, debris, or other waste material in accordance with the provisions of the first sentence of this paragraph.

SECTION 9. SALES AND SERVICES BY THE LESSEE

- (a) A principal purpose of PATH 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 merchandise and/or services which the Lessee is permitted to sell and/or render hereunder, all for the better accommodation, convenience, and welfare of such individuals and in fulfillment of PATH's obligation to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15,) personnel, supplies, materials, and other facilities and replacements therefore and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of PATH and a part of the premises, provided, however, that PATH shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment, and improvements and to restore the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH 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 PATH as to type and quality. PATH may by written authorization allow the Lessee to enter and occupy the premises prior to the commencement date of the letting stated or referred to in Section 2, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with, and shall be subject to, all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

- (b) The Lessee shall furnish good, prompt, and efficient service hereunder, adequate to meet all demands therefore 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.
- (c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to PATH for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. PATH shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly

submitted to PATH for its prior written approval, and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by PATH.

The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto.

Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

- (d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of PATH, then the Lessee shall be under no obligation to submit such schedules of prices but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, provided, however, that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial, or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price.

If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to PATH schedules therefore in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Any overcharge or undercharge resulting from a breach by the Lessee of its obligations under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

- (e) The Lessee shall be open for and shall conduct business and furnish services twenty-four (24) hours a day, seven (7) days a week, or for such other hours and days as PATH, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hour days made by PATH shall be controlling.

SECTION 10. PREMISES

The Lessee acknowledges that it has carefully examined the premises and all equipment located therein or thereon. It hereby accepts the same in its present "as is" condition. The Lessee has found all of the same suitable and satisfactory for the operations to be conducted under this Agreement. The Lessee shall repair all damages to the premises, and all damage to fixtures, improvements, or personal property of PATH, including, without limitation, revenue control and associated equipment, which may hereafter be located thereon, which may be caused by any acts or omissions of the Lessee, its officers, agents, employees, or representatives, whether the damage occurs during the course of their employment by the Lessee or otherwise.

SECTION 11. INDEMNITY AND INSURANCE

- A. (1) The Lessee shall indemnify and hold harmless the Port Authority and its related entities (including but not limited to PATH), Port Authority Commissioners, PATH Directors, Port Authority and PATH officers, agents and employees from and against 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 or occupancy of the Premises by the Lessee or by others with its consent, or out of any of the acts or omissions of the Lessee, its officers, members (in their capacity as members of, and if Lessee is, a limited liability entity), managers (in their capacity as managers of, and if Lessee is, a limited liability entity), partners (in their capacity as partners of, and if Lessee is, a partnership), employees, agents, representatives, contractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the Premises, or arising out of any acts or omissions of the Lessee, its officers, members (as aforesaid), managers (as aforesaid), partners (as aforesaid), employees, agents and representatives where such acts or omissions are elsewhere at the Terminal, or out of any default or breach of the Lessee in performance or observance of any term or provision of this Agreement, except for claims arising solely out of the willful misconduct or sole negligence of PATH. Upon the request of PATH, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it 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 PATH, the immunity of PATH, the Port Authority, its Commissioners, Directors, officers, agents or employees, the governmental nature of PATH or the Port Authority, or the provision of any statutes respecting suits against PATH or the Port Authority.
- (2) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as insured shall maintain and pay the premiums on a policy or policies of commercial general liability insurance, including, but not limited to, liquor liability, to Lessee's products, services and/or operations) and products liability coverage, which shall cover its operations hereunder and shall be effective throughout the letting, at stated below and referenced Item 2 of Exhibit B.
- (3) The Port Authority and its related entities (including but not limited to PATH) shall be named as additional insureds (except for worker's compensation insurance) and loss

payee in any policy of liability insurance required by this Section, unless PATH shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall not cause PATH to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement to be secured by or at the direction of the Lessee, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof or binders shall be delivered to PATH upon execution of this Agreement or, in the case of insurance required under the provisions of the Section hereof entitled "*Construction by the Lessee*", prior to the commencement of the work. 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 cancelled, terminated, changed or modified without giving thirty (30) days written advance notice thereof to PATH. A renewal policy shall be delivered to PATH 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 letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy replacement.

B. The Lessee, in its own name as assured, shall maintain and pay the premiums on policies of insurance for coverages as hereinafter described, which shall cover its operations hereunder and shall be effective throughout the letting under this Agreement and shall afford coverage in not less than the amounts set forth below:

- 1) Commercial general liability insurance for such coverage as may reasonably be stipulated from time to time by PATH covering the Lessee's operations hereunder shall initially be in a combined single limit of not less than \$10,000,000.00 for liability for bodily injury, for wrongful death, and for property damage arising from any one occurrence; and
- 2) Commercial Automobile liability insurance covering owned, non-owned, and hired automobiles for such coverage as may reasonably be stipulated from time to time by PATH covering the Lessee's operations hereunder which shall be effective throughout the letting under this Agreement and shall initially be in a combined single limit of not less than \$5,000,000.00.
- 3) Garage Keepers liability insurance for such coverage as may reasonably be stipulated from time to time by PATH covering the Lessee's operations hereunder which shall be effective throughout the letting under this Agreement and shall initially be in a combined single limit of not less than \$5,000,000.00.
 - (a) Fire and explosion.
 - (b) Theft of the entire automobile (cc)
 - (c) Rust and vandalism.
 - (d) Collision.
- 4) Blanket crime policy covering loss of money inside or outside the premises by reason

of larceny, theft, or burglary not committed by an employee of the Lessee not less than \$200,000 per occurrence.

- (a) The Port Authority and its related entities (including but not limited to PATH) shall be named as an additional insured in the policies as set forth in paragraph (c) of this Section. The policy of commercial general liability and automobile liability and garage keepers liability insurance shall contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by PATH or against PATH by the Lessee, but such endorsement shall not limit, vary, change, or affect the protections afforded PATH as an additional insured.
- (b) Such policy or policies shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining the prior express permission of the Counsel of PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH, the immunity of PATH, its Directors, officers, agents, or employees, the governmental nature of PATH, or the provisions of any statute respecting suits against governmental nature of PATH, or the provisions of any statute respecting suits against PATH. This clause shall also be included on the certificate of insurance. Such policies shall not exclude or except from their coverage damages arising out of injury to, or destruction of, property occupied or used by or rented to the Lessee, and shall include products liability and premises operations coverage and a contractual liability endorsement covering the obligations assumed by the Lessee under this Section of the Agreement.
- (c) As to insurance of any type whatsoever required or permitted by any provision of this Agreement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof (including all required endorsements or binders shall be delivered to PATH within twenty (20) days after the commencement date of the letting hereunder.) In the event any binder is delivered, it shall be replaced within thirty (30) days after request of PATH made at any time during the term of the letting under this Agreement the Lessee shall deliver a certified copy of the policy to PATH. Each such copy or certificate shall contain a valid provision or endorsement that: (1) the policy may not be canceled, terminated, changed or modified, without giving ten (10) days written advance notice thereof to PATH, and (2) the Lessee shall be solely responsible for the payment of premiums therefore notwithstanding that PATH is named as an additional insured.

A renewal policy shall be delivered to PATH at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of the expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy in replacement notwithstanding anything contained in this Section, it is specifically understood and agreed that PATH shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the limits set forth in this Section and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to PATH.

SECTION 12. PROHIBITED ACTS

The Lessee shall not do or permit to be done any act or thing upon the premises which will invalidate or be in conflict with any insurance policies covering the premises, or any part thereof, or the Facility, or any part of the Facility, or upon the contents of any building thereon, or which shall increase the rate of any insurance on any part of the Facility, or covering the contents of any building thereon, or any act or thing which in the opinion of PATH may constitute an extra hazardous condition, so as to increase the risks normally attendant upon the operations of the Lessee contemplated by this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Fire Protection Association, and of the New York Fire Insurance Rating Organization or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the Lessee's operations at the Facility. If by reason of the Lessee's failure to comply with the provisions of this paragraph, any fire 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 Lessee shall, on demand, pay PATH that part of all fire insurance premiums paid by or due from PATH, which shall have been charged because of such violation by the Lessee.

SECTION 13. SIGNS

- (a) Except with the prior written approval of PATH, the Lessee shall not erect, maintain, or display any signs or any advertising at or on the exterior parts of the premises or in the premises so as to be visible through the windows or exterior doors thereof.
- (b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate, or paint out, as PATH may direct, any and all signs and advertising on the premises or elsewhere at the Facility if pertaining to the Lessee, and in connection therewith shall restore the premises and the Facility to the same condition as prior to the placement of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate, or paint out each and every sign or advertising and so to restore the premises and the Facility, PATH may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefore shall be paid by the Lessee to PATH on demand.

SECTION 14. SERVICES

- (a) Unless otherwise stated in Item 3 of Exhibit B, PATH, shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.
- (b) PATH shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.
- (c) PATH agrees to sell, furnish, and supply to the Lessee in the premises and the Lessee agrees to take and pay PATH for the following:

- 1) Unless otherwise stated in Item 3 of Exhibit B, arrangements for purchasing and securing electricity shall be made by the Lessee directly with the public utility supplying the same and PATH shall have no obligation to provide bulbs, meters, or any other electric service facilities.
 - 2) Unless otherwise stated in Item 3 of Exhibit B, cold water in reasonable quantities of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.
 - 3) Unless otherwise stated in Item 3 of Exhibit B, hot water in reasonable quantities at the temperature stated in said Item 3 and to be paid by the Lessee at the rates specified in said Item 3.
 - 4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.
 - 5) Unless otherwise stated in said Item 3 of Exhibit B, equipment for air cooling shall be provided subject to said Item 3 and to be paid for by the Lessee at the rates specified therein.
- (d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B. The quantity thereof shall be measured by a meter or meters installed in the Facility for that purpose; provided, however, that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by PATH.
- (e) Charges by PATH for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B, the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes, or vents, if any.
- (f) If any federal, state, municipal, or other governmental body, authority, or agency, or any public utility assesses, levies, imposes, makes or increases any charge, fee, or rent on PATH for any service, system, or utility now or in the future supplied to or available to the premises or to any occupants or users thereof, or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems,) the Lessee shall, at the option of PATH exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such charge, fee, or rent or increase thereof (or the portion thereof allocated by PATH to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority, or agency, or to the public utility or directly to PATH.
- (g) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee where such service is to be metered, PATH shall be under no obligation to provide or continue any such service if PATH is prevented by law from sub metering such service or has agreed with the supplier of such service not to submitter such

service.

- (h) PATH shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes, or improvements in the premises or elsewhere in the Facility, including all systems for the supply of services.
- (i) No failure, delay, or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees, or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

Section 15. CONSTRUCTION BY THE LESSEE

(a) **Basis of Design.**

(1) *Plans and Specifications.* The basis of design for the Lessee's initial construction ("Initial Work") at the Premises as described in Item 4 of "Exhibit B", and as set forth in Attachment A, "Construction Plan" attached hereto and made a part hereof, has been approved by the Port Authority and initialed by all parties. The Lessee represents that such basis of design includes, at a minimum, all renderings, layouts, locations, models, and preliminary functional plans, planning parameters, codes, standards, guidelines and other Port Authority requirements for all project elements for the development of the Premises (the "*Basis of Design*").

(2) *Construction Work.* The Lessee shall provide estimated commencement and completion dates to PATH. Without limiting the generality of subparagraph (a)(1), above, the Lessee agrees that the Basis of Design shall include [REDACTED] the design and construction on and under the Premises of among other things, the following:

- (i) Revenue Control System (Initial Work);
- (ii) All appropriate lines, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas, communications, water, security and other systems needed for the Lessee's operations at the Premises;
- (iii) All necessary roadways, ramps, parking and pedestrian circulation areas, together with all associated and related areas and facilities;
- (iv) All grading and paving of ground areas and appropriate landscaping, together with all associated and related areas; and
- (v) All necessary or required blast fences and other fencing.

All of the foregoing demolition, design, construction and installation work shall be performed by the Lessee on the Premises and off the Premises where required and, where performed on the Premises, shall

be and become a part of the Premises under this Agreement and is sometimes collectively referred to herein as the "**Construction Work**."

(3) *Updates.* The Lessee shall keep the Basis of Design up to date and shall submit to the Port Authority for its prior approval any amendment, revision or modification thereof.

(b) **Risk of Loss.**

The Lessee hereby assumes the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof including, without limitation, thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from the public enemy, or otherwise, excepting only claims and demands which result solely from affirmative willful acts or omissions done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Construction Work. If so directed, the Lessee shall at its own expense defend any suit based upon such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining 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.

(c) **Required Subcontract Provision.** Prior to entering into a contract or contracts for any part of the Construction Work, the Lessee shall submit to the Port Authority for its approval the names of the general contractor and other contractors and subcontractors to whom the Lessee proposes to award said contract or contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions, as may be required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows:

"If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third persons which arise out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem ample to protect it against delay or loss or to assume the payment of just claims of third persons, and to

apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims.

All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the Lessee shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

(d) **Performance and Payment Bond.** Prior to the commencement of the Construction Work, the Lessee shall cause to be delivered to the Port Authority, a payment and performance bond either (A) in the form attached hereto as "Attachment D" and hereby made a part hereof or (B) in another form approved in advance in form and substance to the Port Authority in its sole discretion and whereby the Port Authority shall be listed as a payee, protecting the Port Authority from monetary risk during, relating to or arising out of the Construction Work, and in all events, such bond shall be only with a surety listed in the Financial Management Service of the United States Department of the Treasury. The said payment and performance bond shall be in an amount equal to the entire contract price for the Construction Work. Said payment and performance bond shall guarantee the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement relating to the Construction Work. Such payment and performance bond shall apply to and be in effect during the period from the commencement of the Construction Work to and including the Completion Date including, but not limited to the terms, provisions, covenants and conditions which relate to the Construction Work and the insurance, indemnity and environmental obligations associated with the Construction Work, and the Lessee shall keep and maintain said payment and performance bond in full force and effect; provided, however, that such payment and performance bond shall remain in effect in all respects after the Completion Date, and indefinitely, until the Lessee fully satisfies its obligations hereunder relating to the Construction Work. The existence of the payment and performance bond described in this Agreement shall not limit or alter any other remedies of the Port Authority under this Agreement, and the Port Authority may from time to time and at any time elect to pursue (or not to pursue) its rights under any payment and performance bond without thereby limiting, voiding or relinquishing any of its other rights or remedies under this Agreement.

(e) **Construction Application; Contractors.**

(1) Prior to the commencement of the Construction Work and in addition to the aforesaid Basis of Design, the Lessee shall execute and submit to the Port Authority for the Port Authority's approval a construction application or applications in the form prescribed by the Port Authority and including complete plans and specifications of the Construction Work pursuant to and in accordance with the Port Authority's Tenant Construction and Alteration Process manual (hereinafter collectively called the "**Construction Application**") an electronic copy of which is available on the Port Authority's website at www.panynj.gov/business-opportunities/tcap/. The Construction Application shall set forth in detail by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same including, without limitation, a schedule listing each contract proposed to be entered into for the performance of the work and the estimated cost of the work to

be performed under each such contract. The data to be supplied by the Lessee shall identify each of the items constituting the Construction Work, and shall describe in detail the systems, improvements, fixtures and equipment to be installed by the Lessee. All Construction Work shall be done in accordance with the plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained the Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed diligently at its sole cost and expense to perform the Construction Work. All Construction Work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct at its own cost and expense, any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Section or any further requirements of the Port Authority.

(2) The Lessee 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 Lessee shall be in sufficient detail for a contractor to perform the work and shall bear the seal of a qualified and licensed architect or professional engineer. A qualified and licensed architect or professional engineer shall be responsible for the administration of the work in accordance with the Port Authority's requirements. In connection with review by the Port Authority of the Lessee's submissions under this paragraph, the Lessee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as the Port Authority may find necessary. Following the Port Authority's receipt of the Lessee's complete Construction Application and complete plans and specifications, the Port Authority shall give its written approval or rejection thereof, or shall request such revisions or modifications thereto as the Port Authority may find necessary. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor, and the contract such contractor is operating under, have been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as are required in accordance with the provisions of this Agreement and the Construction Application approved by the Port Authority. The Lessee shall obtain and maintain or cause each contractor to obtain and maintain in force such insurance coverage as is described in paragraph (i) of this Section and such performance bonds as the Port Authority may specify (if any).

(3) The Port Authority may refuse to grant approval with respect to the Construction Work if, in its opinion, any of the proposed Construction Work as set forth in said plans and specifications (all of which shall be in such detail as may permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall:

(i) be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed; or

(ii) not comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Facility; or

(iii) not comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Facility; or

(iv) be designed for use for purposes other than those authorized under this Agreement; or

- by the Port Authority; or
- (v) set forth ground elevations or heights other than those prescribed
- (vi) not provide adequate and proper circulation areas; or
- of design; or
- (vii) not be at locations or not be oriented in accordance with the basis
- terms of this Agreement; or
- (viii) be in violation or contravention of any other provisions and
- (ix) not comply with all Port Authority standards and guidelines; or
- (x) not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders; or
- (xi) not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey; or
- (xii) not comply with the Port Authority's requirements with respect to landscaping; or
- (xiii) not comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution; or
- (xiv) not comply with the Americans with Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto including, but not limited to, the American National Standard Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People, ANSI A117.180.

(4) Prior to engaging or retaining an architect or architects for the Construction Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. The Lessee shall furnish or require its architect to furnish a full time resident engineer or, with the consent of the Port Authority, a representative of the Lessee authorized to act on behalf of the Lessee, during the construction period. The Lessee shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time. The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

(f) Minimization of Pollution and Noise.

(1) The Construction Work shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Construction Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Construction Work hereunder.

(2) Notwithstanding the provisions of subparagraph (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the Lessee subsequent to the completion of the Construction Work to design and construct at its sole cost and expense such further structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (1) hereof. The Port Authority shall determine all locations, the manner, type and method of construction and the size of any of the foregoing. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section with respect to the Construction Work shall apply and pertain with like effect to any work that the Lessee is obligated to perform pursuant to this paragraph (f) and upon completion of each portion of such work it shall be and become a part of the Premises. The obligations assumed by the Lessee under this paragraph (f) are a special inducement and consideration to the Port Authority in granting this Agreement to the Lessee.

(g) No PATH or Port Authority Responsibility.

(1) The Lessee agrees to be solely responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, agents, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any Construction Work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into by the Lessee for the performance of the Construction Work hereunder shall be for the benefit of the Port Authority, as well as the Lessee.

(2) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of any utility, mechanical, electrical, communications and other systems installed in the Premises by the Lessee as Construction Work and any other improvements, additions, fixtures, finishes, decorations and equipment made or installed by the Lessee in the Premises as Construction Work and shall do preventive maintenance and make such repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems, improvements, additions, fixtures, finishes, decorations and equipment (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the efficient or proper utilization of any part of the Premises.

(h) Third-party Claims. The Lessee shall pay or cause to be paid 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 Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them; provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman or other person. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto.

(i) **Liability Insurance.**

(1) The Lessee in its own name as insured and with the Port Authority as additional insured shall procure and maintain a policy or policies of (i) Environmental Liability Insurance with a limit of \$5 million per occurrence covering bodily injury, property damage or environmental damage caused by pollution conditions; including coverage for environmental cleanup on land, in air and on water, and (ii) Commercial General Liability Insurance including, but not limited to, coverage with a broad form property damage endorsement, premises-operations, products-completed operations (for a minimum of three (3) years after the Completion Date) and explosion, collapse and underground property damages coverage, personal injury and independent contractors and providing for the coverage in the limit set forth below; (iii) Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, automatically covering newly acquired vehicles, and providing for coverage in the limit set forth below; with contractual liability endorsements, where applicable, covering the obligations assumed by the Lessee hereunder and the obligations required of the Lessee's contractors pursuant to this paragraph; and (iv) Workers' Compensation Insurance in accordance with the requirements of law; which insurance shall be in addition to all policies of insurance otherwise required by this Agreement, or the Lessee may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the exceptions of the Workers' Compensation Policy, with the Port Authority of New York and New Jersey and the Lessee as additional insureds including, where applicable, such contractual liability endorsements, said insurance not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said liability policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the named insured thereunder with respect to any claim or action against the named insured by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as additional insureds. In addition, said liability policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Lessee or its contractor(s) shall be the same as the protections afforded the named insured thereunder with respect to any claim or action against the named insured by a third person as if the Port Authority were the named insured thereunder. Said insurance shall be in not less than the following amounts:

Minimum Limits

- (i) Commercial General Liability Insurance:

Combined single limit per occurrence for death, bodily injury and property damage liability

\$25 Million

- (ii) Commercial Automobile Liability Insurance: (covering owned, non-owned and hired vehicles)

Combined single limit per
occurrence for death, bodily injury
and property damage liability

\$5 Million

(2) The insurance required hereunder shall be maintained in effect during the performance of the Construction Work and shall be in compliance with and subject to the provisions of paragraph (B) of the Section of this Agreement entitled "*Indemnity and Liability Insurance*".

(j) **Title to Improvements.** Title to all the Construction Work shall pass to the Port Authority as the same or any part thereof is erected, constructed or installed and the same shall be and become a part of the Premises hereunder, including the Initial Work (Revenue Control System). For purposes of this paragraph, the term Construction Work shall not include the Lessee's personal property, trade fixtures or equipment.

(k) **Labor Harmony.** In the performance of the Construction Work, the Lessee will not permit any situation or condition to arise or continue that causes any labor troubles at, or emanating from, the Premises which interferes with the operations (including any construction work) at the Premises. The determination of the Port Authority shall be conclusive on the Lessee and upon written notice from the Port Authority of the threat of any such labor troubles, the Lessee will (or will cause its contractor to, as applicable) immediately rectify any condition causing or contributing to labor troubles as specified in such notice. In the event of failure by the Lessee (or any of its contractors, as applicable) to timely comply with the requirements of this paragraph, the Port Authority, will have the right, by notice from the Port Authority to the Lessee, to require the Lessee to suspend the Port Authority's permission to the Lessee to proceed with the applicable portion of each specific construction project or, as applicable, of the Construction Work being performed by or on behalf of the Lessee and the Lessee will thereupon immediately cease the same. When labor troubles will be so settled that such interference or the threat of such interference no longer exists, the Port Authority by notice to the Lessee will reinstate the permission to the Lessee to perform the Construction Work on all the same terms and conditions as before the suspension. "Labor troubles" will mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, complaints, or any other type of labor trouble, regardless of the employer of the person involved or their employment status, if any.

(l) **No Third Party Beneficiary.** Nothing contained in this Agreement shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Construction Work or otherwise. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Construction Work.

(m) **Affirmative Action.** Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any Construction Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E, attached hereto and hereby made a part hereof. The provisions of said Schedule E shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as the Lessee and the Lessee shall include the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction

contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor or contractors and subcontractors to furnish to the Port Authority such data, including but not limited to, compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor or contractors and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor or contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of the affirmative action, MBE and WBE programs.

(n) **Non-Discrimination.** In addition to and without limiting any terms and provisions of this Agreement, the Lessee shall provide in its contracts and all subcontracts covering the Construction Work, or any portion thereof, that:

(1) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin or sex 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;

(2) At the request of either the Port Authority or the Lessee, 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 Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin or sex and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(3) 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 or sex;

(4) The contractor will include the provisions of items (1) through (3) of this subparagraph 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; and

(5) "**Contractor**" as used herein shall include each contractor and subcontractor at any tier of construction.

(o) **Port Authority Inspections; No Duty to Inspect.**

(1) The Port Authority shall have the right, through its duly designated representatives, to inspect the Construction Work and the plans and specifications thereof, at any and all times during the progress thereof and from time to time, in its discretion, to take samples and perform testing in any part of the Construction Work.

(2) It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work

by the Lessee, and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Construction Work in accordance with the terms of this Agreement or the Construction Application nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of compliance by the Lessee with the provisions of this Agreement and the Construction Application with respect to the Construction Work.

(p) **Soil Erosion Control Measures.** The Lessee shall take all measures to prevent erosion of the soil and the blowing of sand during the performance of the Construction Work including, but not limited to, the fencing of the Premises or portions thereof or other areas and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(q) **Matter.** Any soil, dirt, sand or other matter (hereinafter in this paragraph collectively called the "**Matter**") excavated by the Lessee during the course of the Construction Work and not used at the site shall be delivered and deposited by the Lessee at its expense to any location on the Facility or to any location off the Facility within the Port of New York District as may be designated by the Port Authority, subject to and in accordance with the provisions of this Section. The entire proceeds, if any, of the sale or other disposition of the Matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive any rights it may have hereunder as to all or portions of the Matter in which event the Lessee at the Lessee's expense shall dispose of the same without further instruction from the Port Authority, subject to and in accordance with the provisions of Section.

(r) **Backfilling of Excavations.** Prior to backfilling any excavations in which the construction of utilities has been completed, the Lessee shall notify the Port Authority Resident Engineer that such excavations are ready to be backfilled. Such excavations shall not be backfilled until the Port Authority shall have documented and surveyed the line and grade of such utilities.

(s) **Studies and Reports.** The Lessee shall, prior to the commencement of construction and at all times during construction, submit to the Port Authority all engineering studies with respect to construction and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(t) **Forecasts.** Upon the request of the Port Authority from time to time, the Lessee shall submit to the Port Authority its forecasts of the number of people who will be working at various times during the period of construction and the term of the letting hereunder at the Premises, the expected utility demands, noise profiles and such other information as the Port Authority may require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(u) **No Engineer Approval Authority.** It is hereby expressly understood and agreed that neither the field engineer nor the Resident Engineer has any authority to approve any plans and specifications of the Lessee with respect to the Construction Work, to approve the construction by the Lessee of any portion of the Construction Work or to agree to any variation by the Lessee from compliance with the terms of this Agreement, or the Construction Application or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should the field engineer or the Resident Engineer give any directions or approvals with respect to the Lessee's performance of any portions of the Construction Work which are contrary to the provisions of this Agreement, the Construction Application or the approval letter, said directions or approvals shall not affect the

obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the Resident Engineer has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Construction Work in accordance with the terms of this Agreement, the Construction Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Agreement, the Construction Application and the approval letter with respect to the Construction Work.

(v) **Builder's Risk Insurance.** The Lessee shall procure and maintain Builder's Risk (all Risk) Completed Value Insurance on a complete value form covering the Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty, or existing property, until the Construction Work is completed. Such insurance shall be in compliance with and subject to the applicable provisions of the Section of this Agreement entitled "*Insurance*" hereof and shall name the Port Authority, the Lessee and its contractors and subcontractors as insureds and such policy shall provide that the loss shall be adjusted with and payable to the Port Authority. The Lessee shall use such proceeds for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid over to the Port Authority.

(w) **Relocation of Utilities.** The Lessee understands that there may be communications and utility lines and conduits located on or under the site, which do not, and may not in the future, serve the Premises. The Lessee agrees, at its sole cost and expense, if directed by the Port Authority to do so prior to the issuance by the Port Authority of the certificate as set forth in paragraph (bb) hereof, to relocate and reinstall such communications and utility lines and conduits as may be deemed necessary by the Port Authority in connection with the Construction Work on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called the "*Relocation Work*"). The Lessee shall perform the Relocation Work subject to and in accordance with all the terms and provisions of this Section and the Relocation Work shall be and become a part of the Construction Work, it being understood, however, that the Relocation Work shall not be or become a part of the Premises hereunder.

(x) **Field Engineer.** The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign a field engineer to the Construction Work for such periods of time as the Port Authority, in its sole discretion, shall deem desirable from time to time up to and including five (5) days per week. The Lessee shall pay to the Port Authority for the services of said engineer at the following daily rates (prorated approximately for periods of less than one day): the rate of \$[current rate].00 per day from [January 1, 20__] to and including [December 31, 20__]; and at the rate of \$[current rate].00 per day for the period from [January 1, 20__] to and including [December 31, 20__]. Nothing herein shall prevent the Lessee from requesting the Port Authority to assign said engineer more frequently than as set forth herein, or the Port Authority from complying with such request, but the Port Authority shall not be obligated to do so.

(y) **Utilities.** The Lessee shall, at its sole cost and expense, and if and to the extent required, bring appropriate roadway access stubs and service lines for the supply of cold water, electric power, telephone communications, and sanitary and storm sewers (said service lines and sanitary and storm sewers being hereinafter collectively referred to as "*utility service lines*") to such locations at the perimeter of the Premises or to the nearest manhole or to other locations off the Premises as the Port Authority, in consultation with the Lessee, shall determine. The Lessee at its sole cost and expense is

hereby obligated to tie its utility lines and roadways into such locations at or near the perimeter of the Premises where such utility service lines and roadway access stubs will be brought by the Lessee hereunder.

(z) **Partial Completion.**

If the Lessee desires to commence construction of portions of the Lessee's Construction Work prior to the approval by the Port Authority of the complete Construction Application and plans and specifications covering all of such work, the Lessee shall submit to the Port Authority a separate Construction Application for each portion of the Lessee's Construction Work the Lessee so desires to commence (each such portion of the Lessee's Construction Work being hereinafter designated as "*Partial Approval Work*"), which shall be executed by an authorized officer of the Lessee and shall be accompanied by final and complete plans, specifications, drawings, and data with respect to such portion of the Lessee's Construction Work (the final and complete plans, specifications, drawings, and data covering each such portion of the Lessee's Construction Work are hereinafter referred to as "the Partial Approval Work Plans" with respect to such portion of the Lessee's Construction Work) setting forth in detail the work to be performed in connection with each such portion of the Lessee's Construction Work. The Port Authority shall use its discretion to determine whether to permit the Lessee to proceed with the performance of any Partial Approval Work. If the Port Authority consents to the performance of any Partial Approval Work, the Port Authority shall review the Construction Application covering such work and shall give its written approval or rejection of the Partial Approval Work Plans with respect thereto or shall request such revisions or modifications thereto as the Port Authority may find necessary. Upon the Port Authority's approval of the Construction Application covering an item of Partial Approval Work and its approval of the Partial Approval Work Plans with respect thereto, the Lessee may proceed to perform such item of Partial Approval Work subject to and in accordance with the following terms and conditions:

(1) The performance by the Lessee of any item of Partial Approval Work in accordance with the Port Authority's approval will be at its sole risk and if for any reason the plans and specifications for the balance of the Lessee's Construction Work or, any part thereof, are not approved by the Port Authority or if the approval thereof calls for modifications or changes in any item of Partial Approval Work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph, the Lessee will, as directed by the Port Authority, and at the Lessee's sole cost and expense, either restore the area affected to the condition existing prior to the commencement of such item of Partial Approval Work or make such modifications and changes to such work as may be required by the Port Authority.

(2) Nothing contained in any approval given pursuant to this paragraph shall constitute a determination or indication by the Port Authority that the Lessee has complied with any laws, rules, orders, ordinances, enactments, resolutions, regulations, statutes, requirements, codes, directions, and executive orders including, but not limited to, those of the State of New Jersey, Hudson County, or Jersey City, which may pertain to the Partial Approval Work to be performed.

(3) Each item of Partial Approval Work shall be performed in accordance with and subject to the terms and provisions of this Agreement covering the Lessee's Construction Work and in accordance with the approved Construction Application covering such item of Partial Approval Work and in accordance with the approved Partial Approval Work Plans constituting a part of such Construction Application, and subject to any requirements, stipulations, and provisions which the Port Authority may impose in its approval of the performance of such item of Partial Approval Work.

(4) No Partial Approval Work performed by the Lessee pursuant to the provisions of this paragraph shall affect or limit the obligations of the Lessee with respect to the Lessee's Construction Work or any prior approvals thereof.

(5) The Lessee specifically understands that neither the Port Authority's approval of any Construction Application and Partial Approval Work Plans covering any item of Partial Approval Work nor the performance by the Lessee of any item of Partial Approval Work pursuant to such approval shall obligate the Port Authority to approve the Construction Application and plans and specifications submitted by the Lessee for the balance of the Lessee's Construction Work or shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent Partial Approval Work to be performed. Without limiting the generality of the provisions of this paragraph, it is specifically understood that the Port Authority may withhold its approval of a Construction Application and Partial Approval Work Plans covering any item of Partial Approval Work if the Port Authority determines that review of subsequent items of Partial Approval Work is required before the Port Authority can approve, reject, or comment upon such Partial Approval Work Plans.

(aa) **Certificate of Completion.**

(i) When all the Construction Work is substantially completed and ready for use the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate by an authorized officer of the Lessee and the Lessee's architect or engineer certifying that the Construction Work has been constructed in accordance with the approved plans and specifications and the provisions of this Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's architect or engineer, a certificate to such effect shall be delivered to the Lessee by the Port Authority, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. Subject to the subparagraph of this Section, entitled "*Partial Completion*", the Lessee shall not use or permit the use of the Construction Work for the purposes set forth in this Agreement until such certificate is received from the Port Authority. The date specified in the Port Authority certificate referred to in this paragraph shall be referred to in this Agreement as the "*Completion Date*".

(ii) Notwithstanding the provisions of the foregoing subparagraph (i), when a discrete, integral and material portion of the Construction Work is substantially completed or is properly usable, the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority: [a] a certificate signed by an authorized officer of the Lessee certifying that such portion of the Construction Work has been constructed in accordance with the approved plans and specifications and the provisions of this Agreement and in compliance with all applicable law; [b] a certificate signed and sealed on behalf of the Project Engineer by a New Jersey State licensed architect on its staff certifying that the approved plans and specifications are in compliance with all applicable laws; and [c] a certificate signed and sealed on behalf of the Project Engineer by a New Jersey State licensed engineer on its staff certifying that such portion of the Construction Work has been constructed in accordance with the approved plans and specifications. The Lessee shall also certify that such portion of the Construction Work can be properly used even though the Construction Work has not been completed and that the Lessee desires such use. In the event the Port Authority issues such certificate, the Lessee may use such discrete, integral and material portion subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by

the Lessee, and subject to the risks as set forth above in the paragraph relating to Partial Approval Work.

(bb) **Lease Controls.** The Lessee shall comply with all the terms and provisions of the approved Construction Application. In the event of any inconsistency between the terms of any Construction Application and the terms of this Agreement, the terms of this Agreement shall prevail and control.

(cc) **“as built” Drawings.** The Lessee agrees that it shall deliver to the Port Authority two (2) sets of “as built drawings of the Construction Work in an electronic CADD data file in a format to be designated by the Port Authority, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Agreement being hereby acknowledged by the Lessee), together with two (2) complete hard copies of such drawings, all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and maintenance manuals in a comprehensive, coordinated package. The Lessee shall during the term of this Agreement keep said drawings and said data file current showing thereon any changes or modifications which may be made. No changes or modifications shall be made without prior Port Authority consent.

(dd) **Compliance with Sustainable Design Guidelines.** The Lessee shall, in the performance of all Construction Work, comply with the Port Authority’s policy on sustainable design as set forth in the sustainable design guidelines promulgated by the Port Authority Engineering Department from time to time.

(ee) **Environmental Management Plan.** The Lessee shall submit to the Port Authority for its approval prior to the commencement of the Construction Work an environmental management plan setting forth in detail the Lessee’s plans for all handling, excavation, depositing, testing, screening, backfilling, removal, storage, transportation, disposal and other handling of soil and the treatment of ground and wastewater in the performance of the Construction Work. The Construction Work shall be performed in accordance with such environmental management plan.

SECTION 16. INJURY AND DAMAGE TO PERSON OR PROPERTY

PATH shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever, at any time in the premises or elsewhere in the Facility, including but not limited to any such injury, death, or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from any part of the Facility, or from any other place or quarter, unless said damage, injury, or death shall be due to the negligence of PATH, its employees, or agents.

SECTION 17. ADDITIONAL RENT AND CHARGES

- (a) If PATH has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse PATH for, or if PATH is required or elects to pay any sum or turns or incurs any obligations or expense by reason of the failure, neglect, or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants, and agreements, the Lessee agrees to pay the

sum or sums so paid or the expense so incurred, including all interest, costs, damages, and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

- (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 sum or sums by PATH for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should PATH elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations, and to charge the Lessee with the cost of same, any time sheet of any employee of PATH showing hours of labor or work allocated to any such repair, replacement, and/or alteration, or any stock requisition of PATH showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

SECTION 18. RIGHTS OF ENTRY RESERVED

- (a) PATH, by its officers, employees, agents, representatives, and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which PATH may be obligated or have the right to do under this Agreement or otherwise.
- (b) Without limiting the generality of the foregoing, PATH, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Facility, to maintain existing and future utilities systems or portions thereof on the premises, 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, tele-register, pneumatic-tube dispatch, and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits, and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such repairs, alterations, and replacements as may, in the opinion of PATH, be deemed necessary or advisable and, from time to time, to construct or install over, in, under, or through the premises new lines, pipes, mains, wires, conduits, and equipment; provided, however, that such repair, alteration, replacement, or construction shall not unreasonably interfere with the use of the premises by the Lessee.
- (c) Nothing in this Section shall or shall be construed to impose upon PATH any obligations so to construct or maintain or to make repairs, replacements, alterations, or additions, or shall create any liability for any failure so to do.
- (d) At any time, and from time to time, during ordinary business hours within the six (6) months next preceding the expiration of the letting, PATH, by its agents and employees, whether or not accompanied by prospective lessees, occupiers, or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period PATH may place and maintain on the premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without

molestation.

- (e) If, during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, PATH may immediately enter and alter, renovate, and redecorate the premises.
- (f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by PATH or others.

SECTION 19. CONDEMNATION

- (a) 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 part of the premises, the Lessee 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 PATH, for, or on account of, any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee,) it being understood and agreed between PATH and the Lessee that, except for the possible claim to an award for loss of fixtures, PATH 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 Lessee.
- (b) In the event of a taking of the entire premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from PATH by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.
- (c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from PATH by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to PATH shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.
- (d) Notwithstanding the other provisions of this Section, the Lessee shall not be prevented thereby from making a possible claim against the above-described condemning party for an award for moving expenses or for trade fixtures owned by the Lessee, if (i) such claim is then allowed by law and (ii) such award is made separately from the award to PATH and will not reduce the amount thereof in any manner or to any extent; this provision shall not be deemed a representation by PATH of the validity or legality of any such claim.

SECTION 20. ASSIGNMENTS AND SUBLEASE

- a. Definitions. The following terms shall have the respective meanings set forth below.

“*Affiliate*” shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee

and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term “**control**” (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

“**Assignment**” shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee’s interest in this Agreement or the leasehold estate created hereby, directly or indirectly, whether by operation of law or otherwise.

“**Sublease**” shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

“**Transfer**” shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of Affiliate) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock or membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale, assignment, redemption or transfer of any general or limited partner’s interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

- b. No Assignment, Transfer or Sublease without Consent. The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of PATH.
- c. Unauthorized Transactions Null and Void. Any Sublease, Assignment or Transfer including, without limitation, any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void *ab initio* and of no force or effect.
- d. PATH’s Right to Collect Rent. If without the prior written consent of PATH, the Lessee effects any Assignment, Transfer or Sublease, or if the Premises are occupied by anybody other than the Lessee, PATH may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and PATH shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by PATH of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by PATH of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by PATH from the further performance by the Lessee of the covenants contained herein.

- e. Continuing Application of Consent Requirement. Any consent granted by PATH to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other Person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of PATH with respect to any other Assignment, Transfer or Sublease.
- f. Use of Premises. The Lessee shall not use or permit any person to use the Premises or any portion thereof for any purpose other than the purposes stated in the Section hereof entitled "*Rights of User*". Except as provided in this Agreement or otherwise permitted in writing by PATH, the Lessee shall not permit the Premises to be used or occupied by any person other than its own officers, employees, contractors and representatives.

SECTION 21. TERMINATION

(a) If any one or more of the following events shall occur, that is to say:

- 1) The Lessee 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 Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, 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 Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or
- 4) Subject to the Section hereof entitled "Assignment and Sublease", the letting hereunder or the interest or estate of the Lessee 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 Lessee, if a corporation, or limited liability company, shall, without the prior written approval of PATH, become a possessor or merged corporation or limited liability company in a merger, a constituent corporation in a consolidation, or a corporation or limited liability company in dissolution; or
- 6) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-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 Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or
- 8) Any type of strike or other labor activity is directed against the Lessee at the Facility resulting in picketing or boycott for a period of at least forty-eight (48) hours which, in the opinion of PATH, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or
- 9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days after receipt of written notice. Nothing herein shall be construed to be a submission by PATH to the application to itself of any such lien; or
- 10) The Lessee shall voluntarily abandon, desert, vacate, or discontinue its operations in the premises (except if permitted or required hereunder pursuant to the Section hereof entitled "Force Majeure", Paragraph (g) of the Section entitled "Maintenance and Repair" in the event of a casualty, or temporary closing of the premises to the public for required repairs or alterations approved by PATH) or the Lessee shall fail to take occupancy and commence operations within ninety (90) days after the Commencement Date of this Agreement; or
- 11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to PATH; or
- 12) The Lessee 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 PATH (except where fulfillment of its obligation requires activity over a period of time, and the Lessee 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, PATH may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

- (b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the commencement of the letting, the Lessee shall not be

entitled to enter into possession of the premises and PATH 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 Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

- (c) No acceptance by PATH of rentals, fees, charges, or other payments in whole or in part for any period or periods after a default of any of the terms, covenants, and conditions to be performed, kept, or observed by the Lessee shall be deemed a waiver of any right on the part of PATH to terminate the letting.
- (d) No waiver by PATH of any default on the part of the Lessee in performance of any of the terms, covenants, or conditions hereof to be performed, kept, or observed by the Lessee shall be or be construed to be a waiver by PATH of any other or subsequent default in performance of any of the said terms, covenants, and conditions, or waiver of any right on the part of PATH to terminate the letting. No failure by PATH to insist upon the strict performance of terms, covenants or conditions of this Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, shall constitute a waiver of any such breach or default of the said terms, covenants or conditions. No term, covenant or condition of this Agreement to be performed or complied with by the Lessee and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by PATH.
- (e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that PATH would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by PATH of any right of termination shall be without prejudice to any other such rights and remedies. The Lessee particularly acknowledges that as part of said equitable rights and remedies PATH shall be entitled to restrain by injunction any violation or attempted or threatened violation of any covenant, condition or other provision of this Agreement.
- (f) The exercise by PATH of its rights to terminate this Agreement, or the letting of any portion of the premises pursuant to this Agreement, whether pursuant to this Section, the Section entitled "*Thirty Day Termination*" or otherwise are independent and exclusive of, and not governed by, the Section of this Agreement entitled "*Condemnation*".

SECTION 22. RIGHT OF RE-ENTRY

PATH shall, as an additional remedy upon the giving of a notice of termination, as provided in the Section of this Agreement entitled "Termination," have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or

resumption of possession, however, shall not in any manner affect, alter, or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

SECTION 23. WAIVER OF REDEMPTION

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event PATH obtains or retains possession of the premises in any lawful manner.

SECTION 24. SURVIVAL OF THE OBLIGATION OF THE LESSEE

- (a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that PATH has re-entered, regained, or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining, or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to PATH to the same extent, at the same time or times, and in the same manner as if no termination, cancellation, re-entry, regaining, or resumption of possession had taken place. PATH may maintain separate actions each month to recover the damage or deficiency then due, or at its option, and at any time, may sue to recover the full deficiency less the proper discount, for the entire unexpired term.
- (b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining, or resumption of possession) shall be:
- 1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable, prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a thirty (30) day month;
 - 2) On account of the Lessee's percentage rental obligation, an amount equal to the percentage stated in subdivision (b) of Item 1 of Exhibit B applied to the gross receipts of the Lessee in accordance with the formula set forth in subdivision (b) of said Item 1, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession;) and for the purpose of calculation hereunder: (i) the amount of said gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed by the Lessee's average daily gross receipts; (ii) the daily average gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator of

which shall be 365;".

- 3) on account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period during which the premises were open to the public and during which the Lessee was in operation therein;
 - 4) an amount equal to all costs and expenses reasonably incurred by PATH in connection with such termination, cancellation, re-entry, regaining or resumption of possession, collecting all amounts due to PATH, the restoration of the Premises (on failure of the Lessee to have restored), the reletting of the Premises, the care and maintenance of the Premises during any period of vacancy of the Premises, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to PATH of in-house legal services), brokerage fees and commissions, repairing and altering the Premises and putting the Premises in order (such as but not limited to cleaning and decorating the Premises)
- (c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect PATH's right to damages in the event of termination or cancellation (or re-entry, regaining, or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement
- (d) PATH may at any time bring an action to recover all damages as set forth above not previously recovered in separate actions, or it may bring separate actions to recover the items of damages set forth in subparagraphs (ii) and (iii) of paragraph (b), above, and separate actions periodically to recover from time to time only such portion of the damages set forth in subparagraph (i) of paragraph (b), above, as would have accrued as rental up to the time of the action if there had been no termination or cancellation. In any such action the Lessee shall be allowed a credit against its survived damages obligations equal to the amounts which PATH shall have actually received from any tenant, licensee, permittee or other occupier of the Premises or a part thereof during the period for which damages are sought. If at the time of such action PATH has relet the Premises, the rental for the premises obtained through such reletting shall be deemed to be the market rental value of the Premises or be deemed to be the basis for computing such market rental value if less than the entire Premises were

relet. In no event shall any credit allowed to the Lessee against its damages for any period exceed the then present value of the basic rental and other non-percentage rentals which would have been payable under this Agreement during such period if a termination or cancellation had not taken place.

SECTION 25. RELETTING BY PATH

PATH, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining, or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm, or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement, provided, however, PATH shall not be liable for refusal or failure to relet the premises or in the event of such reletting, for refusal or failure to collect any rent due upon such reletting.

PATH shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining, or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering, or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by PATH (the mere right to use and occupy not being sufficient however,) there shall be credited to the account of the Lessee against its survived obligations hereunder (i) any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or (ii) in the event PATH shall actually use or occupy the premises or any portion thereof, the market value of the occupancy of such portion of the premises net of all expenses, costs, and disbursements incurred or paid by PATH in connection therewith. No such reletting shall be, or be construed to be, an acceptance of surrender.

SECTION 26. THIRTY (30) DAY TERMINATION

- (a) PATH shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.
- (b) Further, in the event PATH exercises its right to revoke or terminate this Permit for any reason other than "without cause," the Lessee shall be obligated to pay to PATH an amount equal to all costs and expenses reasonably incurred by PATH in connection with such revocation or termination, including without limitation any re-entry, regaining, or resumption of possession, collecting all amounts due to PATH the restoration of any space which may be used and occupied under this Permit (on failure of the Lessee to have it restored,) preparing such space for use by a succeeding Lessee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to PATH or the Port Authority of in-house legal services,) repairing and altering the space, and putting the space in order (such as but not

limited to cleaning and decorating the same.)

SECTION 27. REMEDIES TO BE NON-EXCLUSIVE

All remedies provided in this Agreement shall be deemed cumulative and additional, and not in lieu of, or exclusive of, each other or of any other remedy available to PATH at law or in equity. In the event of a breach or threatened breach by the Lessee of any term, covenant, condition or provision of this Agreement, PATH shall have the right of injunction and the right to invoke any other remedy allowed by law or in equity as if termination, re-entry, summary proceedings and any other specific remedies including, without limitation thereto, indemnity and reimbursement, were not mentioned herein and neither the mention thereof nor the pursuance or exercise or failure to pursue or exercise any right or remedy shall preclude the pursuance or exercise of any other right or remedy.

SECTION 28. SURRENDER

- (a) The Lessee covenants and agrees to yield and deliver peaceably to PATH possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration, or otherwise, promptly and in the same condition as at the time the Lessee entered into possession, such reasonable wear excepted as would not adversely affect or interfere with a first-class, efficient, and proper operation such as is required under this Agreement, and all of the premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the premises.
- (b) Subject to the provision of Sections 12 and 26, the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures, and other personal property from the premises and all property of third persons for which it is responsible, repairing all damages caused by such removal. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage, and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage, and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

SECTION 29. ACCEPTANCE OF SURRENDER OF LEASE

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of PATH and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of PATH, shall be deemed an acceptance of a surrender of the letting or of this Agreement. Without limiting the foregoing, no employee or officer of PATH shall be authorized to accept the keys of the Premises prior to the expiration date of the letting as fixed in the Section of this Agreement entitled "*Term*", or prior to the termination date of the letting as otherwise may occur in accordance with the provisions of this Agreement, and no delivery of the keys by the Lessee shall constitute a termination of this Agreement or acceptance of surrender.

SECTION 30. REQUIREMENT OF DEPOSIT OR LETTER OF CREDIT

- (a) Unless Item 7 of Exhibit B indicates that no deposit is required, then, prior to the commencement of the letting, the Lessee shall deposit with PATH (and shall keep deposited throughout the effective period of the permission under this Lease,) the sum stated in the said Item 7, either in cash or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful, and prompt performance of, and compliance with, on the part of the Lessee, all the covenants, terms, and conditions of this Agreement on its part to be fulfilled, kept, performed, and observed. The said cash or bonds shall remain on deposit with PATH throughout the letting. If bonds are deposited, the fair market value thereof shall be equivalent at the time of the deposit to the sum stated in said Item 7; and, if at any time throughout the letting the fair market value thereof declines, the Lessee shall, upon ten (10) days' notice from PATH, deposit additional bonds to the extent necessary to maintain the sum stated in the said Item 7.

In addition to any and all other remedies available to it under this Agreement or otherwise, PATH shall have the right at its option at any time and from time to time, to so use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on PATH to exercise such right, and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach on the part of the Lessee. In the event that PATH shall at any time or times so use the deposit or a part thereof, the Lessee shall, on demand of PATH and within two (2) days thereafter, deposit with PATH additional bonds satisfactory to PATH, or additional cash, so as to maintain the deposit at all times to the full amount stated in the said Item 7; all such additional deposits shall be subject to all the conditions of this Section. After the expiration of the letting and upon written request therefor by the Lessee, PATH will return the deposit to the Lessee, less the amount of any and all unpaid claims and damages of PATH under this Agreement.

Upon a termination of the letting, PATH may, at its option, retain the deposit until the date fixed in Section 2 hereof for the expiration of the letting (or until the final date of any extended term, as the case may be) and shall thereafter upon demand of the Lessee return the same to the Lessee less the amount of any and all unpaid claims and damages, including but not limited to estimated damages of PATH under this Agreement. The Lessee agrees that it will not assign, mortgage, or encumber the deposit. PATH shall not pay or allow interest thereon, but the Lessee may collect or receive annually any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts less any part thereof or amount which PATH is, or may hereafter be, entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of administrative expense or custodial charge, or otherwise provided, however, that PATH shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

- (b) In lieu of the security deposit required pursuant to subparagraph (a) above of this paragraph, the Lessee may deliver to PATH, as security for all obligations of the Lessee under this Agreement and the Lease, as herein amended, a clean irrevocable letter of credit issued by a banking institution satisfactory to PATH and having its main office within the Port of New York District, in favor of PATH in the amount stated in the said Item 7. 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 PATH. Such letter of credit shall provide that it shall continue throughout the term of the letting under the Lease, as herein amended, and for

a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter.

Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in the amount required in accordance with subparagraph (a) above of this paragraph or another letter of credit satisfactory to PATH, PATH may draw down the full amount thereof and thereafter PATH will hold the same as security under subparagraph (a) of this paragraph. Failure to provide such letter of credit at any time during the term of the letting under the Lease, as herein amended, which is valid and available to PATH, including any failure of any banking institution issuing any such letter of credit previously accepted by PATH to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of the Lease, as herein amended, on the part of the Lessee.

Upon acceptance of such letter of credit by PATH, and upon request by the Lessee made thereafter, PATH will return any security deposit theretofore made under and in accordance with the provisions of subparagraph (a) of this paragraph. The Lessee 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 deposit upon expiration of the letting and fulfillment of the obligations of the Lessee under the Lease, as herein amended. If PATH shall make any drawing under a letter of credit held by PATH hereunder, the Lessee on demand of PATH and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

(c) No action by PATH pursuant to the terms of any letter of credit, or receipt by PATH of funds from any bank issuing any such letter of credit, shall be, or be deemed to be, a waiver of any default by the Lessee under the terms of the Lease, as herein amended, and all remedies thereunder of PATH consequent upon such default shall not be affected by the existence of or a recourse to any such letter of credit.

(d) For purposes of the provisions set forth in this paragraph, the Lessee certifies that its I.R.S. Employer Identification Number is **[Insert Employer Identification Number.]**

SECTION 31. BROKERAGE

The Lessee represents and warrants that no broker has been engaged, hired or contracted in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any claim for commission or brokerage made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and of execution of this Agreement.

SECTION 32. LIMITATIONS OF RIGHTS AND PRIVILEGES GRANTED

(a) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject; rights of the public in and to any public street; (ii) rights, if any, of the enterprise, public or private, which is engaged in furnishing any services including, without limitation thereto, heating, lighting, power, telegraph, telephone, steam, water, sewerage, or transportation services, and of the municipality and State in

which the premises are located; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the municipality or State in which the premises are located, or other governmental authority.

- (b) No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to the Facility are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

SECTION 33. LIQUIDATED DAMAGES

In the event that the Lessee fails to provide any of the required services, as provided for in Section 67, entitled Maintenance and Repair, Section 76, entitled Additional Maintenance Obligations of the Lessee, Exhibit B, and Exhibit SR, entitled Snow and Ice Removal Responsibilities and Plan, in this Lease, then inasmuch as the damage and loss to the Port Authority or PATH, including disruption of the operation and service at the Facility which will result from the non-performance of the portion of the service not performed, cannot be calculated and will be incapable of determination, in lieu of, and in liquidation of, damages for such breach, the amount payable to PATH by the Lessee hereunder shall be an amount equal to two hundred and fifty percent (250%) of PATH's cost of such service, the cost thereof to be paid by the Lessee upon demand by PATH.

SECTION 34. INTENTIONALLY OMITTED

SECTION 35. RELATIONSHIP OF THE PARTIES

This Agreement does not constitute the Lessee the agent or representative of PATH for any purpose whatsoever. Neither a partnership nor any joint venture is hereby intended nor shall it be deemed to be created by this Agreement, notwithstanding the fact that all or a portion of the rental to be paid hereunder may be determined by gross receipts from the operations of the Lessee hereunder.

SECTION 36. NOTICES

- (a) All notices (including but not limited to permissions, requests, consents, designations, notifications, reports and approvals) given or required to be given to or by either party shall be in writing and all such notices shall be personally delivered to the party or to the duly designated officer or representative of such party or shall be delivered to an office of such party, officer or representative during regular business hours, or delivered to the residence of such party, officer or representative or delivered to the Premises, or forwarded to him or to the party at the office or residence address by registered mail or commercial carrier, including, without limitation, Federal Express and United Parcel Service. The Lessee 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, PATH hereby designates its President and the Lessee hereby designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom such notices may be served, and PATH designates its office at 4 World Trade Center, New York, NY 10007, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where such notices may be served.

- (b) If any notice is mailed, delivered or sent by a commercial carrier pursuant to paragraph (a) of this Section, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or the permitted address.

SECTION 37. PLACE OF PAYMENTS

All payments required of the Lessee by this Agreement shall be mailed to PATH c/o The Port Authority Trans-Hudson Corporation, P.O. Box 95000, Philadelphia, Pennsylvania 19195-1538, or sent by wire transfer as follows: Bank: **[INFO TO BE PROVIDED UPON EXECUTION]**, or to such other office or address as may be substituted therefor from time to time by notice by PATH to the Lessee.

SECTION 38. QUIET ENJOYMENT

PATH covenants and agrees that as long as it remains the owner of the Facility, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises free of any act or acts of PATH except as expressly permitted in this Agreement.

SECTION 39. HEADINGS

The section headings and the paragraph headings, if any, are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision hereof.

SECTION 40. CONSTRUCTION AND APPLICATION OF TERMS

- (a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.
- (b) Whenever in this Agreement, the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:
- (1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees;
 - (2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of

itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees;

(3) If the Lessee is a partnership, limited partnership or other co-venture, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees;

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees;

(5) If the Lessee is a limited liability company, the obligation shall be that of its members and shall be performed only by its members, managers and employees and the rights or privileges shall be exercised only by its members, managers and employees; or

(6) If the Lessee is a trust, the obligation shall be that of its trustees and shall be performed only by its trustees and the rights or privileges shall be exercised only by its trustees.

(c) None of the provisions of subdivision (b) of this Section shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(d) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligations of each such individual or other legal entity.

(e) The Lessee's representative hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

SECTION 41. NON-LIABILITY OF INDIVIDUALS

Neither the Commissioners of the Port Authority or the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it 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.

SECTION 42. GREASE TRAPS AND VENTILATION DUCTS

Without in anyway limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the Premises or elsewhere in the building or Facility of which the Premises may be a part. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts, including the replacement of all filters, where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the Premises or elsewhere in the said building or Facility.

SECTION 43. LIMITATION ON THE SUPPLY OF SERVICES

Notwithstanding that PATH may have agreed to supply any service under the Section of this Agreement entitled "*Services*", PATH shall be under no obligation to supply any such service if and to the extent and during any period that the supplying of any such service 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 PATH deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on PATH as a public agency. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum in the Section of this Agreement entitled "*Services*" is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

SECTION 44. GOVERNMENTAL COMPLIANCE

In the event that all or any portion of the premises is required by PATH to comply with any present or future governmental law, rule, regulation, requirement, order or direction, PATH shall give the Lessee notice that all or any such portion of the Premises is so required and the Lessee shall deliver all or any such portion of the Premises so required on the date specified in such notice and if the Lessee does not so deliver, PATH may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder, it shall deliver all or any such portion of the Premises so required in the same condition as that required hereunder for the delivery of the Premises on the cessation of the letting. In the event of the taking or delivery of all the Premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement and, in the event of the taking or delivery of any portion of the Premises, shall cease to be a part of the Premises hereunder. There shall be an abatement of rental in the event of any such taking or delivery of a portion of the Premises as set forth and at the rates provided in Item 1(e) of Exhibit B annexed hereto.

SECTION 45. EXTERMINATION SERVICE

The Lessee shall pay PATH, upon demand, the cost of extermination service, if any, actually provided by PATH in the enclosed portion of the Premises; provided, however, that PATH shall not be required hereby to furnish such service.

SECTION 46. FORCE MAJEURE

(a) Neither PATH nor the Lessee shall be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control; provided, however, that this provision shall not apply to the Lessee's obligation to pay the rentals specified in the Sections of this Agreement relating to the payment of basic and percentage rentals and Item 1 of Exhibit B annexed to this Agreement, or its obligation to pay any other fees, charges or money payments due to PATH; provided, further that such causes and conditions shall refer to the causes and conditions identified in clause (f) of the Definitions section of this Agreement, as applied to the Lessee, except that in all events this paragraph (a) is subject to the provisions of paragraph (b) of this Section.

(b) No abatement, diminution or reduction of the rental or other charges payable by the Lessee shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future law, rule, requirement, order, direction, ordinance or regulation of the United States of America, or of the state, county or city government, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war of any matter or thing resulting therefrom, or by any other cause or causes beyond the control of PATH, nor shall this Agreement be affected by any such causes or conditions.

SECTION 47. PREMISES

The Lessee acknowledges that it has not relied upon any representation or statement of PATH or the Port Authority Commissioners, PATH Directors, Port Authority or PATH officers, employees, representatives or agents as to the condition of the Premises or the suitability thereof for the operations permitted on the Premises by this Agreement. The Lessee agrees that no portion of the Premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is a possibility of injury or damage to life or property and the Lessee further agrees that, prior to any use, it will immediately remedy same. Without limiting the generality of any of the provisions of this Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft or damage involving any property stored or placed in the Premises.

SECTION 48. FINISHES AND DECORATING BY THE LESSEE

(a) PATH shall deliver the Premises to the Lessee in its "AS IS" condition. The Lessee acknowledges that: (i) it has thoroughly inspected the Premises and agrees to take the same in such "AS IS" condition; (ii) PATH shall have no obligation to improve or alter the Premises for the benefit of the Lessee; (iii) the Lessee shall assume all risks in connection with such condition of the Premises without representation or warranty (express or implied) by PATH, except for latent defects of which PATH has no actual knowledge it being agreed that in this connection PATH has no obligation to perform studies, tests, or undertake any other investigation to ascertain the existence of latent defects; (iv) the Lessee irrevocably waives any claim based upon or related to any claimed representation by

PATH as to public traffic to be expected at the Premises or Terminal or sales to be expected at the Premises or Terminal. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under the Section hereof entitled "*Sales and Services by the Lessee*" to install and/or renovate, as applicable, in the Premises all necessary or proper equipment or fixtures required for its operations in the Premises. Subject to the provisions of this Section and the Section of this Agreement entitled "*Construction by the Lessee*" the Lessee agrees to and shall perform at its sole cost and expense all construction, installation and/or renovation work, as applicable, necessary or proper for its occupancy of the Premises and its operations therein (the work described in this Section being sometimes hereinafter referred to as the "*Construction Work*"), which Construction Work shall include those items listed in Item 4 of Exhibit B. Prior to commencing the performance of any of the Construction Work, the Lessee shall submit to PATH for its approval an Alteration Application, and containing such terms and conditions as PATH may include, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee or, if already installed, to be modified by the Lessee, including those for the emission, handling and distribution of heat, air cooling, domestic hot and cold water and electrical and other systems, and shall show the proposed method of tying in the same to the utility lines or connections provided by PATH either on or off the Premises. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as PATH shall deem necessary, and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to PATH shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with PATH's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by PATH of the Lessee's submissions under this paragraph, the Lessee shall submit to PATH, at PATH's request, such additional data, detail or information as PATH may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by PATH. The Lessee shall include in any such contract or subcontract such provisions as are required in accordance with the provisions of the Alteration Application previously supplied to the Lessee by PATH. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as shall be specified in the Alteration Application previously supplied to the Lessee by PATH. All work to be performed by the Lessee hereunder shall be done in accordance with the Alteration Application and final plans and specifications approved by PATH, shall be subject to inspection by PATH during the progress of the work and after the completion thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply PATH with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by PATH and the provisions of this Agreement and the Lessee shall supply PATH with as-built drawings in form and number as requested by PATH. The Lessee shall be obligated to pay any tenant alteration review fee or other fee charged by PATH for its costs of administrating the Tenant Construction and Alteration Process.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by PATH. The Lessee recognizes and understands that the occurrence of the Commencement Date shall not be deemed to authorize the Lessee to commence any work in the Premises unless PATH's final approval of the Alteration Application and plans and specification referred to in paragraph (a) of this Section has been obtained by the Lessee. The Lessee's occupancy of the Premises for performance of its work shall be subject to and in accordance with all the terms, covenants and provisions of this Agreement except those relating to rights of user and

payment of rentals. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rent Commencement Date established pursuant to paragraph (a) of Item 1 of Exhibit B attached to this Agreement, and subject to postponement if any is expressly provided for in the Section hereof entitled "Term", regardless of whether or not the Construction Work is then completed and whether or not the Lessee is then conducting the operations set forth in the Section of this Agreement entitled "Rights of User" in the Premises. The Lessee shall conduct no such operations in the Premises until PATH shall have notified the Lessee in writing that the Lessee's work in the Premises has been completed in accordance with the approved plans and specifications covering such work and in accordance with all of the provisions of this Agreement, and that the Premises are suitable for occupancy by the Lessee. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by PATH or the incorporation therein of any PATH requirements or recommendations. PATH shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of PATH as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the Premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Premises.

(e) Title to and property in the construction and installation work and to all improvements, fixtures, equipment and systems installed pursuant to this Section and any replacement or replacements thereof, except for trade fixtures removable without injury to the Premises, shall vest in PATH upon the construction, installation or replacement thereof and the Lessee shall execute such necessary documents confirming the same as PATH may require.

(f) Without limiting the Lessee's repair and maintenance obligations set forth elsewhere in this Agreement, the Lessee agrees that it will perform, at its sole cost and expense refurbishment work in the Premises to keep the Premises in first class operating condition so as to enable the Lessee to comply with its obligations under the Section of this Agreement entitled "Sales and Service by the Lessee" during term of the letting under this Agreement, including, without limitation, if required, the refurbishment of the interior walls, ceiling finishes, floor coverings, lighting, and signage, and the purchase of new trade fixtures. All work which the Lessee is required to perform pursuant to the provisions of this Section shall be performed subject to and in accordance with the provisions of this Section and the Section of this Agreement entitled "Construction by the Lessee" including, without limitation thereto, the provisions governing review and approval of the Alteration Application and the plans and specifications covering such work which the Lessee is required to prepare and submit and those governing insurance and indemnity. The Lessee's obligation to perform the refurbishment work described in this paragraph, and the performance thereof by the Lessee pursuant to the provisions hereof,

shall not be construed to be an eviction of the Lessee nor shall be made the grounds for any abatement in the rentals payable by the Lessee under this Agreement.

SECTION 49. APPLICATION OF PAYMENTS; ACCORD AND SATISFACTION

PATH may, at its sole discretion, apply any payments received from the Lessee to any rentals that are then due and payable. If PATH shall not make any specific application of a payment received from the Lessee, then any such payment received shall be applied first to the rentals which have been overdue for the longest period of time. No designation of any payment by the Lessee for application to a specific portion of the Lessee's financial obligations hereunder shall be binding unless otherwise required under the laws of the State of New Jersey nor shall it be deemed an accord and satisfaction of any debt or obligation of the Lessee hereunder. Lessee covenants to pay all rentals independent of any obligation of PATH. No breach of this Agreement by PATH shall relieve the Lessee of its obligation and duty to pay all rentals when due under the terms hereof. Except as expressly set forth otherwise in this Agreement, all rentals shall be paid by the Lessee to PATH without set-off, deduction, demand or abatement, and the Lessee's obligations to pay rentals shall be absolute and unconditional and shall not be subject to any right of recoupment or set-off and the Lessee shall make all payments in full without deduction, setoff or counter-claims of any form or nature. PATH reserves the right to accept any check or payment without prejudicing in any way PATH's right to recover the balance of any and all Rentals due from the Lessee after receipt of any such check or payment or to pursue any other remedy provided herein or by law. At any time that Lessee shall have delivered checks to PATH for payments pursuant hereto which shall have on at least two (2) occasions during any annual period been returned by PATH's bank for any reason, PATH shall not be obligated to accept any payment from the Lessee unless such payment is made by cashier's check or in bank certified funds.

SECTION 50. SUBORDINATION

This Agreement and the letting hereunder are and shall be subject and subordinate to all mortgages which may now or hereafter affect the Premises or the Facility, and to all renewals, modifications, consolidations, replacements and extensions thereof, and although the provisions of this Section shall be deemed to be self-operating and effective for all purposes without any further instrument on the part of the Lessee, the Lessee shall execute on demand and without expense to PATH such further instruments confirmatory of the provisions of this Section as PATH may request.

SECTION 51. OPERATING NAMES

(a) Any name, designation, or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by PATH and the Lessee shall have the right to use and display the name, designation, or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation, or service mark shall immediately cease and come to an end and PATH or its designee shall have the sole right to use such name, designation, or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect of such name, designation, or service mark shall indicate PATH's interest therein and the form thereof shall be approved in advance by PATH in writing. The Lessee agrees to assign and transfer to PATH any such registration or filing and any other rights in or to the use of such name, designation, or service mark promptly upon written request therefore from PATH.

(b) Nothing contained herein is intended to apply to the continuing use by the Lessee of its customary name, designation, or service mark used elsewhere in its operations prior to the making of this Agreement.

(c) The Lessee shall not use or make any reference, by advertising or otherwise, to the names "Journal Square Transportation Center" (except to designate the Lessee's business address and then only in a conventional manner and without emphasis or display), "PATH", "Port Authority Trans-Hudson Corporation", "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation which may tend to impair the reputation of PATH or the desirability of the Facility.

SECTION 52. LATE CHARGES

If the Lessee fails to pay any amount required under this Agreement when due to PATH including, without limitation, any payment of basic, percentage or other rental or any payment of utility or other charges or fees or if any such amount is found to be due as the result of an audit, then, in such event, PATH 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 (.8%) of such unpaid amount for each late charge period.

There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one (1) late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to PATH as the result of PATH 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 therefor by PATH. No acceptance by PATH of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of PATH to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental as set forth in the Section of this Agreement entitled "*Basic Rental*" and Item 1 of Exhibit B annexed hereto.

Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of PATH under this Agreement including, without limitation, PATH's rights set forth in the Section of this Agreement entitled "*Termination*" or (ii) any obligations of the Lessee 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.

SECTION 53. FACILITY COMPACTION UNIT

(a) Subject to all of the terms, conditions and provisions of this Agreement and in implementation of the provisions of paragraph (j) of Section 8, the Lessee agrees to remove from the Premises all garbage, debris and waste (whether solid or liquid) arising out of its occupancy or use of the Premises by delivering the same daily to the PATH compaction unit located at the Facility, and PATH hereby grants to the Lessee the privilege to use the PATH compaction unit during such hours and in such

manner as may be specified by PATH for the compaction of all such garbage, debris and waste. PATH shall thereafter arrange, through its agents, employees or contractors, for the collection and removal of all such garbage, debris and waste from the Facility. The privilege granted hereunder to the Lessee is non-exclusive and PATH and all persons, firms or corporations designated by it shall have the right to use the said compaction unit and to enter upon the space designated for the location thereof for the purposes set forth herein. Nothing contained herein shall limit or be deemed to limit any rights PATH or its designees may have under this Agreement, or otherwise, to enter upon or use such space.

(b) Prior to delivery to the PATH compaction unit, the Lessee shall store all garbage, debris and waste in suitable garbage and waste receptacles, to be provided by the Lessee at its sole cost and expense. All such receptacles shall be of a design safely and properly to contain whatever may be placed therein and shall be kept closed or covered except when being filled and maintained in a clean and sanitary condition at all times. The Lessee shall exercise extreme care in bringing all such garbage, debris and waste to the PATH compaction unit and shall pick up and clean all spillage and accumulations thereof. Without limiting the applicability thereof in any way, the Lessee's indemnity, repair and maintenance obligations under this Agreement shall extend to and include its activities under this Section.

(c) During the term of the letting the Lessee shall not contract for waste, rubbish or garbage removal services and shall not dispose of garbage, debris or waste except in the manner specified in this Agreement. PATH shall have the right to temporarily discontinue the Lessee's non-exclusive right to use the compaction unit when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes or improvements thereto. Nothing contained herein shall impose or be construed to impose on PATH any obligation to make any repairs, alterations, changes or improvements or to create any liability for any failure to do so. PATH shall have the right to revoke the privilege granted hereunder to use the PATH compaction unit on thirty (30) days prior written notice to the Lessee, provided, however, that it may be revoked by PATH upon twenty-four (24) hours' notice if the Lessee shall fail to keep, perform and observe each and every condition, term and provision contained in this Section. Revocation shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation. The exercise of the foregoing rights by PATH shall not release, relieve or discharge the Lessee from any of its obligations under this Agreement and upon the exercise of such rights, the Lessee shall dispose of all garbage, debris or waste in accordance with the provisions of paragraph (j) of Section 8.

(d) The Lessee understands that PATH will supply trash removal services hereunder through a contractor or contractors of its choice and that PATH will choose a single contractor or that combination of contractors which in PATH's opinion will result in the lowest total cost for the Facility consistent with adequate performance of the services.

(e) No failure, delay or interruption in any of the services enumerated herein shall be or be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of any rentals payable under this Agreement or shall constitute grounds for any claim by the Lessee for damages consequential, or otherwise, unless due to the negligence of PATH, its employees or agents.

SECTION 54. NO GIFTS, GRATUITIES OR OFFERS OF EMPLOYMENT

(a) During the term of the letting under this Agreement, the Lessee shall not offer, give or agree to give anything of value either to a PATH employee, agent, job shopper, consultant, construction manager or other person or firm representing PATH, 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 PATH, of duties involving transactions with the Lessee on behalf of PATH, whether or not such duties are related to this Agreement or any other PATH or 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 PATH or Port Authority lease or contract), etc. which might tend to obligate a PATH or Port Authority employee to the Lessee, and (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 PATH or Port Authority lease or contract.

(c) In addition, during the term of the letting under this Agreement, the Lessee 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 March 11, 2014 and any updates and amendments thereto (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

(d) The Lessee 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 Lessee certifies that it has not made any offers or agreements, or given, or agreed to give anything of value (as defined in this Section) or taken any other action with respect to any PATH or Port Authority employee or former employee or immediate family members of either which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure, dated as of March 11, 2014 and any updates or amendments thereto, nor does the Lessee have any knowledge of any act on the part of a PATH or Port Authority employee or former PATH or Port Authority employee relating either directly or indirectly to the Lessee which constitutes a breach of ethical standards set forth in said Code.

SECTION 55. AFFIRMATIVE ACTION

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees to require its contractors 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 on the Premises. PATH has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps PATH takes to maximize opportunities for MBEs and WBEs to participate in the performance of PATH construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

SECTION 56. WAIVER OF TRIAL BY JURY COUNTERCLAIMS

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by PATH against the Lessee in respect of the Premises and/or in any action that may be brought by PATH to recover fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of rents, fees or other amounts which may be brought by PATH unless such claims would be deemed waived if not so interposed.

SECTION 57. HAZARDOUS MATERIAL

Neither Lessee nor any of its officers, partners, members (if a limited liability entity), managers (if a limited liability entity), employees, agents, subtenants, contractors or invitees shall cause or permit any Hazardous Material to be used, stored, released, handled, produced or installed in, on or from the Premises or the Facility. Lessee may store and use in the Premises minor quantities of cleaning agents and similar substances used in the cleaning or maintenance of the Premises and general office supplies. In the event of a breach of the covenants contained in this Section, and in addition to all of its rights and remedies under this Agreement and pursuant to law, PATH, at its election, may either require Lessee to remove or to reimburse PATH for the costs of removing such Hazardous Material. In the event Lessee or any of its officers, partners, employees, agents, subtenants, contractors or invitees causes or permits a material to be used, stored, released, handled, produced or installed and such material is subsequently found to be a Hazardous Material, the Lessee, at Lessee's expense, shall comply with all laws with respect thereto and PATH, at its election, may either require Lessee to remove or to reimburse PATH for the costs of removing such Hazardous Materials. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

SECTION 58. CROSS-DEFAULT

Notwithstanding anything to the contrary contained in this Agreement, a default of the Lessee's obligations under the provisions of any other lease or permit (or other written agreement) with PATH covering any other concession and/or storage facilities within the Facility shall constitute a material default by the Lessee under this Agreement, entitling PATH to the rights and remedies provided to it under this Agreement, at law, and at equity.

SECTION 59. INTERPRETATION

(a) This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by, and be construed in accordance with, the laws of the State of New Jersey applicable to contracts made, and to be performed solely within, such state, without regard to choice of law principles.

(b) If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the fullest extent permitted by law.

(c) The Table of Contents, captions, headings and titles of this Agreement are solely for convenience of reference and shall not affect its interpretation.

(d) This Agreement (and any amendment, addendum, supplement, Exhibit or Schedule hereto) shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement or any part thereof to be drafted. The Lessee expressly acknowledges that it has been, or has had the opportunity to be, advised and represented by counsel in the negotiation, execution and delivery of this Agreement.

(e) All words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

(f) All exhibits and schedules appended to this Agreement are incorporated herein and by this reference made a part hereof.

(g) The Lessee shall not, by virtue of the execution of this Agreement, be released or discharged from any obligations or liabilities whatsoever under any other agreement it has with PATH.

SECTION 60. NO RECORDING

Lessee shall not record this Agreement or any memorandum thereof, without the express written consent of PATH.

SECTION 61. OFAC COMPLIANCE

(a) Lessee hereby represents and warrants to PATH that Lessee is not, and shall not become, a person or entity with whom PATH is restricted from doing business under the regulations of the Office of Foreign Asset Control (“OFAC”) of the United States Department of the Treasury (including, but not limited to, those named on OFAC’s Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. Lessee acknowledges that PATH is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing PATH to enter into and execute this Agreement. In the event of any breach of any of the foregoing representations and warranties by Lessee, PATH shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to Lessee. Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such termination by PATH, the Lessee shall, immediately on receipt of PATH’s termination notice, cease all use of and operations permitted under this Agreement and surrender possession of the Premises to PATH without PATH being required to resort to any other legal process. Termination on the afore-described basis shall be deemed a termination for cause.

(b) The Lessee shall indemnify and hold harmless PATH and the Port Authority Commissioners, officers, employees, agents and representatives from and against any and all claims, damages, losses, risks, liabilities and expenses (including, without limitation, attorney’s fees and disbursements) arising out of, relating to, or in connection with the Lessee’s breach of any of its representations and warranties made under this Section. Upon the request of PATH, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it 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 PATH, the immunity of the Port Authority and its related entities (including but not limited to PATH), Port Authority Commissioners, Port Authority and PATH officers, agents or employees, the governmental nature of PATH, or the provision of any statutes respecting suits against PATH.

(c) It is acknowledged and agreed that Lessee is not making warranties in connection with this Section with respect to the retail customers who purchase goods or services from the Lessee at the Premises.

(d) The provisions of this Section shall survive the expiration or earlier termination of the term of the letting hereunder.

SECTION 62. REMEDIES UNDER BANKRUPTCY AND INSOLVENCY CODES

If an order for relief is entered or if any stay of proceeding or other act becomes effective in favor of Lessee or PATH's interest in this Agreement in any proceeding commenced by or against Lessee under the present or any future United States Bankruptcy Code or in a proceeding which is commenced by or against Lessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any other present or future applicable federal, state or other bankruptcy or insolvency statute or law, PATH shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy or insolvency code, statute or law of this Agreement including such rights and remedies as may be necessary to adequately protect PATH's right, title and interest in and to the Premises or any part thereof and adequately assure the complete and continuous future performance of Lessee's obligations under this Agreement. Adequate protection of PATH's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Lessee's obligations under this Agreement, shall include all of the following requirements:

(a) that Lessee shall comply with all of its obligations under this Agreement;

(b) that Lessee shall continue to use the Premises only in the manner permitted by this Agreement; and

(c) that if Lessee's trustee, the Lessee or Lessee as debtor-in-possession assumes this Agreement and proposes to assign it (pursuant to Title 11 U.S.C. Section 365, as it may be amended) to any person who has made a bona fide offer therefor, the notice of such proposed assignment, giving (i) the name and address of such person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided PATH to assure such person's future performance under this Agreement, including the assurances referred to in Title 11 U.S.C. Section 365[b](3), as it may be amended, and such other assurances as PATH may reasonably require, shall be given to PATH by the trustee, the Lessee or Lessee as debtor-in-possession of such offer, not later than twenty (20) days before the date that the trustee, the Lessee or Lessee as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment, and PATH shall thereupon have the prior right and option, to be exercised by notice to the trustee, the Lessee and Lessee as debtor-in-possession, given at any time before the effective date of such proposed assignment, to accept an assignment of this Agreement upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage fees, finder's fees, processing fees, or commissions, or any similar fees or commissions (collectively, "Brokerage Commissions") which may be payable out of the consideration to be paid by such person for the assignment of this Agreement. PATH shall have no obligation to pay such Brokerage Commissions. If Lessee attempts to arrange such an assignment of this Agreement, then as an element of the required adequate assurance to PATH, and as a further condition to Lessee's right to make such an assignment, the Lessee's agreement(s) with brokers shall, to PATH's reasonable satisfaction, provide that PATH shall have no obligation to pay such Brokerage Commission if PATH exercises PATH's rights under this Section.

SECTION 63. INTENTIONALLY OMITTED

SECTION 64. RELATIONSHIP OF THE PARTIES

This Agreement does not constitute the Lessee, the agent, or representative of PATH for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created, notwithstanding the fact that all or a portion of the rental to be paid hereunder may be determined by gross receipts from the operations of the Lessee hereunder.

SECTION 65. DEFINITIONS

As used herein;

- (a) Letting" shall mean the letting under this Agreement for the original terms stated herein and shall include any extensions thereof, which may be made pursuant to the provisions of the Agreement.
- (b) "Facility" or "Journal Square Transportation Center" shall mean the building bounded by Summit and Magnolia Avenues, in the City, County, and State of New Jersey, and property, buildings, structures, ramps, and extensions in the vicinity thereof which may be used for or in connection with Facility purposes.
- (c) "Cost" shall mean and include: (i) payroll costs, including to the retirement system or the cost of participation in other pension plans, insurance costs, sick leave pay, holiday, vacation, and authorized absence pay, (ii) cost of materials and supplies used; (iii) payments to contractors, (iv) any other direct costs, and (v) forty percent (40%) of the sum of the foregoing.
- (d) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee, or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the addressee or at the address thereof.
- (e) "Causes or conditions beyond the control of PATH", 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 PATH is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting PATH, its contractors, suppliers, or subcontractors,) or any other condition or circumstance, whether similar to or different from the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances.)
- (f) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and for services rendered at or from the Facility, regardless of when or where the order therefore is received, and outside the Facility, if the order therefore is received at the Facility, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Facility provided, however, that any

taxes imposed by law which are separately stated to and paid by a customer directly payable to the taxing authority by the Lessee shall be excluded there from. Gross receipts shall also include any rent credits received by Lessee for use of spaces by PATH or the Port Authority, as set forth in Section 70a hereof.

SECTION 66. NON-LIABILITY OF PATH REPRESENTATIVES

Neither the Commissioners of the Port Authority, Directors of PATH, nor any officer, agent, or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provisions of this Agreement, or because of its execution or attempted execution, or because of any breach hereof.

SECTION 67. MAINTENANCE AND REPAIR

- (a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment, and personal property.
- (b) The Lessee shall repair, replace, renovate, and paint all or any part of the office area and the premises including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, 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, tele-register, pneumatic-tube dispatch and intercommunications services, including lines, pipes, mains, wires, conduits, and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, or other persons doing business with it. Additionally, all non-structural repair, replacement, rebuilding, relamping, ballasting, stripping of lanes, signage, and painting shall be made or done by the Lessee.
- (c) The following maintenance and routine work must be coordinated with and schedules must be submitted to a PATH representative for approval prior to any maintenance work being done. The maintenance and routine work includes:
 - 1) The striping of lanes and spaces that shall be performed at least once by the 2nd anniversary of the Commencement Date and at least once every two (2) years thereafter during the term of the letting.
 - 2) The cleaning and jetting of all drains, troughs, catch basins, and traps contained on all levels and ramps of the parking facility. This shall be performed semi-annually by the Lessee or its assigned contractor.
 - 3) The cleaning of the roadway and ramp surface, which shall be performed quarterly by utilizing a sweeper-type vehicle throughout the entire parking facility, preferably during evening hours.
 - 4) The collection of all debris/refuse to be performed daily from all areas of the parking decks and elevator areas on all levels. All non-toxic, non-hazardous waste may be disposed of in PATH dumpsters located off the Magnolia Avenue loading dock.

- 5) The application of approved snow and ice melting agents to all parking ramps prior to a predicted snowfall to combat icing up of ramp surfaces.
- 6) The painting and maintenance of the toll plaza. The painting of the toll plaza shall be completed by the third anniversary of the Commencement Date and at least once during every three (3) year period thereafter during the term of the letting. The area to be painted and maintained includes booths, walls, and the canopy in the premises let to the Lessee and shown on Exhibit A.
- (d) In the event the Lessee fails to commence as to make or do repairs, replacement, rebuilding, or painting which it is obligated to make or do under the terms of this Agreement within a period of ten (10) days after notice from PATH so to do or fails diligently to continue to completion the repair, replacement, rebuilding, or painting of all the premises required to be repaired, replaced, rebuilt, or painted by the Lessee under the terms of this Agreement, PATH may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild, or paint all or any part of the premises included in the said notice, the cost thereof to be paid by the Lessee on demand.
- (e) In the event that, as a result of any casualty, the premises are damaged, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, or other persons doing business with it, so as to render them untenable in whole or part, then PATH shall have options: (i) to proceed diligently to repair or to rebuild as necessary, or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item I of Exhibit B be abated, either, as the case may require, for the period from the occurrence of the damage to the completion or repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.
- (f) The parties hereby stipulate that neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey, nor those of any other similar statutes, shall extend or apply to this Agreement.
- (g) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed and if the Lessee does not promptly so remove, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same to public auction, the proceeds, of which shall be applied first to the expense of removal, storage, and sale, second to any sums owned by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

SECTION 68. NO SALE OF MERCHANDISE

Nothing in this Agreement contained shall give the Lessee the right to sell, and the Lessee shall not sell, or permit to be sold, any merchandise at or on the premises, nor shall the Lessee have any right to install, and the Lessee shall not install or permit to be installed, any vending machines or similar devices whatsoever at or on the premises.

SECTION 69. ABANDONED AND ILLEGALLY PARKED VEHICLES

The Lessee shall report to the Manager of the Facility or his or her designee, in writing each week, on the same day of the week, the make, model, license plate number, state of registration, and the location of the premises of all vehicles which the Lessee believes to be abandoned, setting forth the date on which the vehicle entered the premises, and the parking fees due for such vehicle. The Lessee shall not remove abandoned vehicles from the premises, or sell any such vehicles without the prior written consent of PATH.

- (a) The Lessee shall immediately notify the Port Authority Police Department (PAPD) of any suspicious vehicles, including those thought to be stolen, involved in a crime, or without license plates.
- (b) If the vehicle remains unmoved/abandoned for fifteen (15) days, the Lessee will contact the Port Authority Police Department (PAPD). The PAPD will attempt to identify the owner of the vehicle. If identified, the Lessee will send the owner a certified letter—and provide a copy to a designated PATH representative—urging the owner to pay the parking fee and immediately remove the vehicle.
- (c) If the vehicle remains unmoved/abandoned for thirty (30) days, and payment is not received for the occupation of the spaces, with concurrence from PATH, the Lessee will begin the process to place a lien on the vehicle and will subsequently boot it to prevent its illegal removal.
 - 1) If the vehicle remains unmoved/abandoned for thirty (30) days, and no response is obtained, the Lessee shall follow all local, state, and national laws to immediately tow the abandoned vehicle from the parking lot.
 - 2) If the vehicle remains unmoved/abandoned for thirty (30) days, and a response is obtained, the Lessee shall work with the identified owner to receive compensation and remove the vehicle. The Lessee may tow the vehicle, in compliance with all local, state, and national laws, at their discretion.

SECTION 70. ADDITIONAL PROVISIONS

- (a) The Lessee will be required to provide PATH with the use of approximately _____ parking spaces at the Facility. The number of PATH vehicles parked at the Facility could increase or decline over the term of the lease. PATH will pay for the use of those spaces occupied by PATH according to the schedule of rates in effect—as set forth in Schedule A and as subsequently amended, in writing by the Parties—at the time by way of a credit against the rental payable for all premises. The dollar value of the rent credit described herein shall be included in the calculation of gross receipts for the purpose of calculating the Percentage Rental as defined in Exhibit B, as if PATH was paying for the spaces.
- (b) If a major weather event, transportation outage, labor action or other similar event requires emergency response by PATH, the Lessee may be required to provide PATH with the use of all of the parking spaces at the Facility. Rent shall be abated for each day that the Lessee is unable to operate the Facility as a public parking garage.

- (c) No vehicle shall be permitted on the premises having a gross weight of more than seven thousand five hundred pounds (7,500) avoirdupois.
- (d) The Lessee hereby acknowledges that a closed circuit television system (hereinafter "CCTV") has been installed in the premises by PATH for the purpose of monitoring and recording vehicles entering and exiting the parking facility. The Lessee shall not perform any maintenance or repairs nor make any improvements or do any other work on the CCTV. Notwithstanding the foregoing, the Lessee shall immediately report any problems with or malfunctioning of the CCTV to PATH, who shall make all necessary modifications, repairs or replacements to the CCTV, as it deems necessary in its sole discretion.
- (e) The Lessee shall deliver to PATH, together with each statement of gross receipts delivered pursuant to Item 1 of Exhibit B to this Agreement, a statement of the usage of such parking spaces by PATH and Port Authority vehicles during the period covered by such statement of gross receipts, in such form as PATH shall specify. After examination and approval of such statement of usage and of such other books and records of the Lessee as PATH may require, PATH shall grant to the Lessee a credit against the Lessee's rental payments next becoming due in an amount equal to the sum of the charges for all such usage during such period at the rates for PATH and Port Authority vehicles as set forth in Schedule A to this Agreement as the same may be amended from time to time.

SECTION 71. CONDITION OF THE PREMISES

(a) PATH shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the premises in its "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 15 to install in the premises all necessary or proper equipment or fixtures required for its operations therein. The Lessee hereby acknowledges that it has not relied upon any representation or statement of PATH or its Commissioners, Directors, officers, employees or agents as to the condition of the premises, or its fitness for use as a parking lot. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and determined them to be suitable for the Lessee's operation hereunder and the Lessee hereby agrees to take the premises in the condition they are in as of the commencement of the term of the letting hereunder and to assume all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the premises whether any aspect of such condition existed prior to, on or after the effective date of the letting of the premises hereunder including without limitation all Environmental Requirements, as hereinafter defined, and Environmental Damages, as hereinafter defined, and to indemnify and hold harmless PATH for all such risks, requirements, costs and expenses. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. It is hereby understood and agreed that whenever reference is made in this Lease to the condition of the premises as of the commencement of the term thereof, the same shall be deemed to mean the condition of the premises as of the date of this Agreement, and as to the improvements made and the alteration work performed during the term of the Agreement in the condition existing after the completion of the same. The Lessee understands that it will be its responsibility to furnish and install (subject to the provisions of Section 15 of the Lease) all pumps, trade fixtures, accessories, equipment and other property including any necessary removal and demolition

and to perform all work as may be necessary to put the parking lot in first class operating condition for the purposes set forth in Section 3 hereof.

(b) All the obligations of the Lessee under this Section with respect to the responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Agreement.

(c) The following capitalized terms have the meanings set forth herein: As used herein,

(i) “**Environmental Damages**” shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of the letting under this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee’s use and occupancy of the Premises or the performance of the construction work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee’s operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

(ii) “**Environmental Requirements**” shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidance’s, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, “best management practices plans”, and other programs adopted and agreements made by PATH with any governmental agencies (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances, as hereinafter defined, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist;

All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public; and

The Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42

U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated there under and all substitutions thereof.

(iii) “**Hazardous Substance**” shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (“PCBs”), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and other substances which have been or in the future shall be declared to be hazardous or toxic, or the removal, containment or restriction of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have or in the future shall be restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

SECTION 72. GUARANTY (TO BE DETERMINED AT TIME OF AWARD)

As a condition precedent to the effectiveness of this Agreement, the Lessee shall procure and maintain in full force and effect throughout the term of the letting under this Agreement a contract of absolute and unconditional guaranty of the due and punctual payment of the rentals and other monetary obligations under this Agreement to be paid by the Lessee hereunder and of the full, faithful performance, observance, and fulfillment on the part of the Lessee off all the terms, conditions, and provisions of this Agreement to be performed, observed, and fulfilled. Such a contract of guaranty shall be in the form of “Contract of Guaranty” annexed to this Agreement and hereby made a part hereof and shall be executed, either on such form or on a separate copy thereof by [Insert Lessee,] a corporation organized and existing under and by virtue of the laws of the State of [Insert State,] simultaneously with the execution of this Agreement by the Lessee and the delivery thereof to PATH. The existence of the contract of guaranty described in this paragraph shall not limit or alter any other remedies of PATH under this Agreement and PATH may from time to time and at all times elect to pursue (or not pursue) its rights under the contract of guaranty without thereby limiting, voiding, or relinquishing any of its other rights or remedies under this Agreement.

SECTION 73. REVENUE CONTROL SYSTEM

(a) The Lessee will install a “state of the art” revenue collection and management system as further described in Exhibit B, Item 4, which will enable the operator of the Facility, as well as PATH, to monitor usage and revenues, enhance customer payment options, and overall improve the efficiency of the public parking lot.

The proposed “state of the art” revenue control system and the Pay on Foot (POF) must be submitted by the Lessee and accepted by PATH. The aforementioned work must be completed within twelve (12) months of the Commencement Date. The Lessee must maintain at least a one-lane operation during the demolition, construction and installation of a RCS and the entry/exit location with new booths, gates, and curbing occurs.

Installation of the selected revenue control system must comply with Section 15 entitled "Construction by the Lessee" and Section 48 entitled "Finishes and Decorating by the Lessee".

At the expiration of the term of this Lease, or if this Lease is terminated pursuant to the terms of this Lease, Lessee shall promptly turn over all components of the RCS (including "back-end" systems and software) to the Port Authority in good working order, and Lessee shall cooperate fully with a successor operator to ensure no interruption of service at the Facility.

The Revenue Collection System shall, at all times, comply with the technology requirements attached hereto and incorporated herein as Attachment C.

SECTION 74. INTENTIONALLY OMITTED

SECTION 75. HEIGHT AND WEIGHT RESTRICTIONS

The Lessee shall not permit any vehicles more than nine feet (9') high or eight feet (8') wide to be parked at the parking facility, provided that no height restrictions shall apply at the north entrance. No vehicles weighing more than 7,500 pounds shall be permitted at the facility.

SECTION 76. ADDITIONAL MAINTENANCE OBLIGATIONS OF THE LESSEE

(a) Without in any way limiting the maintenance and repair obligations of the Lessee set forth elsewhere in this Agreement, the Lessee shall reseal the parking decks within three months after the second anniversary of Commencement; and if extensions are exercised by PATH, within three months after the sixth anniversary of the Commencement; date at the Lessee's sole expense, with prior notification to PATH.

(b) The Lessee shall be responsible for aesthetic improvements and operational investments to the public parking lot, such improvements and investments occurring every two (2) years and shall include, but not be limited to the refurbishment of the parking lot to provide striping, provided, however, that the striping work shall not be performed during years in which the decks will be resealed, or during any year in which the masonry is repaired. The Lessee, with the approval of PATH, within the first (1st) year of this agreement, shall provide new "customer friendly" street, and deck-parking signage. The Lessee shall not be responsible for structural repairs, structural improvements and paving, all of which shall be the responsibility of PATH.

(c) Notwithstanding Section 76 (b), throughout the term of the letting, the PATH Facility Manager may require the Lessee to perform structural repairs and improvements on the deck. Lessee's plans and costs to carry out these improvements must be approved prior to the start of the work by the PATH Facility Manager complying with Section 15 "*Construction by the Lessee*" and Section 48 "*Finishes and Decorating by the Lessee*". Once the work is complete and satisfactorily inspected by PATH, and certified approved by PATH, the Lessee shall be reimbursed for all of its approved work associated costs, PATH will compensate the Lessee with a rental rate abatement equal to the approved costs.

SECTION 77. NOTIFICATION OF SECURITY REQUIREMENTS

PATH has facilities, systems, and projects where terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. PATH reserves the right to impose multiple

layers of security requirements on the Contractor, its staff, and subcontractors and their staffs depending upon the level of security required, as determined by the Authority. These security requirements may include but are not limited to the following:

- (a) Execution of Non-Disclosure and Confidentiality Agreements and Acknowledgments;
- (b) Contractor/subcontractor identity checks and background screenings, including but not limited to: inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff names and residences; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; multi-year check of personal, employment, and/or credit history; access identification to include some form of biometric security methodology such as fingerprint, facial, or iris scanning, or the like;
- (c) Issuance of Photo Identification cards;
- (d) Access control, inspection, and monitoring by security guards.

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. The Contractor may also be required to utilize a Port Authority designated organization to perform background checks.

PATH may impose, increase, and/or upgrade security requirements for the Contractor and its staff and subcontractors during the term of the Contract to address changing security conditions and/or new governmental regulations.

PATH may assume the direct cost for security requirements or may pay the Contractor pursuant to the Extra Work provisions of the Contract to effect necessary payment. Payment and its methodology will be determined and approved by PATH. Any changes to this requirement will be amended by PATH accordingly with notifications sent to the Contractor.

SECTION 78. ENTIRE AGREEMENT

This Agreement consists of the following: Insert the final page number 73 inclusive, plus Exhibit B, Exhibits 1, 2, 3, SR, Schedules A and E, Attachments A, B, C (1, 2, 3, 4, 5, & 6), D, E (and Contract of Guarantee and Contract of Secretary, if required).

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 PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:
CORPORATION

PORT AUTHORITY TRANS-HUDSON

Secretary

By _____

(Title) _____
(seal)

ATTEST:

Secretary

By _____

(Title) _____
(President)

EXHIBIT B

ITEM 1: RENTAL PROVISIONS

(a) Definitions

- 1) "Annual period" shall mean, as the context requires, the twelve-month (12) period commencing with the Commencement Date established pursuant to the provisions of this Agreement and each of the twelve-month (12) periods thereafter occurring during the term of the letting, provided, however, that if the Commencement Date occurs on other than the first day of a calendar month, the first annual period shall include the portion of the month in which the Commencement Date falls following such date and plus the succeeding twelve (12) calendar months and each subsequent annual period shall commence on the anniversaries of the first day of the first full calendar month following the month in which the Commencement Date occurs.
- 2) For the purpose of calculating the percentage rental due for any annual period which is other than the three hundred and sixty five (365) days, the annual exemption amount shall be prorated over the actual number of days contained in such annual period.

(b) Basic Rental

The Lessee shall pay a basic rental for the premises as follows:

- 1) Effective upon the Commencement Date and continuing through the balance of the term of the letting, both dates inclusive, the Lessee shall pay PATH a basic rental for the premises at the rate of _____ per annum, payable in advance in equal month installments on the Commencement Date and on the first day of each and every month thereafter occurring during such period, provided, however, that if the Commencement Date occurs on a day which is other than the first day of a month, the basic rental for the portion of the month during which the Commencement Date occurs following such date shall be the amount of the monthly installment set forth in this subparagraph prorated on a daily basis.
- 2) As used in this paragraph:
 - a) "Index" shall mean 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.
 - b) "Base Period" shall mean the month preceding the month in which the Commencement Date shall occur.
 - c) "Adjustment Period" shall mean, as the context requires, the calendar month preceding the month in which the Base Period shall occur and such month in each

calendar year thereafter occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.

d) "Anniversary Date" shall mean the anniversary of the Commencement Date and each anniversary of the Commencement Date occurring during the terms of the letting under this Agreement as the same may hereafter be amended or extended.

e) "Percentage Increase" shall mean the percentage of increase in the Index on each Anniversary Date equal to a fraction the numerator which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the index for the Base Period and the denominator of which shall be the Index for the Base Period.

The charge for Basic Rental set forth in Item 1 of Exhibit B shall be increased on each Anniversary Date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended by an amount equal to the sum of the product obtained by multiplying such charge by the Percentage Increase for such Anniversary Date, plus an amount equivalent to one and one-half percent (1.5%). And such increased charge shall be payable by the Lessee during the twelve (12) month period commencing with such Anniversary Date and continuing through to the following Anniversary Date in lieu of the charge set forth in Item I of Exhibit B, as the same shall be increased.

There shall be no reduction in the charges for the Basic Rental payable any period in the event of any reduction in the Index. Further in no event shall the sum of the Percentage Increase plus one and one-half percent (1.5%) exceed three percent (3%) per annum.

In the event any Index to be used in computing an adjustment in the charge for the Basic Rental referred to in Item 1 of Exhibit B, is not available on the effective date of such adjustment, the Lessee shall continue to pay such charge at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that PATH may, at its option, substitute for such Index the Index for the latest available twelve-month (12) period ending during the preceding calendar year to constitute the specified Index. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the Index, then for the purposes hereof there shall be substituted for the Index such other Index properly reflecting changes in the value of current United States money in a manner similar to the established in the Index used in the latest adjustment as PATH may in its discretion determine.

If after a charge for Basic Rental shall have been fixed for any period, the Index used for computing such charge shall be changed or adjusted, then the charge for the Basic Rental for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed charge and upon demand shall pay any excess in the charge for Basic Rental due for such period as recomputed over amounts theretofore actually paid on account of such charge for such period. If such change or adjustment results in a reduction in the charge for Basic Rental due for any period prior to notification, PATH will credit

the Lessee with the difference between the charge as recomputed for that period and amounts actually paid on account of said charge.

- 3) If the term of the letting hereunder is terminated (without default by the Lessee) on a date other than the last day of the month, the basic rental payable for the portion of the month in which the termination date occurs shall be the amount of the applicable monthly installment of basic rent prorated on a daily basis.

(c) Percentage Rental

The Lessee shall pay to PATH an annual percentage rental equivalent to the sum of the following percentages:

- 1) _____ Percent (___ %) [to be submitted by the Proposer in Exhibit 1] of all gross receipts of the Lessee arising during each annual period which are greater than _____.
- 2) The computation of percentage rental 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.

- (d) For purposes of calculating the Percentage Rental, gross receipts shall include all deemed income from Port Authority or PATH vehicles parked at the Facility earned in the form of a rent credit as set forth in Section 70 of this lease.

(e) Time of Payment of Percentage Rental; Computations of Amounts and Accounting

- 1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the commencement of each annual period, and on the 20th day of each and every month thereafter including the month following with end of each annual period, the Lessee shall render to PATH a sworn statement showing the Lessee's gross receipts for the preceding month and whenever such statement shall show that the gross receipts for that annual period exceed the amount stated in section (c)(3) above, the Lessee shall pay at the time of rendering the statement of an amount equal to the percentage stated in paragraph (c) of this Item 1 applied to the gross receipts during that period. The Lessee's statement following the close of each annual period shall be certified, at the Lessee's expense, and shall report total gross receipts for such annual period and total percentage rental due therefor and if any adjustments are required the same shall be made at the time such report is rendered.
- 2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration,) the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the letting hereunder is terminated effective on a date other than the last day of a month, the basic rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of basic rental prorated on a daily basis, and if the month installment

due on the first day of that month has not been paid, the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective date of termination render to PATH a sworn statement of all its gross receipts for the annual period in which the effective date of termination falls; third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the percentage rental, stated above in paragraph (c) of this Item 1 applied to the gross receipts of the Lessee for such annual period.

(f) Abatement

- 1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement, the basic rental payable for the premises shall be reduced by the product of Two Dollars and Eighty-Five Cents (\$2.85) multiplied by the number of parking spaces as to which the abatement applies.
- 2) During any annual period in which the Lessee shall be entitled to an abatement, the applicable annual exemption amount established for such annual period shall be reduced proportionately to the reduction of the basic rental.

Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

ITEM 2: INSURANCE LIMITS

The limits of liability insurance are referred to in Section 11B and shall include full contractual liability coverage.

ITEM 3: UTILITIES

(a) Heat and Air-Cooling

Not to be sold, furnished, or supplied to the premises by PATH.

(b) Electricity

The Lessee shall pay to PATH for electricity supplied by PATH to the premises pursuant to Section 14 of the Agreement at the rate of Twenty Thousand Dollars and Four Cents (\$20,000.04) per annum, payable in advance in equal monthly installments of One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$1,666.67) on the Commencement Date and on the first day of each calendar month thereafter during the term of the letting of the premises. The charge for electricity shall be subject to increase as provided in paragraph (e) of this Item 3.

(c) Domestic Hot and Domestic Cold Water

Not to be sold, furnished, or supplied to the premises by PATH.

(d) Steam

Not to be sold, furnished, or supplied to the premises by PATH.

(e) Telecommunications

Lessee shall be responsible for installing and setting up its own account with a telecommunications provider.

(f) As used in this subparagraph:

- 1) "Index" shall mean the Revised Consumer Price Index for All Urban Consumers – New York-Northern New Jersey-Long Island, NY – NY-NJ-CT (All Items, U.S. City Average, Unadjusted 1982-1984=100) published by the Bureau of Labor Statistics of the United Department of Labor.
- 2) "Base Period" shall mean the month preceding the month in which the Commencement Date shall occur.
- 3) "Adjustment Period" shall mean, as the context requires, the calendar month preceding the month in which the Base Period shall occur and such month in each calendar year thereafter occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.
- 4) "Anniversary Date" shall mean the first anniversary of the Commencement Date and each anniversary of the Commencement Date occurring during the terms of the letting under this Agreement as the same may hereafter be amended or extended.
- 5) "Percentage Increase" shall mean the percentage of increase in the Index on each Anniversary Date equal to a fraction the numerator which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the index for the Base Period and the denominator of which shall be the Index for the Base Period.
- 6) If the "Percentage Increase" is less than the percentage increase granted by the State of New Jersey Board of Public Utilities (BPU) to the local provider, than the increase should be the higher of the two rates in any given "Adjustment Period", unless no BPU increase is granted, in which case the "Percentage Increase" as defined will prevail.

The charge for electricity set forth in paragraph (b) of this Item 3 shall be increased on each Anniversary Date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended by an amount equal to the product obtained by multiplying such charge by the Percentage Increase for such Anniversary Date, and such increased charge shall be payable by the Lessee during the twelve (12) month period commencing with such Anniversary Date and continuing through to the following Anniversary Date in lieu of the charge set forth in subparagraph (b) of this Item 3. There shall be no reduction in the charges for electricity payable for any period in the event of any reduction in the Index.

In the event any Index to be used in computing an adjustment in the charge for electricity referred to in paragraph (b) of this Item 3 is not available on the effective date of such adjustment, the

Lessee shall continue to pay such charge at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that PATH may, at its option, substitute for such Index the Index for the latest available twelve-month period ending during the preceding calendar year to constitute the specified Index. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised of the United States Department of Labor shall cease to publish the Index, then for the purposes hereof there shall be substituted for the Index such other Index properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as PATH may in its discretion determine.

If after a charge for electricity shall have been fixed for any period, the Index used for computing such charge shall be changed or adjusted, then the charge for electricity for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed charge and upon demand shall pay any excess in the charge for electricity due for such period as recomputed over amounts theretofore actually paid on account of such charge for such period. If such change or adjustment results in a reduction in the charge for electricity due for any period prior to notification, PATH will credit the Lessee with the difference between the charge as recomputed for that period and amounts actually paid on account of said charge.

ITEM 4: NEW CONSTRUCTION

In accordance with lease Section 15 "Construction by the Lessee", and Section 73 "Revenue Control System":

(a) The Lessee shall implement repairs to the Facility and install a new revenue collection system (RCS) ("Initial Work"), capable of accepting all current forms of payment, including but not restricted to cash, credit (debit) card, all forms of electronic payment systems (including, but not limited to, cash, credit cards and debit cards) as further described in Attachment A, Construction Plans. All equipment installed in the Premises must be approved by PATH. The installation of the new RCS will require a total makeover of the exit /entrance of the parking facility, the dismantling of the current booths, gates, and curbing, and replacement with new booths, gates and curbing.

(b) The Lessee shall be required to upgrade and provide new lighting fixtures, and signage where needed, as shall be performed at the direction of the Facility Manager within the first year of the execution of the Lease.

(c) The Lessee must install a stand-alone payment system that provides change to cash paying customers, but also accepts all current forms of payment. The location of this machine at the direction of the Facility Manager within the first year of the execution of the Lease.

(d) The Lessee shall cooperate with a cost-benefit analysis to be performed during the term of this Lease to determine the viability of constructing a third deck at the Facility, by reporting metrics on market demand and supply, pricing, revenues/expenses and construction costs.

ITEM 5: CONSTRUCTION LIABILITY INSURANCE LIMITS

See Section 15 of this Lease Agreement.

ITEM 6: COST AND PRORATION THEREOF

- (a) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee for such equipment and fixtures and the installation thereof and the making of such improvements as are necessary to initially equip and improve the premises for the Lessee's commencement of operations hereunder and to the extent that such sum does not exceed the amount stated in Attachment B, Construction Budget, shall be reimbursed by PATH as a credit against the Lessee's rental payments.
- 1) Direct labor and material costs;
 - 2) Contract costs for purchases and installations 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 improvement for which they are incurred, and not to exceed twenty percent (20%) of the total of the amounts covered by subdivisions (1) and (2) above.
- (b) A statement of the cost detailing all the foregoing, including copies of invoices and contracts, certified by a responsible officer of the Lessee, shall be delivered by the Lessee to PATH not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvement, and the Lessee shall permit PATH, 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 the Lessee which pertain to the cost; the Lessee agrees to keep such records and books of account within the Port of New York District during such time.
- (c) If the Lessee includes in cost any item as having been incurred but which, in the opinion of PATH, was not so incurred or which, in the opinion of PATH, if so incurred is not an item properly chargeable to cost under sound accounting practice, then PATH, within ninety (90) days after receipt of the said statement of cost as mentioned in paragraph (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds thereof. 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 PATH and the Lessee.
- (d) In any such arbitration as to whether any item included by the Lessee 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 Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?”

- (e) In any such arbitration as to whether any item included by the Lessee in its computation of cost 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 be reasonably held to be so chargeable, then what amount can reasonably be held to be so chargeable?”

The arbitrators to whom such question shall be submitted shall be accountants or auditors.

ITEM 7: CASH SECURITY

Not yet determined.

ITEM 8: PERFORMANCE BOND

See Attachment D.

Initialed:

For PATH

Initialed:

For the Lessee

EXHIBIT 1

Lease Proposal Form
JSTC Public Parking Lot

A. Guaranteed Annual Rental Payment: \$ _____

B. Percentage Rental Payment:

i. Estimated Annual Gross Receipts*: \$ _____

ii. Percentage: The Lessee shall pay to PATH _____ % of Gross Receipts above \$ _____

iii. Estimated Annual Percentage Rental Payment: \$ _____

C. Total Year One Estimated Rental Payment: \$ _____

Note: Proposers may add, edit or revise lines in this section as needed to describe their rental payment proposal

*Gross receipts shall include any rent credits received by Lessee for use of spaces by PATH or the Port Authority, as described in Section 70a of the Lease Agreement.

INITIAL:

LESSEE: _____

PATH: _____

EXHIBIT 2

Employee Operating Responsibilities

Employees assigned to operating the public parking lot are expected to, at a minimum, complete the following responsibilities:

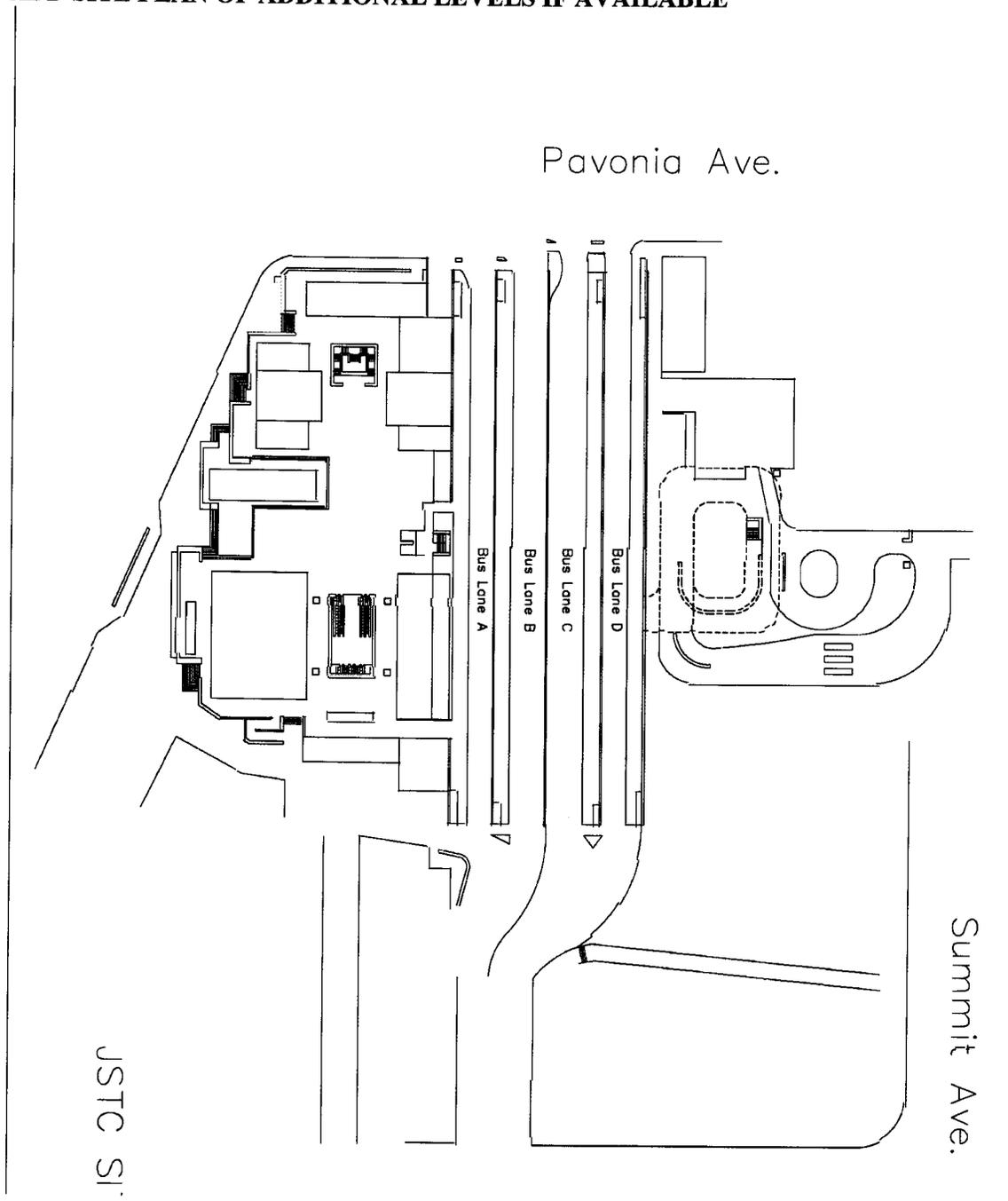
- (a) Regularly travel throughout the public parking lot to provide a constant presence at the facility;
- (b) Provide telephone numbers for emergency service providers, such as AAA and 24-hour locksmiths, for customers in need;
- (c) Assist customers who cannot locate their parked vehicles;
- (d) Identify and report unauthorized people in the public parking lot to the Port Authority Police Department (PAPD);
- (e) Identify and correct unsafe conditions, such as broken glass, oil on floors, potholes, etc., and notify appropriate PATH personnel of the corrected action;
- (f) Support snow and ice removal efforts by identifying areas that require snow removal and/or the spreading of approved ice melting agents (see Exhibit SR);
- (g) Survey the garage to ensure it is clean and that all lights are properly working, and take corrective action as necessary;
- (h) Report suspected abandoned vehicles to the PAPD for proper action (Refer to Lease Section 69.)

INITIAL:

LESSEE: _____

PATH: _____

EXHIBIT 3 – JOURNAL SQUARE TRANSPORTATION CENTER – SITE DIAGRAM
ADD SITE PLAN OF ADDITIONAL LEVELS IF AVAILABLE



INITIAL: _____

LESSEE _____
PATH _____

EXHIBIT SR

Snow and Ice Removal Responsibilities & Plan

Removing snow and ice efficiently and effectively from the JSTC public parking lot is a key responsibility of the Lessee. Specific responsibilities and regulations are detailed below.

- (a) The Lessee is solely responsible for removing snow and ice from the entirety of the public parking lot, including its crosswalks, parking decks, entrance and exit ramps, interior roadways, emergency exits, and toll plazas. Roadways, including ramps and crosswalks, must be kept clear of snow and ice and maintained by Lessee using chemicals approved by PATH.

During a winter storm event, it is expected that the rooftop parking deck will remain open to the public, even during snow removal operations. Exceptions are permissible, upon receiving approval from PATH, if safety concerns arise.

- (b) The Lessee will have a dedicated snow and ice removal vehicle to be solely used at the public parking lot. The vehicle shall be a full sized four-wheel drive pickup truck (Chevy 2500 series, GMC 2500, or Ford 250) with an eight-foot (8) wide power angle western snow plow and a one-ton Salty Dog gas fired salt spreader, or PATH-approved equal. The vehicle shall be equipped with back-up alarms, and rotating amber beacon to facilitate personnel backup protection in active roadway areas. The vehicles shall not be more than two (2) model years old, as of the date of the Lease's execution.
- (c) When the forecasted snow accumulation is four (4) inches or more, a professional Snow/Ice removal contractor will be required to be hired and paid by Lessee. The contractor should be on-call and respond to the public parking lot at the start of a storm when the forecasted snow accumulation is four (4) inches or more. The contractor must be certified, bonded, fully insured, and capable of managing the winter weather problems.

Services of the contractor will include, but are not be limited to: snow plowing, snow removal and hauling, salt and sanding for both pre- and post-treatment, and dump truck services.

- (d) Snow may be piled to a height not to exceed four (4) feet. Piling of snow along the north and south walls is permitted on the rooftop parking level. Piling of snow outside of the entrance to the tollbooths is permitted but may not exceed three (3) feet. If snow piles exceed four (4) feet, the Lessee will be responsible for hauling the snow to a designated nearby site approved by PATH.
- (e) Entrance and exit ramps, in addition to the five (5) parking spaces near the exit, the six (6) emergency exits, and all drains, on the rooftop parking deck are to be free of snow and ice. Snow may be piled in the area near these ramps if it can be accomplished without restricting access to the five (5) designated snow-free parking spaces.
- (f) The Lessee shall use only such chemicals to melt snow and ice as shall be consented to in advance by PATH.

- (g) Approved snow and ice removing chemicals must be applied to all parking ramps at least two (2) hours prior to a predicted snowfall.
- (h) The Lessee is responsible for any damage caused by snow and ice removal operations.
- (i) The Lessee will be required to provide and operate a skid steer loader equal to or better than that of a John Deere model 318D to remain at the Facility from November 1 through March 31 for the duration of the Lease Agreement. All costs related to the vehicle, including, but not limited to, fuel, oil, maintenance and any liability insurance, shall be borne by the Lessee.

In accordance with these responsibilities, the Lessee must submit a snow and ice removal plan to PATH for approval. The plan should include a description of the dedicated snow and ice removal vehicles and machines that will remain on site during the snow season, in addition to subcontractor services that can be made available during major weather events. Furthermore, the plan should detail snow and ice removal procedures that clearly explain how snow and ice will be cleared from the parking decks and where it will be piled. The plan should consider how to remove and pile snow so as to not damage the parking lot and its structural integrity, and also how to maintain sight lines and reduce blind spots from piled snow. A diagram should be included that explicitly shows which parking spaces will be dedicated to snow piles and the anticipated loss of revenue associated with the lost space.

INITIAL:

LESSEE: _____

PATH: _____

SCHEDULE A

Schedule of Parking Rates

TO BE PROVIDED BY LESSEE AND APPROVED BY PATH

INITIAL:

LESSEE: _____

PATH: _____

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES ---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy, PATH hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth herein after in this Schedule E of PATH Agreement No. LRR-378 (herein called the "*Lease*") with the Lessee (herein and in the Lease called the "*Lessee*"). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "*Contractor*") to make good faith efforts to achieve a supervisory and non-supervisory workforce 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 Diversity and Civil Rights to identify referral sources when needed. The Lessee will cooperate with PATH to develop on-the-job training programs that expressly include minority and female workers the Lessee agrees to require its contractor 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 Lessee 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 contractor's good faith efforts to achieve minority and female participation in the workforce under the contract.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1)	Minority participation	
	Minority, except laborers	30%
	Minority, laborers	40%
(2)	Female participation	
	Female, except laborers	6.9%
	Female, laborers	6.9%

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a

violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to PATH and the Office of Business Diversity and Civil Rights within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) “*Employer identification number*” means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) “*Minority*” includes:

(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 or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); 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).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) The Lessee 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 must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("**EEO**").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall 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 sites, and in all facilities 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 actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee 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 training 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 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 decision including specific review of these items with on-terminal 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 and 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 areas of a Contractor's workforce.

(11) Tests and other selecting 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 non-segregated 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 Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). 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 (h) hereof provided that: the Contractor actively participates in

the group, makes good faith efforts 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 workforce participation, makes good faith efforts 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 obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof 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 hereof if a specific minority group of women is underutilized).

(k) 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.

(l) The Contractor shall not enter into any subcontract with any Person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall 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 provisions hereof 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. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) 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).

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and

guidelines established or which may be established by PATH.

PART II. MINORITY BUSINESS ENTERPRISES AND WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy PATH requires the Lessee and the Lessee shall itself and shall require that any Contractor utilized by the Lessee to perform contract work ("the work") on the Premises including, without limitation, construction work to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the work pursuant to the provisions of this Schedule E. For purposes hereof, "**Minority Business Enterprise**" "**(MBE)**" shall mean any business enterprise which is at least fifty-one percentum owned by, 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. For the purposes hereof, "**Women-owned Business Enterprise**" "**(WBE)**" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

- (a) Dividing the work to be subcontracted into smaller portions where feasible.
- (b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.
- (c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.
- (d) Utilizing the list of eligible MBEs and WBEs maintained by PATH or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.
- (e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.
- f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, preferably bi-weekly, and that retainage is paid to MBEs and WBEs when they have completed their work.
- (g) Not requiring bonds from and/or providing bonds and insurance for MBEs and

WBEs, where appropriate.

(h) Requiring each contractor to submit to the Lessee with each payment request evidence that all MBE and WBE Contractors have been paid in accordance with their contract.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business Diversity and Civil Rights of the Port Authority. If the Contractor wishes to utilize a firm not already certified by PATH, it shall submit to PATH 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 then required by PATH. All such requests shall be in writing addressed to the Office of Business Diversity and Civil Rights, Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as PATH may specify by notice to the Lessee. Certification shall be effective only if made in writing by the Director in charge of the Office of Business Diversity and Civil Rights of the Port Authority. The determination of PATH shall be final and binding.

PATH has compiled a list of the firms that PATH has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by PATH. Such list shall be made available to the Contractor upon request. PATH makes no representation as the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by PATH will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

Initialed:

PATH: _____

LESSEE: _____

(PATH Acknowledgment)

STATE OF)
): ss.
COUNTY OF)

On the day of in the year 2016, before me, the undersigned, a Notary Public in and for said state, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

(LESSEE Acknowledgment)

STATE OF)
): ss.
COUNTY OF)

On the day of in the year 2016, before me, the undersigned, a Notary Public in and for said state, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

Attachment B
Construction Budget

ATTACHMENT C

Technology Requirements

- 1) Port Authority Cloud Computing Framework
- 2) Port Authority Computing Resources
- 3) Port Authority Audit Controls Requirement Contract Checklist
- 4) Technology Standards for the Port Authority
- 5) Cyber Security Guidelines for the Port Authority of NY & NY
- 6) Tenant Construction or Alteration Application

PORT AUTHORITY CLOUD COMPUTING FRAME WORK

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Cloud Computing Framework

Technology Department

Updated:

2/3/2016

Version:

1.2

THE PORT AUTHORITY OF NY & NJ

The Agency's Cloud Framework consists of components and/or controls that must be addressed when selecting a Public Cloud service or Software as a Service (SaaS) vendor. The elements in this framework are dynamic and will evolve over time to ensure a secure and robust Cloud Computing environment for the Agency's business

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REVISION HISTORY

Version	REVISION DATE	REVISION DESCRIPTION	REVISION TRACKING NOTES
1.0	12/14/2015	Baseline Draft Version	
1.1	12/17/2015	Reformatting Document	Added Document Template
1.1.1	12/17/2015	Incorporated Department Comments	Included new Password Policy Language
1.2	02/03/2016	Incorporated Audit Document Revised Checklist (1/26/2016)	Modified Cover page

The Agency's Cloud Framework consists of components and/or controls that must be addressed when selecting a Public Cloud service or Software as a Service (SaaS) vendor. The elements in this framework are dynamic and will evolve over time to ensure a secure and robust Cloud Computing environment for the Agency's business. The Framework elements consist of the following components and/or controls:

1. Cloud Offering:

- a. Government Cloud Service offering instead of Commercial Cloud.

2. The Agency Cloud Framework:

The Framework is meant to ensure that all physical, logical and information assets are secure and that security and privacy are maintained using de-facto best practices aligned with Federal Information Processing Standards (FIPS) as well as NIST Publications. To that end, Cloud Solutions should be compliant with the latest versions of the following best practices (as appropriate for application risk), to name a few:

- a. NIST 800-144: Guidelines on Security and Privacy in Public Cloud Computing
- b. FIPS 199: Standards for Security Categorization of Federal Information and Information System
- c. FIPS 200: Minimum Security Requirements for Federal Information and Information Systems
- d. NIST 800-53: Recommended Security Controls for Federal Information Systems and Organizations
- e. NIST 800-146: Cloud Computing Synopsis and Recommendations
- f. Cloud Security Alliance: Cloud Controls Matrix Version 3.0 (CCMv3)

3. For Software-as-a-Service (SaaS), excerpt from NIST 800-146:

- a. **Data Protection.** Analyze the SaaS provider's data protection mechanisms, data location configuration and database organization/transaction processing technologies, and assess whether they will meet the confidentiality, compliance, integrity and availability needs of the Agency.
- b. **Client Device/Application Protection.** Consistent with the FIPS 199 impact level of the data being processed, protect the Agency's client device (e.g., a computer running a Web browser) so as to control the exposure to attacks.
- c. **Encryption.** Require that strong encryption using a robust algorithm with keys of required strength be used for Web sessions whenever the subscribed SaaS application requires the confidentiality of application interaction and data transfers. Also require that the same diligence be applied to stored data. Federal agencies must employ government-approved cryptographic algorithms for encryption and digital signature, and the implementations need to be FIPS 140-2 validated. Understand how cryptographic keys are managed and who has access to them. Ensure that cryptographic keys are adequately protected.
- d. **Secure Data Deletion.** Require that cloud/vendor providers offer a mechanism for reliably deleting data at the Agency's request.

4. Data Location:

- a. Must be US-based, in multiple locations for redundancy and administered by US Citizens.

5. Electronic Discovery:

- a. A cloud/vendors information archival capabilities must preserve the original metadata of 'client data' so as to not adversely affect the Agency's litigation risk

6. Data Ownership:

The Agency retains exclusive ownership over all its data:

- a. That the cloud/vendor provider acquires no rights or licenses to that data, including intellectual property rights or licenses.
- b. The cloud/vendor may not use the Agency's data for its own purposes;
- c. and that the cloud/vendor does not acquire and may not claim any interest in the data due to security.

7. Availability:

- a. Must meet 99.9% uptime

8. Physical Security:

- a. 24-hour monitoring of data centers.
- b. Multi-factor authentication, including biometric scanning for data center access.

- c. Internal data center network is segregated from the external network.
- d. Role separation renders location of specific customer data unintelligible to the personnel that have physical access.
- e. Faulty drives and hardware are demagnetized and destroyed.

9. Logical Security:

- a. Lock box processes for strictly supervised escalation process greatly limits human access to your data.
- b. Servers run only processes on whitelist, minimizing risk from malicious code.
- c. Dedicated threat management teams proactively anticipate, prevent, and mitigate malicious access.
- d. Port scanning, perimeter vulnerability scanning, and intrusion detection prevent or detect any malicious access.

10. Data Security:

- a. Encryption at rest protects the Agency's data on cloud/vendor servers.
- b. Encryption in transit with SSL/TLS protects Agency's data transmitted between the Agency and cloud/vendor application.
- c. Threat management, security monitoring, and file/data integrity prevents or detects any tampering of data.

11. Compliance Standards:

- a. **Health Insurance Portability and Accountability Act (HIPAA)**: HIPAA imposes, under law, certain requirements for security, privacy, and reporting regarding the processing of electronic protected health information.
- b. **Federal Information Security Management Act (FISMA)**: requires U.S. federal agencies to develop, document, and implement controls to secure their information and information systems. Federal Risk and Authorization Program (FedRAMP) is a federal risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.
- c. **ISO 27001 Certification**: Along with NIST 800-53, ISO 27001 is one of the best security benchmarks available. Cloud/vendor should comply with the set of physical, logical, process and management controls defined by ISO 27001:2013, inclusive of ISO 27018 Privacy controls.
- d. **European Union (EU) Model Clauses**: The EU Data Protection Directive, a key instrument of EU privacy and human rights law. The EU model clauses are recognized as a preferred method for legitimizing the transfer of personal data outside the EU for cloud computing environments. Supporting the EU model clauses involves investing and building the operational controls and processes required to meet the exacting requirements of the EU model clauses. Unless a cloud/vendor service provider is willing to agree to the EU model clauses, the Agency might lack confidence that it can comply with the EU Data Protection Directive's requirements for the transfer of personal data from the EU to jurisdictions that do not provide "adequate protection" for personal data.
- e. **U.S.-EU Safe Harbor framework**: The U.S.-EU Safe Harbor framework also enables the Agency, as needed, to legally transfer personal data outside of the EU under the EU Data Protection Directive.
- f. **Statement on Standards for Attestation Engagements No. 16 (SSAE 16)**: Cloud/vendor has been audited by independent third parties and can provide SSAE16 SOC 1 Type I and Type II and SOC 2 Type II reports on how the service implements controls.
- g. **Canadian Personal Information Protection and Electronic Documents Act (PIPEDA)**: The Canadian Personal Information Protection and Electronic Documents Act pertains to how private sector organizations collect, use, and disclose personal information in the course of commercial business.
- h. **Gramm-Leach-Bliley Act (GLBA)**: The Gramm-Leach-Bliley Act requires financial institutions to put processes in place to protect their clients' nonpublic personal information. GLBA enforces policies to protect information from foreseeable threats in security and data integrity.

12. Audit Control Requirements¹:

a. General:

1. Documented procedures, flowcharts and process maps for the application.
2. Conduct regular audits, vulnerability testing, and security scanners.
3. SSAE 16 SOC 2 Type II (previously known as SAS 70 Level 2)
4. Federal Risk and Authorization Management Program (FedRAMP) Certification
5. ISO27001 Certification
6. Criminal Justice Information Services (CJIS) security policies and procedures compliant for law enforcement information and systems.
7. Background check should be performed on all personnel.

b. System/Security Administration

1. Administrative personnel should receive training.
2. Administrative staff should receive general security awareness training before access is provided. All security training must be reinforced at least every three years and must be tracked as per the PA Information Security Handbook.
3. System and security administration procedures should be documented and distributed.
4. Administrator(s) roles and responsibilities should be documented.
5. Developers and/or programmers should not have access to the production server.
6. Operating system administrators should not have access to the production database and application.

c. Hardening of operating system/database that supports the application:

1. Disable and/or remove unnecessary ports/services.
2. Remove all manufacturer samples from the production system. Scripts must be removed from production systems, except those required for the operation and maintenance of the system.
3. Default, public, and guest accounts should be secured/locked/removed.
4. Change all default passwords; delete all default content and login scripts.
5. Limit administrative and user account privilege and access.
6. Document system accounts like administrator, root, oracle, and sys.
7. Document user/group access rights
 - a. Users/groups should be setup with least access required to perform job responsibilities.
8. Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
9. Use secure encrypted remote access methods.
10. If the application is a web application, log (and monitor) web traffic and trend the activity looking for abnormal activity.
11. Ensure that appropriate security and vulnerability assessment tools are running.
12. At login, last user login should not display.
13. Inventory listing of hardware and software should be current and maintained.

d. License Management:

1. Ensure that application licensing requirements are documented, reviewed and maintained.
2. Application licenses should be current/valid and individuals/groups with application access should have completed the necessary access request forms and adhere to licensing requirements.

e. Logical Access Controls:

1. All users are required to read the Agency Policy Computing Resource Administrative Instruction (AI 15-4.03) and sign an acknowledgement of the Agency IT Acceptable Use Code of Conduct policy prior to account activation.
2. Procedures to grant/modify/delete access should be documented.
 - a. Access request forms for adding/modifying/deleting users should be used.
 - b. Account expiration for contractors and consultants.
 - c. Accounts adequately identify the user – no generic accounts

¹ Audit Department 1/26/2016 Update, with TEC Department modifications to password policies

3. Ensure that security administrator procedures exist to:
 - a. Create/remove application access in a timely manner
 - b. Review user roles/permissions
4. Validate that all users have accessed the application within the past 90 days.
 - a. Review dormant accounts
 - b. Inactive accounts should be removed.
5. Each user has a unique user ID as described in the Port Authority Standard and Guidelines.
 - a. All user accounts profile should include Employee ID# and full user name.
6. Roles are setup with least access required to perform job responsibilities.
7. Roles should have a segregation of duties/roles.
8. All accounts must have an individual or business group assigned to be responsible for account management.
9. Segregation of duties and areas of responsibility must be implemented where appropriate.
10. Whenever segregation of duties is not technically feasible, other compensatory controls must be implemented, such as monitoring of activities, audit trails and management supervision. The PA must approve these compensating controls.
11. Review of audit trails and system approvals must be performed independent and retained to document the implementation of these security controls
12. Access Control List (ACL) should include:
 - a. Current list of ACL
 - b. Creation and updates to ACL
 - c. Testing and approvals of ACL
13. The application should have the PA's warning banner on the login screen. The application has a warning banner, terms of use, and/or privacy statement that was approved by the Port Authority on the login screen.
14. The system should have an access role that would allow real only access to all application, database and operating system screens, functions, logs and reports.
15. Remote access should be approved, secured, and documented in accordance with PA policy. Remote access, at a minimum, must consist of multifactor authentication mechanisms, secured communications (TLS/ VPN encryption methodology), access control mechanisms and logging of user activity.

f. Password Controls: (see Section 14. Port Authority Password Policies and Requirements)

g. Application Controls:

1. Data Validation & Input Controls
 - a. The application should have input controls to verify the validity of the data entered.
2. Data Retention and Management
 - a. All data should be classified according to its sensitivity (confidential, etc) and protected accordingly.
 - b. Data archive strategy should be documented and in place.
 - i. Should specify how long active data is kept.
4. Data Integrity and Security
 - a. Sensitive data, such as credit card #s and social security #s, should be encrypted.
 - b. Data should be restricted and audit trails should be available to identify all user activity include view access to sensitive data.
 - c. Data should be stored in the database encrypted and blocked from user views in the application unless it is authorized.
 - d. Encryptions level at a minimum should be AES 256bit when encryption is used.
5. Application Interfaces:
 - a. Interface file should be secured and archived.
 - b. Reconciliation of data should be done on a batch record and totals. Detail data reconciliations should be completed on periodic basis.

6.Processing Controls:

- a. Application databases/interfaces should have the necessary controls to prevent processing of inaccurate, duplicate, or unauthorized transactions and producing inaccurate outputs.
- b. Controls to ensure that all data is processed and accounted for should be in place.
- c. Rejected items should be logged, tracked and resolved in a timely manner.

h. Change Management:

1. Processes and tools should be used to report, track, approve, fix, and monitor changes on the application.
2. The application and all changes to the application should be tested before being put into production.
 - a. Documentation of approval for change and evidence of testing should be in place.
 - b. Specific timetable/schedule should be documented.
3. Emergency procedures should be documented and distributed.
4. Separate environments are required for development, test, quality assurance, production.
5. Procedures should require that no changes be made directly in the production environment without going through the development/test/quality assurance environments.
6. Formal change control procedures for all systems must be developed, implemented and enforced.
7. Where technically feasible, development software and tools must not be maintained on production systems.
8. Source code for application or software must not be stored on the production system running that application or software.
9. Privileged access to production systems by development staff must be restricted.

i. Application Logging, Audit Trails and Record Retention:

1. Audit trails for operating, application, and database systems should exist and reviewed.
2. Users and roles should be tracked and reviewed
 - a. Maintain documentation
3. All failed logon attempts should be logged.
4. All sensitive transactions and changes should be logged and an audit trail created.
5. Audit trails should contain who made the change, when it was made, and what was changed.
6. Only the security administrator should have access to change or delete these logs or audit trails.
7. Audit trails should be reviewed by the business owner(s) and security administrator.
8. Management reporting should be produced through the application.
9. Access reports by user and privilege should be produced and reviewed periodically including access violation reports and exception transaction reporting.

j. Contingency Planning, Disaster Recovery and Backup Management:

1. A business contingency plan and a disaster recovery plan for the application should be documented and stored off-site, including escalation plan and current call tree.
2. Plans should be tested and the outcomes of the tests (success/failure) should be documented.
3. Regular backups of the application and the application data should be stored off-site.
4. Application executables should be stored off-site or in escrow.
5. Application configurations should be documented and backed-up.
6. Full system backup should be encrypted.
7. Backup procedures should be documented.
8. Tape maintenance should include:
 - a. Periodically testing integrity of tape
 - b. Procedures for tape destruction due to faulty or scratched hardware.

k. Performance Monitoring:

1. Incident monitoring procedures should be documented and incidents logs should be reviewed to ensure that appropriate action is taken.
2. Performance statistics should be examined and reviewed periodically by system administrators/business owner(s).

3. If vendor(s) support the application, a service level agreement for uptime, performance monitoring, updates, etc should be confirmed.
4. Baseline tools or security products should be used and checked on a quarterly basis.

l. Patch Management:

1. Patch management procedures and documentation
 - a. Procedures should include testing, approvals, and distribution.
 - b. Documentation should include emergency procedures.
2. Apply all new patches and fixes to operating system and application software for security.
3. All security patches must be reviewed, evaluated and appropriately applied in a timely manner. This process must be automated, where technically possible.

m. Physical Protection:

1. Physical access to the application hardware should be appropriately restricted.
 - a. Physical access secured by single authentication mechanism i.e. swipe card.
 - b. Physical security adequate for equipment (locked cabinets)
2. Appropriate fire suppression systems should be in place.
3. Environmental condition adequately controlled (no water, dirt, clutter) and monitored.
 - a. Temperature and humidity monitoring should be implemented.
4. Security cameras installed in sensitive areas
5. Power surge protection and emergency power backup are in place.
6. All hardware and software assets must be inventoried.
7. Visitors including maintenance personnel, to data center, server and network equipment storage facilities must be escorted at all times.

n. Anti-virus Management / Integrity / Vulnerability Software Management:

1. Virus patch management procedures must be documented, including emergency update procedures.
2. Anti-virus and software integrity checkers must be implemented to prevent and detect the introduction of malicious code or other threats.
3. Virus software engines and definitions must be implemented and up-to-date.
4. A remote distribution server should be implemented for virus software updates and documentation on remote distribution should be current and maintained.
5. Intrusion detection system must be in place,
6. All systems must have vulnerability scans performed before going into production and periodically thereafter. Appropriate action, such as patching or updating the system, must be taken to address discovered vulnerabilities.
7. Host-based intrusion detection/ firewalls software must be installed and enabled on all systems to protect from threats and to restrict access. Incident response procedures must be in place to address any alerts identified and system owner should be notified of alerts and what action was taken to mitigate the issues.
8. Monitoring systems must be deployed (e.g., intrusion detection/prevention systems) at strategic network locations to monitor inbound, outbound and internal network traffic.
9. Monitoring systems must be configured to alert incident response personnel to indications of compromise or potential compromise.
10. Procedures must be established to maintain information security during an adverse event.
11. Firewalls should be implemented.
12. Firewall rules documentation should be up-to-date.
13. Network management connections must be performed from a secure, dedicated network.
14. Network authentication is required for all devices connecting internal networks.

o. Wireless Device:

1. Devices should be using WPA/WPA2 and AES encryption or better.
2. Devices should disallow broadcasting of the SSID.
3. All default parameters should be changed.
4. Devices should have MAC address filtering enable or some type of authentication mechanism in place.

p. Web Application Vulnerabilities and Controls:

1. Best Practice and Standards:
 - a. The Open Web Application Security Project (OWASP) - www.owasp.org
 - b. www.webappsec.org (a consortium of web application security professionals)
 - c. Center for Internet Security (CIS) – www.cisecurity.org
2. Perform data validation & integrity checks for field values and ensure the HTML special characters are stripped for all HTML request.
3. Do not allow site pages to be cached by user browsers.
4. All sensitive, personal or confidential data (including SSN, passwords, session IDs for sensitive applications, confidential or sensitive business transactions, etc.) should be transmitted between browser and server within an SSL-encrypted session (or other encrypted transmission) and are encrypted in the database at rest.
5. All sensitive and personal data should be masked and encrypted where possible.
6. Legal Issues:
 - a. The site should have a privacy statement and term of usage.
 - b. American Disability Act – Section 508 should be considered during the development process due to the requirement that federal agencies' electronic and information technology is accessible to people with disabilities.
7. Web Authentication: To prevent passwords from being passed in the clear, have authentication occur within an TLS encrypted tunnel. Use TLS (certificate) to protect the password.
8. Password Reset:
 - a. For internal applications, reset passwords via the helpdesk or security administrator of the site
 - b. For external applications, send temporary password to known e-mail address, that must be changed upon login and/or
 - c. Have customer service reset after the user has been validated.
 - d. If possible, use two factor authentication like Secure ID fobs.

q. Credit Card Processing Checklist:

1. If credit cards are accepted, PCI Standards (PCI DSS v3.1) should be followed and the process should be PCI compliant. Ensure all vendors and consultants are required to be PCI compliant. Attachment - The payment card application should be PCI compliant (PA-DSS v3.1).
2. A segregated network and/or an approved Point of Sale terminal should be in place for the system or terminal used to process credit card transactions.
3. The credit card processor standard and requirements should be followed, i.e. maintain transaction data for two years.
4. Maintain the security of the customer information, including not storing credit numbers, the cardholder CVC/CVV numbers or any of the data from the magnetic strip on the credit card.
5. Maintain the transaction data for contesting chargebacks, ensure that the processor fees are appropriate and do reconciliations of the transactions processed and the money deposited in the Port Authority bank accounts.
6. The appropriate Port Authority functional areas should be made aware credit card processing activity and should be involved applying for the Merchant ID for MasterCard/Visa, Discover and American Express.
7. Create a privacy policy and procedure for staff and consultants.
8. Perform quarterly vulnerability scans of the network that contains the credit card processing, annual PCI reviews according to the PCI DSS, and annual system penetration testing.
9. Perform the appropriate annual assessment and provide a report on compliance (ROC) which state shows compliance.

r. Credit Card Processing Checklist:

1. The Disaster Recovery plan should include at a minimum the following areas.
 - a. Business Impact Analysis
 - b. Critical Time Frame
 - c. Application System Impact Statements

- d. Recovery Strategy & Approach
 - e. Recovery Time Objectives (RTO)/Recovery Point Objectives (RPO) for all critical systems.
 - f. Disaster Definition
 - g. Detailed Recovery Steps for each Disaster Definition
 - h. Escalation Plans and Decision Points
 - i. System Components- An inventory of the criticality of systems (including but not limited to software and operating systems, firewalls, switches, routers and other communication equipment).
 - j. Disaster Recovery Emergency Procedures
 - k. Plan Procedure Checklist
 - l. Disaster Recovery Team Organization
 - i. Salvage Team & Team Responsibilities
 - ii. Disaster Recovery Responsibilities
 - iii. Essential Position – Require back-up personnel to be assigned.
 - m. Contacts information Disaster Recovery Team and critical vendors - this area should be reviewed semi-annually for updates and changes.
 - n. Post-Disaster – Detail what steps need to be taken to move from disaster mode back to normal operations.
2. Contingency plans (e.g., business continuity plans, disaster recovery plans, and continuity of operations plans) must be established and tested regularly.
 3. Backup copies of procedures, software, and system images should be taken regularly and moved offsite.
 4. Backups and restoration must be tested regularly.

13. Criminal Justice Information Services (CJIS) Compliance (as appropriate).

14. Port Authority (PA) Password Policies and Requirements:

These requirements applies to all PA information technology systems regardless of whether they are administered by (or on behalf of) the PA.

1. End user accounts will be disabled (not deleted) after 60 days of non-use;
2. All information technology system account passwords will be complex:
 - a. a minimum of 10 characters in length
 - b. contain at least two upper and lowercase alphabetic characters,
 - c. contain at least one number (0-9)
 - d. contain at least one special character (e.g.- + } : > _ ? & \$ % #)²
 - e. Smartphones, where capable, shall leverage biometric access to provide the most security for the least inconvenience.
3. User passwords will require a change every 90 days.
4. All accounts will be granted the minimum level of access and permissions necessary to perform an assignment.
5. If a system account fails to satisfy the requirements of this policy, an administrator may place the account in "disabled" status until remedied.
6. Changes to an account's access privileges require the appropriate managers to request new or modified access.
7. All users are required to read the Agency Computing Resource Administrative Instruction and sign an acknowledgement of the Agency IT Acceptable Use Code of Conduct policy prior to account activation.
8. Annually, all managers are required to certify that only authorized employees have accounts on Agency systems. Technology and the Office of the CSO will work with managers to provide them with the lists of employees and their accounts.

² Example: W0nD3rFu!!

9. Passwords must not be shared.
10. Accounts should be locked after a three logon failures.
11. Passwords should not be the same account name.
12. No concurrent login capabilities.
13. Password file should be securely stored with limited access and encrypted.
14. Application forces initial passwords to be changed and the initial passwords should not be easily guessable.
15. Set "automatic session timeout" to 15 minutes of inactivity and require user to log back in with valid ID and password.

Purpose of the following items:

- (1) so we don't create 'islands' of users without a centralize mechanism to manage accounts and
- (2) protecting our *information* assets, regardless of where it may reside (in cloud, on premises, etc..)

15. **Integration with the Agency's Active Directory platform for centralized account/application user management**
16. **Integration with the Agency's Information Rights Management Framework which will leverage Microsoft Azure Rights Management Services**

ATTACHMENT H

PART V Audit Department Controls Requirement Contract Checklist

Audit Department Controls Requirement Contract Checklist

General

- Documented procedures, flowcharts and process maps for the application.
- Conduct regular audits, vulnerability testing, and security scanners.
- SSAE 16 SOC 2 (previously known as SAS 70 Level 2)
- Federal Risk and Authorization Management Program (FedRAMP) Certification
- ISO27001 Certification
- Criminal Justice Information Services security policies and procedures (CJIS) compliant for law enforcement information and systems.
- Background check should be performed on all personnel.

System/Security Administration

- Administrative personnel should receive training.
- Administrative staff should receive general security awareness training before access is provided. All security training must be reinforced at least every three years and must be tracked as per the PA Information Security Handbook.
- System and security administration procedures should be documented and distributed.
- Administrator(s) roles and responsibilities should be documented.
- Developers and/or programmers should not have access to the production server.
- Operating system administrators should not have access to the production database and application.

Hardening of operating system/database that supports the application:

- Disable and/or remove unnecessary ports/services.
- Remove all manufacturer samples from the production system. Scripts must be removed from production systems, except those required for the operation and maintenance of the system.
- Default, public, and guest accounts should be secured/locked/removed.
- Change all default passwords; delete all default content and login scripts.
- Limit administrative and user account privilege and access.
- Document system accounts like administrator, root, oracle, and sys.
- Document user/group access rights
 - Users/groups should be setup with least access required to perform job responsibilities.
- Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
- Use secure encrypted remote access methods.
- If the application is a web application, log (and monitor) web traffic and trend the activity looking for abnormal activity.
- Ensure that appropriate security and vulnerability assessment tools are running.
- At login, last user login should not display.
- Inventory listing of hardware and software should be current and maintained.

License Management

- Ensure that application licensing requirements are documented, reviewed and maintained.
- Application licenses should be current/valid and individuals/groups with application access should have completed the necessary access request forms and adhere to licensing requirements.

Logical Access Controls

- All users are required to read the Agency Policy Computing Resource Administrative Instruction (AI 15-4.03) and sign an acknowledgement of the Agency IT Acceptable Use Code of Conduct policy prior to account activation.
- Procedures to grant/modify/delete access should be documented.
 - Access request forms for adding/modifying/deleting users should be used.
 - Account expiration for contractors and consultants.
 - Accounts adequately identify the user – no generic accounts
- Ensure that security administrator procedures exist to:
 - Create/remove application access in a timely manner
 - Review user roles/permissions
- Validate that all users have accessed the application within the past 90 days.
 - Review dormant accounts
 - Inactive accounts should be removed.
- Each user has a unique user ID as described in the Port Authority Standard and Guidelines.
 - All user accounts profile should include Employee ID# and full user name.
- Roles are setup with least access required to perform job responsibilities.
- Roles should have a segregation of duties/roles.
- All accounts must have an individual or business group assigned to be responsible for account management.
- Segregation of duties and areas of responsibility must be implemented where appropriate.
- Whenever segregation of duties is not technically feasible, other compensatory controls must be implemented, such as monitoring of activities, audit trails and management supervision. The PA must approve these compensating controls.
- Review of audit trails and system approvals must be performed independent and retained to document the implementation of these security controls
- Access Control List (ACL) should include:
 - Current list of ACL
 - Creation and updates to ACL
 - Testing and approvals of ACL
- The application should have the PA's warning banner on the login screen. The application has a warning banner, terms of use, and/or privacy statement that was approved by the Port Authority on the login screen.
- The system should have an access role that would allow real only access to all application, database and operating system screens, functions, logs and reports.
- Remote access should be approved, secured, and documented in accordance with PA policy. Remote access, at a minimum, must consist of multifactor authentication

mechanisms, secured communications (SSL/ VPN encryption methodology), access control mechanisms and logging of user activity.

Password Controls

- Ensure that password controls for the system are consistent with this requirements or more stringent
 - Passwords must be at least 10 alphanumeric characters long
 - Passwords must be changed every 90 days (administrators every 30 days)
 - Passwords must not be shared
 - Password complexity enable (capital letter, number, special character)
 - contain at least two upper and lowercase alphabetic characters,
 - contain at least one number (0-9)
 - contain at least one special character (e.g.-+} :>_?&\$%#).
 - Accounts should be locked after a three logon failures
 - Passwords should not be the same account name
 - No concurrent login capabilities
- End user accounts will be disabled (not deleted) after 60 days of non-use.
- Password file should be securely stored with limited access and encrypted.
- Application forces initial passwords to be changed and the initial passwords should not be easily guessable.
- Maintain a password dictionary and password history should be set to 5.
- Set “automatic session timeout” to 15 minutes of inactivity and require user to log back in with valid ID and password.
- Smartphones and smart device, where capable, shall leverage biometric access to provide the most security for the least inconvenience.

Application Controls

Data Validation & Input Controls

- The application should have input controls to verify the validity of the data entered.

Data Retention and Management

- All data should be classified according to its sensitivity (confidential, etc) and protected accordingly.
- Data archive strategy should be documented and in place.
 - Should specify how long active data is kept.

Data Integrity and Security

- Sensitive data, such as credit card #s and social security #s, should be encrypted.
- Data should be restricted and audit trails should be available to identify all user activity include view access to sensitive data.
- Sensitive data should be stored in the database encrypted and blocked from user views in the application unless it is authorized.
- Encryptions level at a minimum should be AES 256bit when encryption is used.

Application Interfaces

- Interfaces should have secured transmission and be archived.
- Reconciliation of data should be done on a batch record and totals. Detail data reconciliations should be completed on periodic basis.

Processing Controls

- Application databases/interfaces should have the necessary controls to prevent processing of inaccurate, duplicate, or unauthorized transactions and producing inaccurate outputs.
- Controls to ensure that all data is processed and accounted for should be in place.
- Rejected items should be logged, tracked and resolved in a timely manner.

Change Management

- Processes and tools should be used to report, track, approve, fix, and monitor changes on the application.
- The application and all changes to the application should be tested before being put into production.
 - Documentation of approval for change and evidence of testing should be in place.
 - Specific timetable/schedule should be documented.
- Emergency procedures should be documented and distributed.
- Separate environments are required for development, test, quality assurance, production.
- Procedures should require that no changes be made directly in the production environment without going through the development/test/quality assurance environments.
- Formal change control procedures for all systems must be developed, implemented and enforced.
- Where technically feasible, development software and tools must not be maintained on production systems.
- Source code for application or software must not be stored on the production system running that application or software.
- Privileged access to production systems by development staff must be restricted.

Application Logging, Audit Trails and Record Retention

- Audit trails for operating, application, and database systems should exist and reviewed.
- Users and roles should be tracked and reviewed
 - Maintain documentation
- All failed logon attempts should be logged.
- All sensitive transactions and changes should be logged and an audit trail created.
- Audit trails should contain who made the change, when it was made, and what was changed.
- Only the security administrator should have access to change or delete these logs or audit trails.
- Audit trails should be reviewed by the business owner(s) and security administrator.
- Management reporting should be produced through the application.

- Access reports by user and privilege should be produced and reviewed periodically including access violation reports.

Contingency Planning, Disaster Recovery and Backup Management

- A business contingency plan and a disaster recovery plan for the application should be documented and stored off-site, including escalation plan and current call tree.
- Plans should be tested and the outcomes of the tests (success/failure) should be documented.
- Regular backups of the application and the application data should be stored off-site.
- Application executables should be stored off-site or in escrow.
- Application configurations should be documented and backed-up.
- Full system backup should be encrypted.
- Backup procedures should be documented.
- Tape maintenance should include:
 - Periodically testing integrity of tape
 - Procedures for tape destruction due to faulty or scratched hardware.

Performance Monitoring

- Incident monitoring procedures should be documented and incidents logs should be reviewed to ensure that appropriate action is taken.
- Performance statistics should be examined and reviewed periodically by system administrators/business owner(s).
 - If vendor(s) support the application, a service level agreement for uptime, performance monitoring, updates, etc should be confirmed.
- Baseline tools or security products should be used and checked on a quarterly basis.

Patch Management

- Patch management procedures and documentation
 - Procedures should include testing, approvals, and distribution.
 - Documentation should include emergency procedures.
- Apply all new patches and fixes to operating system and application software for security.
- All security patches must be reviewed, evaluated and appropriately applied in a timely manner. This process must be automated, where technically possible.

Physical Protection

- Physical access to the application hardware should be appropriately restricted.
 - Physical access secured by single authentication mechanism i.e. swipe card.
 - Physical security adequate for equipment (locked cabinets).
- Appropriate fire suppression systems should be in place.
- Environmental condition adequately controlled (no water, dirt, clutter) and monitored.
 - Temperature and humidity monitoring should be implemented.
- Security cameras installed in sensitive areas
- Power surge protection and emergency power backup are in place.
- All hardware and software assets must be inventoried.

- Visitors including maintenance personnel, to data center, server and network equipment storage facilities must be escorted at all times.

Anti-virus/Malware/ Integrity/Vulnerability Software Management

- Virus patch management procedures must be documented, including emergency update procedures.
- Anti-virus and software integrity checkers must be implemented to prevent and detect the introduction of malicious code or other threats.
- Virus software engines and definitions must be implemented and up-to-date.
- A remote distribution server should be implemented for virus software updates and documentation on remote distribution should be current and maintained.
- Intrusion detection system must be in place,
- All systems must have vulnerability scans performed before going into production and periodically thereafter. Appropriate action, such as patching or updating the system, must be taken to address discovered vulnerabilities.
- Host-based intrusion detection/ firewalls software must be installed and enabled on all systems to protect from threats and to restrict access. Incident response procedures must be in place to address any alerts identified and system owner should be notified of alerts and what action was taken to mitigate the issues.
- Monitoring systems must be deployed (e.g., intrusion detection/prevention systems) at strategic network locations to monitor inbound, outbound and internal network traffic.
- Monitoring systems must be configured to alert incident response personnel to indications of compromise or potential compromise.
- Procedures must be established to maintain information security during an adverse event.
- Firewalls should be implemented.
- Firewall rules documentation should be up-to-date.
- Network management connections must be performed from a secure, dedicated network.
- Network authentication is required for all devices connecting internal networks.

Wireless Device

- Devices should be using WPA/WPA2 and AES encryption or better.
- Devices should disallow broadcasting of the SSID.
- All default parameters should be changed.
- Devices should have MAC address filtering enable or some type of authentication mechanism in place.

Web Application Vulnerabilities and Controls

- The following best practice and standards from these three web sites shall be followed:
 - The Open Web Application Security Project (OWASP) - www.owasp.org
 - www.webappsec.org (a consortium of web application security professionals)
 - Center for Internet Security (CIS) – www.cisecurity.org
- Perform data validation & integrity checks for field values and ensure the HTML special characters are stripped for all HTML request.
- Do not allow site pages to be cached by user browsers.

- All sensitive, personal or confidential data (including SSN, passwords, session IDs for sensitive applications, confidential or sensitive business transactions, etc.) should be transmitted between browser and server within an SSL-encrypted session (or other encrypted transmission) and are encrypted in the database at rest.
- All sensitive and personal data should be masked and encrypted where possible.
- Legal Issues:
 - The site should have a privacy statement and term of usage.
 - American Disability Act – Section 508 should be considered during the development process due to the requirement that federal agencies' electronic and information technology is accessible to people with disabilities.
- Web Authentication: To prevent passwords from being passed in the clear, have authentication occur within an SSL encrypted tunnel. Use SSL (certificate) to protect the password.
- Password Reset:
 - For internal applications, reset passwords via the helpdesk or security administrator of the site
 - For external applications, send temporary password to known e-mail address, that must be changed upon login and/or
 - Have customer service reset after the user has been validated.
 - If possible, use two factor authentications like Secure ID fobs.

Credit Card Processing Checklist

- If credit cards are accepted, PCI Standards (PCI DSS v3.0) should be followed and the process should be PCI compliant. Ensure all vendors and consultants are required to be PCI compliant. Attachment - The payment card application should be PCI compliant (PA-DSS v3.0).
- A segregated network and/or an approved Point of Sale terminal should be in place for the system or terminal used to process credit card transactions.
- The credit card processor standard and requirements should be followed, i.e. maintain transaction data for two years.
- Maintain the security of the customer information, including not storing credit numbers, the cardholder CVC/CVV numbers or any of the data from the magnetic strip on the credit card.
- Maintain the transaction data for contesting chargebacks, ensure that the processor fees are appropriate and do reconciliations of the transactions processed and the money deposited in the Port Authority bank accounts.
- The appropriate Port Authority functional areas should be made aware of credit card processing activity and should be involved in applying for the Merchant ID for MasterCard/Visa, Discover and American Express.
- Create a privacy policy and procedure for staff and consultants.
- Perform quarterly vulnerability scans of the network that contains the credit card processing, annual PCI reviews according to the PCI DSS, and annual system penetration testing.
- Perform the appropriate annual assessment and provide a report on compliance (ROC) which states shows compliance.

Disaster Recovery

- The Disaster Recovery plan should include at a minimum the following areas.
 - Business Impact Analysis
 - Critical Time Frame
 - Application System Impact Statements
 - Recovery Strategy & Approach
 - Recovery Time Objectives (RTO)/Recovery Point Objectives (RPO) for all critical systems.
 - Disaster Definition
 - Detailed Recovery Steps for each Disaster Definition
 - Escalation Plans and Decision Points
 - System Components- An inventory of the criticality of systems (including but not limited to software and operating systems, firewalls, switches, routers and other communication equipment).
 - Disaster Recovery Emergency Procedures
 - Plan Procedure Checklist
 - Disaster Recovery Team Organization
 - Salvage Team & Team Responsibilities
 - Disaster Recovery Responsibilities
 - Essential Position – Require back-up personnel to be assigned.
 - Contacts information Disaster Recovery Team and critical vendors - this area should be reviewed semi-annually for updates and changes.
 - Post-Disaster – Detail what steps need to be taken to move from disaster mode back to normal operations.
- Contingency plans (e.g., business continuity plans, disaster recovery plans, continuity of operations plans) must be established and tested regularly.
- Backup copies of procedures, software, and system images should be taken regularly and moved offsite.
- Backups and restoration must be tested regularly.

PORT AUTHORITY COMPUTING RESOURCES

Office of the Executive Director

Revised: April 6, 2012

COMPUTING RESOURCES

I. Introduction

- A. Computing resources provide the Port Authority with significant benefits in productivity and efficiency. The provision of computing resources is intended and designed to facilitate the official business of the Port Authority. Port Authority rules and regulations that govern the responsibilities of employees apply to employee use of computing resources. This Instruction is intended to clarify and ensure that computing resources are used in a professionally responsible manner and appropriate steps are taken to safeguard the confidentiality, integrity and availability of business systems, data and equipment.
- B. For purposes of this Administrative Instruction, computing resources include, but are not limited to, personal computers, software, peripherals, data storage and devices, personal digital assistants, local and wide area network components, Port Authority provided connections, E-mail, internet access, laptops, terminals, remote access and any other means of automated information exchange or data access.

II. Instruction

- A. Computing resources provided to employees and other authorized persons are Port Authority property and intended for Port Authority business. Computing resources are not to be used for personal gain or in support of any purposes not related to Port Authority business. Because the use of computing resources is both extensive and an efficient and convenient method of communication and data processing, it is understood that there may be incidental personal and non-commercial use of these resources. Such incidental use is subject to this Instruction, and authorized users are expected to use prudent judgment to ensure that all computing resources are used for the intended purpose of Port Authority business.
- B. When necessary for official or business purposes, the Port Authority reserves the right to monitor and/or log all computing activity. Requests for monitoring will be made to and authorized by the Executive Director in writing and only then for limited justified and reasonable cases. Further,

the Port Authority reserves the right to inspect computer resources to ensure that actual use is consistent with this Instruction. The Port Authority may use data, logs, diaries, and archives in accordance with its normal business practices and instructions (including compliance with requests from appropriate legal and regulatory authorities and agencies) and for adherence with this Instruction.

1. The Port Authority, through supervisors or other management employees authorized in writing by the Executive Director only, may access or monitor a user's assigned computing resources with justifiable reason.
 2. The Port Authority may inventory and inspect all data storage devices and other computing resources for the sole purpose of ensuring their continued proper maintenance and operation.
- C. Depending upon content, data stored within computing resources may constitute records of the Port Authority and the organizational data retention schedules (Record Retention Manual) and instructions on access to such data (the Freedom of Information Policy) are applicable. However, users should be aware of the limited retention period for e-mail messages described in Par. IV of the Instruction.
- D. Directors are responsible for implementation of this Instruction within their departments.

III. Procedures

A. Passwords

1. Users should be aware that the existence of individual confidential passwords does not suggest that computing resources may be used for personal confidential purposes, or that any data or information is the property of the individual user or is personally confidential.
2. Employees are responsible for maintaining the confidentiality of passwords and may be held accountable for use of computing resources in their name accessed with their password.
3. Passwords should be difficult to guess and changed at least once every 90 days or in accordance with information system standards.

B. Usage Requirements

1. Authorized users of Port Authority computing resources, when communicating with others, are required to:

- a. Identify themselves honestly, accurately and completely.
 - b. Maintain a professional demeanor.
 - c. Protect Port Authority data from unauthorized use or disclosure.
2. At all times, authorized users must respect the legal protection provided to programs and data by copyright and license.

C. Prohibited Uses

1. Authorized users of Port Authority computing resources may not utilize them:
 - a. For transmitting, retrieving, creating, viewing, displaying or storing any pornographic, harassing, threatening, abusive, defamatory, obscene, or sexually explicit materials or materials which contain ethnic slurs or racial epithets, or which generally disparage others based on race, national origin, sex, sexual orientation, gender identification, age, disability, religious beliefs, or political affiliation, or which contain other unlawful material.
 - b. To transmit confidential, proprietary or business sensitive information.
 - c. To interfere with or disrupt network users, services or equipment either within the Port Authority or on the Internet.
 - d. To access other computing resources without authorization or attempt to circumvent authorization procedures or controls.
 - e. For private purposes such as marketing or business transactions.
 - f. For religious, political or outside business purposes.
 - g. For unauthorized not-for-profit business activities.
 - h. For advertising of products or services.
 - i. For personal gain.
 - j. To obtain or utilize unauthorized entertainment software, music or games.
 - k. To permit access by unauthorized users.

- I. To send material in violation of the copyright.
 - m. For solicitation of funds.
 - n. For employee organization business.
- 2. Electronic mail practices such as "spamming" (unauthorized mass mailings to Port Authority employees or external recipients or postings to bulletin boards), hostile communications, "chain letters", "spoofing" (taking the identity of another person for the purpose of concealing one's own identity), or knowingly transmitting software containing harmful components such as a virus, are prohibited.
- 3. Allegations of misuse of computing resources may be made to supervisors or managers, consistent with existing Port Authority instructions applicable to misuse of property or improprieties or inappropriate or illegal behavior in the workplace.

IV. Retention of Electronically Stored Data

- A. E-mail messages are generally of short-term import and should be discarded routinely. E-mail is automatically deleted from a user's mailbox and backup storage 120 days from the date of receipt or creation, without notice.
 - 1. Depending on the content of the message and/or its attachments, it may be desirable to retain the information for longer periods. Such messages or attachments should be stored on local or server drives as necessary.
 - 2. As suggested in Par.II.C., depending on the content of the message and/or its attachments, care and consideration should be given as to which documents should be retained based on the appropriate record retention schedules.
- B. Users should take appropriate steps to ensure that important Port Authority data other than e-mail is backed up in case of equipment failure. This includes data stored on Port Authority computing resources in the office and, where authorized, at home. Data stored on shared devices which are part of the Port Authority's enterprise wide network system are backed up and retained for a period of time in accordance with standards issued by the Port Authority.
- C. Users should also be aware that deletion of an e-mail message or attachments or other data may not automatically delete the message from

electronic storage devices. The data may continue to reside in the user's local or network drives, or may be stored in backups of the system.

V. Applicability to Employees and Other Users

A. This Computing Resources Instruction applies to all employees, volunteers, contractors, supplemental staff, consultants, and other individuals who are provided access to any or all Port Authority computing resources.

B. Employees

1. Employees of the Port Authority (or its subsidiaries) whose employment is terminated or suspended have no right to access any Port Authority computing resource, including Internet access and e-mail accounts and content.

2. The misuse of computing resources privileges may subject the employee to disciplinary action in accordance with Port Authority rules, and/or other applicable rules or laws, and may be grounds for loss of such privileges, dismissal from employment, or other administrative action. In addition, violations of this Computing Resources Instruction or other misuse of computing resources may be referred for criminal prosecution.

C. Non-employees

1. Third parties (i.e., individuals who are not employees of the Port Authority or its subsidiaries) should only be provided access to Port Authority computing resources as necessary for the business purposes of the Port Authority and only if they comply with all applicable rules.

2. Non-employees who are in violation of the provisions of this Computing Resources Instruction will be removed from access to all Port Authority computing resources. In addition, other legal remedies, civil (including contract revocation) or criminal, may be pursued.

DISCLAIMER

Although issued in revised format, the information contained in these Administrative Instructions (AIs) reflects the content of previously issued Administrative Policy Statements (APs) and, in certain limited instances, Port Authority Instructions (PAIs). The rules set forth in these AIs will remain in effect until changing conditions require their revision. This body of instructions is not intended to be exhaustive with respect to all the responsibilities of employees and it does not constitute a contract. These AIs will be updated from time to time to reflect changes or additions as appropriate, at the direction of the Executive Director.

**PORT AUTHORITY AUDIT CONTROLS REQUIREMENT CONTRACT
CHECKLIST**

TECHNOLOGY STANDARDS FOR THE PORT AUTHORITY



THE PORT AUTHORITY OF NY & NJ

Technology Department

TECHNOLOGY STANDARDS FOR THE PORT AUTHORITY

*(Non-Confidential Sections for Use
in Preparation/Distribution with RFPs)*

Revised December 2015

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Introduction

The purpose of this document is to communicate the standards established by the Technology Department (TEC) for Information Technology (IT) solutions deployed at Port Authority of New York & New Jersey (PANYNJ), the Agency.

To that end, these standards intend to help RFP Submitters do the following:

- Implement computing and networking solutions that ensure the utmost reliability, availability and security.
- Procure hardware and software that advances business needs in a manner that is compatible in an ever-changing IT environment that enables departments to work with each other more effectively.
- Communicate and exchange information throughout the agency easily and efficiently.
- Achieve greater systems integration so that the application will be interoperable resulting in cost effectiveness and quality control.
- Adherence to these standards ensures that IT investments achieve Enterprise connectivity, interoperability, consistency, and will enhance performance in a cost-effective way.

1.0 The Port Authority Wide Area Network (PAWANET)

1.1 PAWANET Overview

The Port Authority has a modern distributed computing network, called the Port Authority Wide Area Network (PAWANET), which is managed as an enterprise resource. It connects all the various Port Authority facilities and transportation systems using high-speed voice, data, and video lines or links.

This network is crucial to all Port Authority businesses because it provides the connections for applications such as e-Mail, Internet and Intranet access, SAP, PeopleSoft, Electronic Toll Collection, Computer Aided Design and Drafting (CADD), Lease Video Teleconferencing, and more.

PAWANET consist of a Managed Fiber Optic Dense Wave Division Multiplexed (DWDM) Network, provided by Verizon Select Services, as an Integrated Optical Service (IOS) network. This network consists of eleven separate and distinct (1) Gbps lightwave networks, each interconnecting with the data centers at Telecenter and the Port Authority Technical Center (PATC). Site-to-Site interconnectivity is achieved via the "hub and spoke" topology through the data centers. Additional high-speed Ethernet Private Lines (EPL) have been deployed to support key Port Authority off-ring facilities.

Remote locations are linked using redundant high-speed dedicated point-to-point leased communication lines. Wireless connectivity also supported when hardwired connections are not practical.

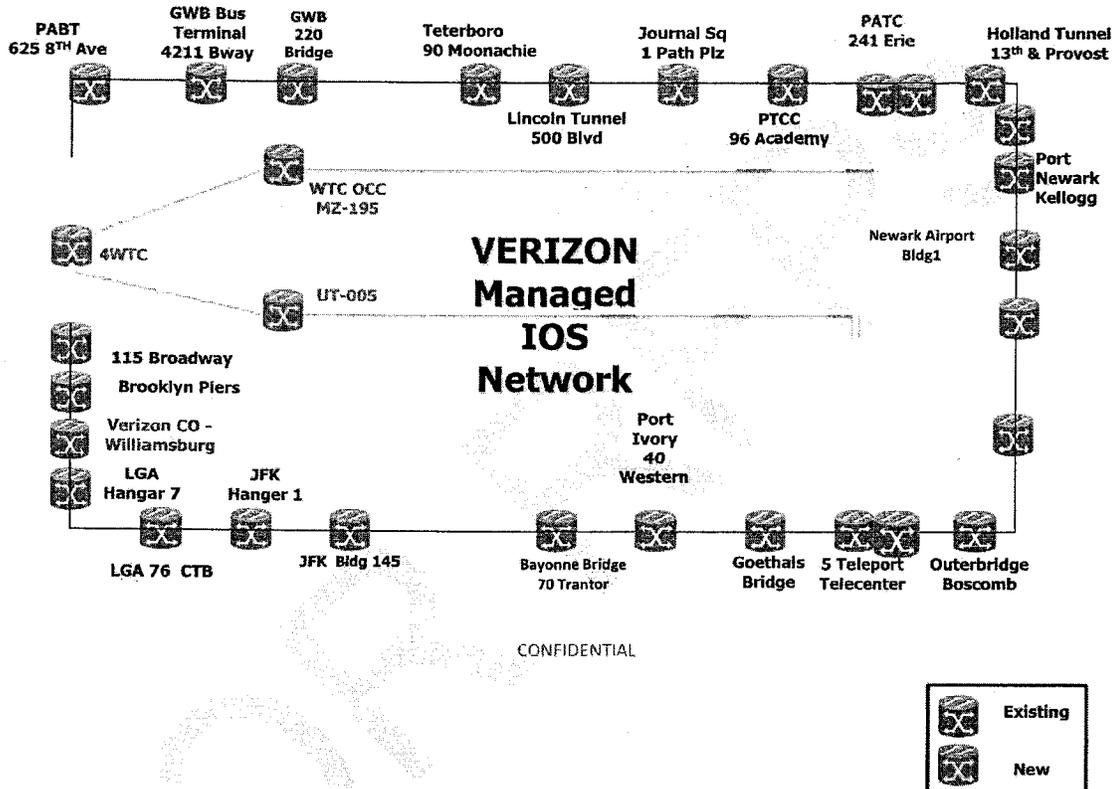
The network consists of state-of-the-art Cisco Systems equipment and services, such as, high performance Cisco Catalyst switches and routers. The Port Authority uses a managed Network Monitoring Services to monitor PAWANET, and Cisco Systems SMARTnet hardware/software maintenance services, and Cisco's Technical Assistance Center (TAC) to support and maintain the network. The Authority has also deployed the Riverbed network performance monitoring products to provide performance data on end user workstations and systems.

1.2 PAWANET Circuit Diagram

The current PAWANET network is being upgraded with Verizon's Protected Riders, which will enable a seamlessly network recovery. [*Protected Riders: The Port Authority Verizon managed IOS DWDM network*

has been upgraded for additional layer of reliability. All existing Port Authority locations now support redundant dual fiber protection to avoid service outages in the event of any fiber cuts.]

The new design will replace the current PAWANET Circuit Diagram.



1.3 Inter-site Services Providers

The Technology Department (TEC) has contracted with a variety of companies to provide inter-site services. Companies providing communications services for the Wide Area Network are listed below.

- AT&T Local Services
- Verizon

1.4 PAWANET Functions

Currently PAWANET is used to transport the following:

Data	Supports the low and high volume transfer of data used for applications, such as SAP and PeopleSoft, and for network communications, such as e-mail. Provides a data path for off-site, data backup of file, print and application servers. Enables the use of Storage Area Network (SAN) for network storage of user files and routing jobs to shared network printers.
Video	The transfer of Closed Circuit TV (CCTV) data is supported across the entire network to provide visibility to the Port Authority's key facilities.
Voice/VoIP	The network provides the hardware capabilities for voice and VoIP transmission. Voice over Internet Protocol (VoIP), which currently serves the majority of Port Authority users, is in the process of being implemented for the agency to replace the legacy Nortel system.
Videoconferencing	The network switches and transmission lines are used for videoconferencing to enable diversely located staff participate in meetings across large geographic area.

1.5 Features of PAWANET

PAWANET provides a high performance, resilient, and reliable fail-safe communications network. These are its key features:

- Alternate paths of communication
- Internet access
- Support of high volume traffic
- Cisco Catalyst 3000, 4000 and 6500 switches at all the major sites
- Cisco high performance 2000, 3000, ASR900 and 7200 router family products with redundant power supplies

1.6 Supported Protocols

The network supports the following network protocols, allowing dissimilar platforms to communicate within PAWANET:

TCP/IP: TCP/IP is the universal protocol that allows communications between all systems within the Port Authority's network, as well as other networks.

1.7 PAWANET Switches and Routers

The current standard switches and routers used on PAWANET are:

- Tellabs Reconfigurable Optical Add Drop Multiplexers (ROADMS) are the Dense Wavelength

Division Multiplexing (DWDM) nodes on the Verizon Managed IOS Network.

- Cisco High performance 3000, 4000, and 6000 series switches.
- Cisco High performance 2000, 3000 series routers for intermediate connectivity.
- Cisco 7200 and ASR900 high performance routers
Provide high-speed connectivity and routing capabilities across the network in support of TCP/IP, and provides routing capabilities for Port Authority Internet access.
- A pair of fault tolerant 10 Gbps links on IOS are installed to provide the required bandwidth between the data centers at Telecenter and PATC.

1.8 Approved Servers

Only IBM servers may be connected to PAWANET.

This includes turnkey, distributed systems, where Application servers are being used. Any replacement servers must be IBM servers. Deviation from this policy will not be allowed without prior approval of the Chief Technology Officer or their designee.

1.9 Enterprise Addressing Scheme (including IP addressing)

The Port Authority's enterprise network is a TCP/IP Class B network allowing for a maximum of 255 subnet assignments. Subnets are assigned on a geographical basis according to the number of resources required. Workstations are configured for dynamic assignment of IP addresses via Dynamic Host Configuration Protocol (DHCP).

TEC will assign static IP addresses for servers, printers, faxes and/or IP enabled device (e.g. CCTV Cameras etc.) that are to be connected to PAWANET.

1.10 Enterprise Network Monitoring Software

The Port Authority has a managed Network Monitoring Services to continually provide real time monitoring of PAWANET, and its data and voice link availability. To provide for real time network monitoring, the following software utilities are used by the Port Authority, respectively:

- Zenos Network Management software
- Cisco Works for Switched Internetworks
- Riverbed Cascade network performance monitoring software

2.0 Network Resources

2.1 Network Overview

The Port Authority has a modern distributed computing network, which is managed as an Enterprise resource. The network connects all individual PCs, servers, printers, and other devices in a unified computing infrastructure that makes it possible for the Port Authority to conduct its business. The Enterprise Network consists of the PAWANET (see Section 1.1) and connected Local Area Networks (LAN's). The line of demarcation between the cable and wiring is the responsibility of the carrier and the Port Authority's area of responsibility is usually a wiring closet. The Port Authority's Enterprise Network consists of the following components on the Port Authority side of demarcation:

Enterprise Devices

- Cabling
- Routers
- Switches

- Wiring Closets
- Communications Equipment Racks
- Server Racks
- File and Print Servers
- Application Servers
- Storage Area Networks (SAN)
- Network Printers
- Security Devices (Video Encoders, IP Cameras, ACS Panels)

LAN Devices

- Desktop PCs
- Workstations
- Voice Over IP Phones
- Laptops
- Video Conference Units
- Local Printers
- Scanners
- Copiers
- PC Peripherals

2.2 Enterprise Network Architecture

The Port Authority operates an extensive network of Enterprise file, print and application servers. These devices are linked to an Enterprise Wide Area Network. The flexibility provided by the use of multiple servers, server clusters and Storage Area Networks (SAN) offers users improved network response, greater reliability, increased data security and reduced operating cost. Adherence to the standards outlined in this section allows the Port Authority to manage their systems, applications and data in a way that best meets our business needs while maintaining interoperability and safeguarding Port Authority's information assets.

2.2.1 Server Operating System and Software

All Enterprise servers in the Port Authority are currently based on the Windows operating system. Microsoft Windows, RedHat Linux servers, and Sun Solaris are supported as application servers when required for functionality.

In addition to the base operating system, all Enterprise servers must include or provide access to the following components:

- Virus Protection
- Network Security
- Remote Monitoring and Management
- Intrusion Detection
- Systems Backup
- Uninterrupted Power Supply (If central UPS is not installed at the location)
- Current Service Packs and security patches

Note: All standard operating system and server software will be provided and configured, by the Technology Department, prior to connection to PAWANET.

2.2.2 Configuration

All network devices—including servers, workstations, network printers, and network faxes—must use IP addresses which conform to the standards outlined in sections, 1.9 Enterprise Addressing Scheme, and 2.3.1, Server Names.

2.2.2.1 Drive Mapping Conventions and Organization

Mapping of workstation drive pointers to SAN or server disk volumes or folders is accomplished through a Windows Active Directory Login Script. The following drive letters are reserved for Windows Active Directory installations:

Pointer	Volume or Folder
M:	Reserved
P:	Public Applications
Q:	Installation and Upgrade Utilities
S:	Departmental shared directories and files
T:	Reserved
U:	Users Private Home Directory

- Public (Shared) application software installed on a file and print server cluster must reside on a separate volume named "APPS".
Example: P:\APPS
- Each software application installed on the file and print server, or server cluster, must have its own sub-folder.
Examples: P:\APPS\EXCEL
P:\APPS\WORD
- Shared Data stored on a file and print server cluster, shall reside in a volume named Data, and shall be mapped to the "S:" drive pointer.
Example <Cluster_name>:\DATA\<Department_NAME>\SHARE on a server cluster
- Each Department's SHARE folder will contain at least three sub-folders titled Org, Everyone and Projects.
- Under the Projects folder will be two additional folders, one called "Active" and one called "Completed". Active projects reside in the "Active" folder.
- When staff identifies a project as being completed, the project folder will be moved to the "Completed" folder and all rights, except for "Browse" will be removed from the folder. This will ensure that the final project documents remain unchanged, while still allowing authorized staff to review the old documents and use them as templates for new documents if desired. The "Completed" folder will be set to archive its data.
- Under the "ORG" folder will be subfolders with names corresponding to the various divisions within the department. By default, only staff within a division will have access to a division's folder. These folders are intended to hold data for a specific division that would not normally be shared departmentally. Staff from other divisions would not have access to these folders unless the division manager of the owning division gives their approval. Having folders setup by divisions will simplify the process of identifying who is responsible for the contents of a folder.
- The "S" and "U" drives should only be used to store business related files.
- The Systems Administrator, at the direction of the Director, may from time to time remove any data deemed to be non-business related.
- A folder called "Everyone" will be created in the Share folder. All staff in the department will have full access to this folder to store and retrieve files that are not related to a project or a division's day-to-day operations.
- Additional shared folders, with access restricted to only specific users, if required, will be created in the

Share folder. Access will be restricted through the use of Windows file and folder security permissions and access will be granted through the use of groups. These groups will be named using the same name as the folder name.

- In general, rights to any folder will be granted through the use of a group having the same name as the folder. The group would have trustee rights to the folder, and users would be added to or removed from the group as needed. All rights would be granted or revoked through the use of form PA-3624A. Designated staffs in each department are required to approve these requests.
- A user "U" drive will be assigned to each standard Windows Active Directory account for use by each individual user to store business related data on the network. Access to the "U" drive is restricted to the account owner only. Users receive all rights to this folder". Users cannot share data on their "U" drive. Files should be shared only by using the Share, ("S") drive.
- Access to a user's home directory, by anyone other than the owning user is prohibited and will be removed after notifying the end-user.
- Installation files used in the installation of desktop software must reside in a sub-folder under the "APPS" volume

Example P:\APPS\Psoft

2.2.2.2 Connecting LAN Devices to the Enterprise Network

The Technology Department (TEC) is responsible for connecting all LAN devices to the Enterprise Network (PAWANET) provided they meet the Port Authority's standards.

2.2.3 Network Resources Security

2.2.3.1 Server Physical Security

All servers and communication equipment must be located in locked rooms or secured with a cable and lock with the keyboard secured or secured with access control technology to prevent tampering and unauthorized usage.

2.2.3.2 Server Logical Security

To safeguard the Port Authority's Information Technology (IT) systems and data, TEC has implemented a number of processes and procedures, including the requirement that all users accessing the Port Authority's networks authenticate to the Microsoft (MS) Windows Active Directory (Active Directory). The Active Directory Service is a database containing descriptions of all network devices including servers, workstations and user accounts.

In plain English, this means that by executing a login when you first power on your PC you are telling the network who you are. This is accomplished by providing your Windows Username and password. Just as you are issued an ID card for access to certain facilities, buildings or rooms you need to visit to perform your job, your Windows authentication grants you access to network resources, such as shared data volumes, software applications and network printers you use in performing your assigned tasks.

TEC is responsible for providing all enterprise servers with the following protection of their logical resources:

- Guard against unauthorized access.
- Perform daily incremental backups of servers and authorized workstations and full backups weekly.
- Store all monthly backups off site at a secure location and secure daily and weekly backups on-site in a locked area.

- Test recovery procedures annually.
- Use system and application passwords that conform to the Technology Services Department standards.
- Control all remote access using the Port Authority's Remote Access System.
- Maintain current patch levels and critical security updates.

2.2.4 Network Access and User Account Security

2.2.4.1 Account Creation

User accounts are created and managed in MS Windows Active Directory Services for the Windows network resources. Documentation for the creation of user accounts and authority for access is maintained by the Customer Service Desk Manager.

2.2.4.2 Time Restrictions

Due to the fact that The Port Authority serves its clients 24 hours a day, we do not have Login Time Restrictions. All staff may access their account 24 X 7.

2.2.4.3 Concurrent Logins

Login sessions will be limited to one connection per user. User accounts should not have the ability to login to multiple workstations after establishing one active connection to the network.

2.2.4.4 Login Management

These system-monitoring features are driven by group policy and must be active:

- Restrict the count of incorrect login attempts to three before the account is locked out.
- The time for which unsuccessful login attempts are retained to determine a possible intruder attack should be a minimum of 30 minutes before the counter is reset to zero.
- The time for which a user account remains disabled before the account can be used again should be a minimum of 30 minutes.

2.2.4.5 Password Management

All user accounts must have passwords conforming to the following standards:

- a minimum of 10 characters in length
- contain at least two upper and lowercase alphabetic characters,
- contain at least one number (0-9)
- contain at least one special character (e.g., +);>_?&,\$%#).

Examples of safe passwords:

- an odd character in an otherwise familiar term, such as phnybon instead of funnybone;
- a combination of two unrelated words like cementhat
- An acronym for an easy to remember quote or phrase (see below)
- a deliberately misspelled term, e.g., Wdn-G8 (Wooden Gate) or HersL00kn@U (Here's looking at you).
- Replace a letter with another letter, symbol or combination, i.e. replacing o with zero or a "to" with 2 or i with 1.
- An easily phonetically pronounceable nonsense word, e.g., RooB-Red or good-eits .
- Two words separated by a non-alphabetic, non-numeric, or punctuation character, e.g., PC%Kat or dog,~1#

Choose a password using a phrase:

One way to do this is to pick a phrase you will remember, pick all the first or last letters from each word and then substitute some letters with numbers and symbols. You can then apply capitals to some letters

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(perhaps the first and last, or second to last, etc.)

Examples Phrase	First Letters	Password
"Double, double, toil and trouble; Fire burn, and cauldron bubble!"	ddtatfbacb	Ddt@t:fb@cb
"Every time I try to get out, they pull me back in."	etittgotpmbi	3t1ttgoTpmb1
"You Can't Have Everything. Where Would You Put It?"	ychewwypi	Uch3Wwup1?

- Smartphones, where capable, shall leverage biometric access to provide the most security for the least inconvenience.
- User passwords will require a change every 90 days.
- All accounts will be granted the minimum level of access and permissions necessary to perform an assignment.
- If a system account fails to satisfy the requirements of this policy, an administrator may place the account in "disabled" status until remedied.
- Changes to an account's access privileges require the appropriate managers to request new or modified access.
- All users are required to read the Agency Computing Resource Administrative Instruction and sign an acknowledgement of the Agency IT Acceptable Use Code of Conduct policy prior to account activation.
- Annually, all managers are required to certify that only authorized employees have accounts on Agency systems. Technology and the Office of the CSO will work with managers to provide them with the lists of employees and their accounts.

Passwords are considered confidential data. They protect the Port Authority's network resources and grant system privileges and access. Disclosure may result in unauthorized access to data, system files and transactions. Passwords are also your signature and identify you as the individual who is responsible for the system activity.

2.2.4.6 Modems and Switches

Staff is prohibited from connecting dial-up modems and switches including wireless switches (e.g. Linksys wireless switches) to workstations that are simultaneously connected to PAWANET or another internal communication network unless approved by the Technology Department (TEC).

Where modems have been approved, users must not leave modems and/or switches connected to personal computers in auto answer mode, such that they are able to receive in-coming dial-up calls.

2.2.5 Remote Access System

The use of local modems to establish direct dial connections to devices on the Port Authority's network is prohibited. Exceptions to this policy require the approval of the Technology Department's Chief Technology Officer.

The approved mechanism for remote access to the Port Authority network is through the Remote Access System (RAS). The Remote Access System utilizes an Internet-based Virtual Private Network (VPN) tunnel established over the Internet linking remote users to the Port Authority Wide Area Network (PAWANET) (remote client to PA site). It is designed to provide authorized Port Authority users with secure access to corporate applications and to files available on their departmental file servers. Once connected to the PAWANET, users with PA-supplied laptops will have access to computing resources as if connected directly to the network. For users using non-PA remote desktops/laptops, once connected to the network, access to applications and resources is delivered through a thin-client environment consisting of a farm of Citrix XenApp/Microsoft Terminal Services servers capable of supporting 200 or more simultaneous users each.

There is no provided access to the user’s office PC desktop. Port Authority offices without direct connection to the Port Authority Wide Area Network (PAWANET) can use this system to establish remote access to corporate applications located on PAWANET.

RAS provides multiple security mechanisms to ensure that only authorized users gain access to the Port Authority’s computing resources and systems. Through multiple security steps, the user must respond to security challenges. After successful authentication verification, authorized users are provided with access to corporate applications and their departmental network resources.

The Port Authority also supports corporate site-to-site VPN connections and utilizes Cisco equipment for these connections.

Remote access is authorized on a case-by-case basis by the Chief Technology Officer.

2.2.6 Hardware Standards

The TEC Enterprise Architecture team is responsible for setting the Agency hardware standards. As of August 2015, the hardware standards are as follows:

Desktop, Laptop, CAD*	Lenovo, Microsoft, Panasonic Tough Books
High End Multimedia Workstation*	Apple
Printers	HP, Lanier
Routers and Switches	Cisco
Servers*	IBM
Smart Devices	iPhone/iPad
Storage Area Network (SAN)	IBM (Entry Level and Mid-Range)

*Note: To maintain optimal operating efficiency of the computing environment a standard “Refresh” age has been adopted. The Agency standard refresh age is greater than or equal to 5 years. TEC is responsible for the automatic replacement/upgrade of hardware that has exceeded the Agency standard age limit.

2.2.6.1 Standard Servers

A representative sample of standard servers is as follows (As of August 2015):

Server Description	IBM Model
WEB Server, Small applications server	xSeries 3550M4
Medium applications server	xSeries 3650M4
Database Server, Multiple and Large application server	xSeries 3850X5
VMWare Clusters	NEC Express 5800 series or IBM as stated above

Each server shall have at least two (2) network interface ports to support a production, management and backup network, and redundant power supplies.

The Port Authority manages servers models via a lifecycle process with a minimum ‘in service’ life of five (5) years.

2.3 Network Naming Conventions

2.3.1 Server Names

The Port Authority employs a naming convention for all servers within PAWANET. That convention will be discussed during a solution implementation phase.

2.4 Directory Services and Structure

The Port Authority uses Windows Active directory to manage network resources and user access. Port Authority departments are designated as organizational units (OU) and servers are network objects contained within the OU.

All network printers should be created using Printer Properties Pro utility.

Applications are distributed using Microsoft System Center Configuration Manager (SCCM).

Applications are distributed based on the type of workstation and user definitions.

Scheduling of distributions is performed in conjunction with client departments.

2.5 System Backup and Recovery

There are two Port Authority approved standard software products, used to perform scheduled server backups:

- **Upstream Reservoir** is a centralized backup tool used to create data backups for all distributed systems.
- **FDR Upstream** is a Mainframe based tool used to backup all Mainframe data.

Backup data is stored on disk storage for prompt backup and restore. Encrypted tape backup is stored remotely at a secure facility, and is required to assure off-site disaster recovery data storage. All backup media and records must be treated with the same level of security and confidentiality as the original data.

The System Administrator is responsible for verifying that system backups, both local and remote backups, can be used to restore the data. Tests of the ability to successfully restore from both backup systems should be performed annually. It is recommended that:

- Tests of the ability to restore system and application files will be performed on a non-production server.
- When incremental or differential backups are routinely used, the test restore procedure should incorporate both.
- Immediately prior to performing the test restore procedure, do a special full backup on the directories being tested.

2.5.1 Backup Logs

The System Administrator will maintain the following logs for a period of two years:

- Back-up activity
- Rotation of back-ups
- Usage/rotation of back-up media
- Off-site data storage

2.5.2 Backup Scheduling

The System Administrator is responsible for performing back-ups of data, application and system files. This must be as follows:

- Weekly full back up of each server. A full back-up is a back up of all files on the server.
- Daily differential, incremental or full back up of each server or server cluster. The type of back-up performed is dependent on time constraints and the amount of data to be backed up. Incremental back ups are back-ups of all files changed since the last back up. Differential back ups are back-ups of all files changed since the last full back-up.
- A Grandfather, Father, Son (GFS) scheme based on a 33 tape rotation should be used to ensure complete back-up and recovery.

2.6 Business Resumption Plan

The vendors, providing IT services to the PA, shall work with the Technology Department (TEC) to develop a disaster recovery and contingency plan. The System Administrator will participate in the planning, design, implementation, testing, updating and documentation of the plan. [Appendix 1](#) shows a recommended outline for such a plan. The Business Resumption Plan shall be updated and tested at least annually.

2.7 Telecommunications Standards for Enterprise Network Resources

To see the standards for the following telecommunications components, please see the Appendix.

- [Appendix 2](#) - Communication Rooms/Closets Standards
- [Appendix 3](#) - Standard Cabling Schemes
- [Appendix 4](#) - Unified Wiring Specifications
- [Appendix 5](#) - Telephone Closet / IDF Termination Blocks
- [Appendix 6](#) - Workstation Jacks
- [Appendix 7](#) - Standard Switches
- [Appendix 8](#) - Workstation and Lateral Cable Identification Management
- [Appendix 9](#) - Fiber Optics Specifications for Network Services - PAWANET

2.7.1 Closet and Telecommunications Room Access

The following standards must be followed regarding access to closets and communication rooms:

- All telecommunications rooms must be physically secured. Remote locations, which are not secured, by a guard or within line of sight of personnel, must be secured by a card access system and/or video cameras.
- The Network Connections (NC) group is responsible for installing routers, switches (along with Cisco Staff when applied) and station drops. They also patch connections and troubleshoot LAN cabling.
- System Administrators requiring routine maintenance of data communications equipment should call the Customer Support Desk when new devices or reconfigurations are required.

2.7.2 Telecommunications Installation Contractor's Responsibilities

1. Adherence to all of the above specifications
2. Assurance of labor harmony
3. The contractor must supply all cable, blocks, brackets, connectors, jacks, housings, face

plates, special tools, etc., as necessary to perform an installation which is satisfactory to the Port Authority.

4. The contractor must label every workstation (jack faceplate) and the corresponding cross connect point (punch down block or patch panel) in accordance with the cable identification management plan, as previously described.
5. Install all Category 5e/6 cabling in the proper manner, with the appropriate number of twists, to maintain Category 5e/6 integrity and capabilities, as outlined in the TIA/EIA 568-B.2 standard.
6. The contractor must ensure that cable connections are in accordance with standard telecommunications practices and that all cabling maintains normal connectivity and continuity.
7. All materials must be agreed upon by PA Network Services prior to the start of installation.
8. All computer or network communication rooms and closets are to be isolated, locked, and secured. No other equipment, storage area, or smoking area are to be located in this room. This room must provide appropriate cooling and ventilation. Access to this room will be reserved to TEC staff and an agreed upon Facility Manager or designee of the site where the PAWANET equipment is located. This procedure is to ensure the security and the integrity of the Port Authority's computer network and its users.

2.7.3 Electrical Requirements

The following power and receptacles should be installed to support different equipment requirements such as:

- Standard 110/120 volt power receptacles
- Standard and/or NEMA L6-30P 220/240 volt 30 amp power receptacles
- Dedicated circuit breaker per AC feed, with alternate power source.
- Server rack electrical requirements are specified in the appropriate design document.

Currently, services obtained through the PA's contract are required to have the APC (American Power Conversion) UPS included in the delivered service.

2.7.4 Telephone Company Interface

The following items are needed for the telephone company interface, if needed for a specific vendor solution:

- a) Install a dedicated wallboard for Telco demarcs (if none available for implementation)
- b) Standard Telco demarcs:
 - P66 Block
 - Network Termination Unit (Rj48 interface) Smartjacks
 - Network Termination Unit (DB15-pin female interface)
 - Network Termination Unit (V.35/V.36 female interface)
 - Digital Signal X-connect (DSX)
 - Basic T1 CSU/DSU
 - Basic DS3 handoff coax/HSSI unit
 - High-speed dialup modems for network trouble-shooting when needed

2.8 Documentation

It is the responsibility of the System Administrator to update and maintain a library of all documentation designated as standard by the Port Authority. These include archived system files and system backups. Vendors will be provided our "Guide to Systems Administration" during the implementation phase of a project. The "Guide to Systems Administration" covers the provisioning and setup of computing &

networking resources to successfully implement a project within the Port Authority. Vendors will work with TEC during implementation to ensure proper setup, configuration and connectivity to PAWANET.

3.0 Virus Scanning & Management

3.1 Overview

This section describes the standards for the prevention, detection and removal of computer viruses, (malware). Its purpose is to minimize the risk and negative impact of computer virus infections in the work environment by establishing clearly defined roles, responsibilities and procedures for the effective management of computer viruses.

3.2 Standards

Standard virus protection software must be installed on all network servers and personal computers, and updated on a regular basis. The Port Authority currently uses McAfee ePolicy Orchestrator (ePO) to monitor, manage and maintain the virus definition (DAT files) of the Agency desktop computing platform. The McAfee ePO Management Agent, and VirusScan / AntiSpyware Enterprise, are part of the standard desktop core image.

3.3 Acquisition and Installation

The Technology Department maintains current versions of standard virus protection software and virus detection files, (DATs), including configuration-specific instructions for downloading and installing the software on network servers and desktops.

3.4 Virus Detection and Response

The Technology Department is responsible for responding to all virus outbreaks, as well as eradicating them and, where possible, preventing them.

The speedy reporting of all computer viruses is essential for the protection of the information stored on Port Authority LANs. Much of that information is important to the safety of the public, as well as the day-to-day business of the PA.

If the anti-virus software has detected a virus and cleaned it, no further action is required on the end user's part. If the virus is not cleaned, or the end-user suspects that a virus still exists, the end-user should immediately contact the Customer Support Desk, and they will work to remove the virus. The Technology Department will respond quickly to all such alerts by doing the following:

Assess the risk

- Confirm the existence of a virus.
- Take appropriate measures to quarantine the virus so that it does not infect other Port Authority devices.

Notify Appropriate Parties

- Contact the originating party who introduced the virus to the Port Authority.
- If it is a new virus, contact our antivirus vendor, McAfee, for further assistance.

Remove the virus

- Work with appropriate parties until the virus is removed.

In addition, the Technology Department will report on all such outbreaks on a weekly basis. The report must include:

Support Ticket Number
User Name
Virus Name
Information which was lost, (if any)

Time to correct the problem, (lost staff time)
Virus Origin, (if this can be determined; Diskette, CD, Internet)

4.0 Electronic Mail

4.1 E-Mail Overview

The Port Authority's Electronic Mail System (E-Mail) is designed to facilitate business communication among employees, job shoppers, contractors, consultants, and outside business associates. This E-Mail system is comprised of Microsoft Outlook desktop software accessing e-mail stored on Microsoft's Office 365 Exchange Online servers. This solution also includes group calendaring and workgroup collaboration.

4.2 E-Mail System Architecture

The Port Authority's E-Mail system is hosted by Microsoft as part of its Office 365 government cloud services offering. Authorized Port Authority staff access their corporate e-mail through Microsoft Outlook desktop software as well as via Outlook Web App and through mobile devices. The Office 365 Exchange Online system has multiple Exchange servers containing mailboxes and Public Folders, and performs Internet-based e-mail services including anti-spam and anti-virus e-mail checking. More in-depth knowledge about the Microsoft Office 365 government cloud can be found on the Microsoft website.

Office 365 is accessed using the Port Authority's corporate user account which is hosted on the Port Authority's active directory platform. In addition, the Port Authority hosts DNS servers to satisfy requests from the Outlook client as needed.

High-speed, secure, and redundant network connections provide access to the Internet including to the Office 365 cloud from the Port Authority network.

4.3 E-Mail Environment: Design Considerations and Infrastructure

The Office 365 e-mail environment is further described below:

- The e-mail system is comprised of Microsoft Outlook 2007 desktop software accessing e-mail stored in Microsoft's Office 365 government cloud service. A current project will update the desktop environment to Office 365 Pro-Plus (Office 2013) and is tentatively expected to be completed by 12/31/2015.
- E-mail is protected by Microsoft's Exchange Online Protection.
- There are several forms of SMTP addresses used at the Authority.
- Exchange Active Sync and a cloud-based MaaS360 Mobile Server is used to provide e-mail and calendar access and control to Apple iPads/iPhones and Windows Mobile devices.
- Exceptions are governed by the Authority's directory services structure and user account requirements.
- Each individual e-mail message and its file attachments, the overall mailbox size limitations, and additional features are governed by the current Microsoft Office 365 government cloud specifications which can be found on Microsoft's web sites.
- This e-mail system also includes group calendaring and workgroup collaboration.
- Public Folders are supported based on departmental and agency-wide requirements and, in general, are used for dynamic items for a form of workgroup collaboration. Email-enabled public

folders have been phased out and replaced by Office 365 Shared Mailboxes. Static documents like corporate policy statements are placed on the corporate intranet (EmployeeNet) and not on the Public Folders. Documents requiring long-term storage are stored elsewhere such as on Windows file servers.

4.4 Integrating Applications Server with Port Authority Email System

4.4.1 Requesting SMTP Services

The vendor will request SMTP services from and coordinate its work with the Technology Department.

Port 25 needs to be available to utilize it for SMTP services.

4.4.2 Email Restrictions

The following restrictions are in place to protect the SMTP system and the “reputation” of Agency mail servers on the Internet:

- Forged email headers are **STRONGLY** discouraged, but applications for circumvention will be entertained, and valid business justifications must be included. The “From” and “Reply-to” fields should be valid users on the system sending email.
- Settings: The maximum number of recipients per email is currently 90. This includes “To”, “cc”, and “bcc”; maximum size with attachments is defined by O365 Limitations. Emails that do not conform to these restrictions will be rejected by the SMTP servers.
- Mail will be relayed only if your server has an entry in the SMTP access database.

Note: SMTP logs are checked periodically for policy violations. Repeated violations and failure to correct them will result in SMTP services being disabled for the offending system.

5.0 Intranet

5.1 Intranet Overview

The Port Authority EmployeeNet (eNet) is intended to provide timely information and resources to employees via the web browser on their desktops. eNet is a decentralized collection of web pages, data lookup services and applications that are managed as if they were a centralized enterprise resource. It is accessible to all personal computer workstations on the Port Authority Wide-Area Network (PAWANET). eNet is housed on servers at the Teleport and PATC Data Centers.

Examples of business information hosted on eNet include:

- Departmental Websites
- Directories
- Corporate Announcements
- Reference Materials
- Document Collections
- Library Services
- News Displays
- Enterprise and Departmental Applications

5.2 Direction of eNet Development

eNet is intended to provide a convenient, timely and accurate source of information for Port Authority employees as well as providing access to enterprise and departmental applications. The owner of content on eNet is responsible for authorizing its publication, its accuracy and timeliness. Technology Services provides a common infrastructure and technical support for those departments that electronically publish agency information or make available electronic resources. Infrastructure standards are recommended to ensure compatibility and facilitate maintenance. Departments requesting specific applications should discuss their requirements with eNet staff to determine a solution that best meets the department's business needs.

5.3 eNet Software Infrastructure Standards

Category	Software Name
Browser:	Microsoft Internet Explorer
Browser Plug-in:	Windows Media Player
	Adobe Acrobat Reader
	Macromedia Shockwave Player
Web Server Software:	Sun One Web Server
	Microsoft IIS
Media Server Software	Microsoft Media Server
Application Server Software:	Adobe Cold Fusion 10
Development and Design Tools:	Adobe CS5
Database	Oracle Database
	MS SQL Server
	MS Access
Programming Language/Scripts	ColdFusion MX 10 JavaScript
Search Engine	UltraSeek (software) Google Mini Search Appliance (hardware)

Category	Software Name
	MaxxCAT Search Appliance (hardware)
Web Performance Monitoring:	Google Analytics WebTrends Marketing Lab 2
Content Management:	Open Text Website Management

5.3.1 Design Standards

We have developed the following standards to ensure that all web pages on eNet have a consistent look, feel and navigation scheme, while providing creative flexibility.

Departmental Web Site Standards

Prescribed standards are assigned to only the following items:

Resolution:	Pages are designed for optimal viewing at the 1024x768 setting.
Page Width:	Each page has a fixed page width of 960 pixels.
Page Justification:	The entire page is center-justified within the browser window.
Page Layout:	Each web page will follow the same, basic layout: A Global Navigation strip; A Masthead; A Local Navigation strip; A Body area (with a 1-column, 2-column or 3-column layout); A Footer.

5.3.2 Accessibility Standards

TEC's eBusiness Unit is committed to making all eNet content accessible to persons with disabilities. In order to ensure that all eNet web content is in compliance with accessibility standards and applicable legal requirements, contact the Webmaster via email at webmaster@panynj.gov, or call 212-435-3294.

6.0 Workstation Hardware and Operating System Software

6.1 Overview

The Port Authority makes extensive use of computers (workstations) networked into an Enterprise Wide Area Network to accomplish its business objectives. For the purpose of this section, the term computer and/or workstation will be used to reference desktop, laptop and CAD computing devices. In order to ensure compatibility with the agency's enterprise network and to make optimal use of its resources, this section defines the standards governing workstations and their configuration and use.

6.2 Workstation Operating System Standard

The Port Authority's standard operating system for workstations is Microsoft's Windows 7. The following are operating systems used within the Agency:

- Microsoft Windows 7, Enterprise
- Apple OS X

6.3 Workstation Configuration

6.3.1 Workstation Naming Conventions

All departmental workstations must contain a unique computer name which is the machine's serial number.

Example: Workstation name: 23AAH86

System Administrators are responsible for naming workstations and maintaining an up-to-date inventory of equipment and names used.

6.3.2 Automated Software Distribution for Computers

The Port Authority currently uses Microsoft System Center Configuration Manager (SCCM) 2012 to, at a minimum, do the following:

- Install new, or upgrade existing, software on Agency desktop, laptop, and CAD computers.
- Create packages to automate system tasks (e.g. data migrations of desktop computers, eDiscovery requests, etc.).
- Bare Metal Provisioning of Servers.

6.3.3 Remote Workstation Management

The Port Authority also distributes software applications and upgrades via Microsoft's SCCM. Each workstation should have Microsoft System Center 2012 R2 Remote Control Viewer installed as part of the workstation client. This will enable remote distribution and updates of software, hardware inventory and workstation troubleshooting. Microsoft security patches are distributed through a PatchLink agent.

6.3.4 Drive Mappings

Computer drive mappings are automatically accomplished using a Microsoft login script. The script is executed upon successful login to the Agency's Microsoft domain.

6.3.5 Standard Workstation Hardware Configurations

The Technology Department is responsible for setting the computer hardware standards. Standards are typically set annually, or as exceptions to meet business requirements. The standards specify the approved hardware components required by the Agency for a specific computing platform (e.g. desktop, laptop, CAD). The following is current workstation standard:

Lenovo ThinkCentre M93p Tower 10A6S19900-PA (PC)
Lenovo ThinkStation P500 30A6S0MM00 (CAD)
Lenovo ThinkPad T440 20AWS2EV00-PA (LAPTOP)
Microsoft Surface pro
MONITORS
NEC AccuSync AS203WMI-BK (20 Inch Wide Flat Panel)

NEC MultiSync EA244WM1-BK (24 inch Wide Flat Panel)

6.3.6 Standard Workstation Software

The following software is the standard Port Authority software for departmental workstations. New computer installations should conform to the existing standard.

6.3.6.1 Standard Workstation Software

The following list is a compilation of the core software components found on each computer (commonly referred to as an image).

Windows 7, Windows 8.1
McAfee Antivirus
Internet Explorer
Microsoft Office Professional
Printer Pro
Java
Lumension End-Point Protection
Remote Access Software (for laptops)

Because technology is rapidly changing, TEC should be consulted to obtain the most recent versions of standard software.

6.3.7 Enterprise Software

The following is a list of standard enterprise application software used in the Agency. These applications are supported by third-party service providers:

PeopleSoft
SAP
Enterprise Connect (Livelihood) Content Management
One Drive for Business
SharePoint/Online
Skype for Business

6.3.8 Other Business Applications

Other Enterprise applications are deployed on occasion to user workstations. This includes systems like BudgetPro. System Administrators are responsible for deploying the workstation clients and network server software according to standards provided by Technology Department:

Current list of Enterprise applications, is shown below –

- AutoCAD
- BudgetPRO
- Cognos Client Software
- EBS (Emergency Broadcast System)
- Enterprise Connect (Livelihood)
- HIDS,
- Lumension (PatchLink),
- McAfee Virus Scan and AntiSpyware Enterprise
- MS SQL

- Oracle
- PeopleSoft
- Primavera
- SAP
- Schedulesoft
- TRIM

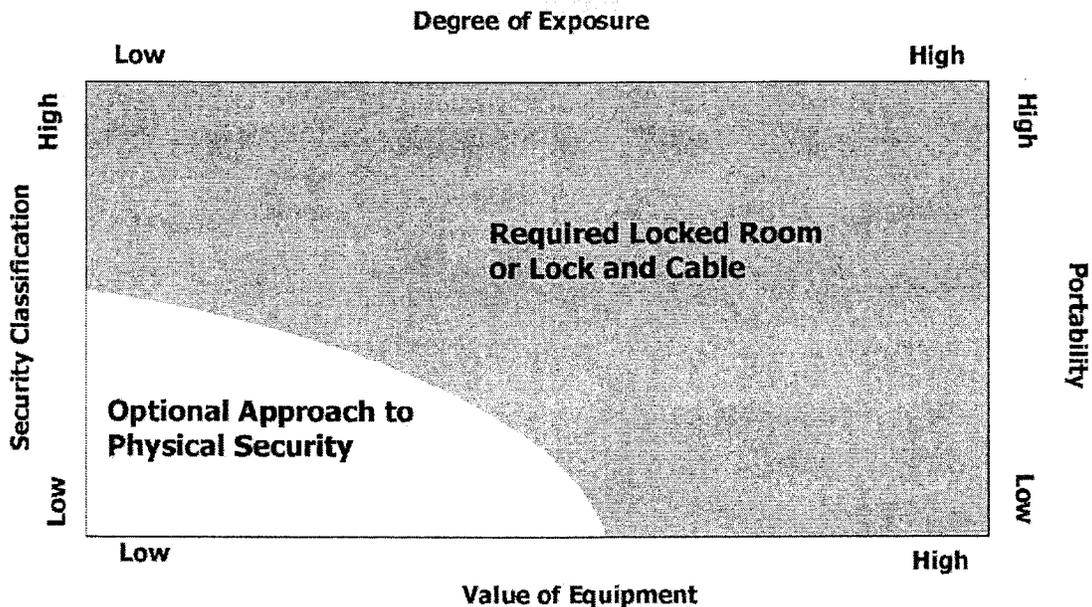
6.4 Workstation Security

Workstation users and their managers are responsible for the security of computer equipment and safeguarding critical corporate data and access to Port Authority network resources. This includes both the physical securing of equipment as well as logical safeguarding equipment and data.

6.4.1 Physical Security

The method of control should be based on the value of the equipment, the sensitivity of the data, its portability and the degree of exposure to theft. The department's Business Manager should make the appropriate determination of physical security required based on their best business judgment.

The graph below provides general guidance to Business Managers in determining the level of physical security required.



In all cases, laptops must be secured with a Lock/Cable product (e.g., Kensington).

6.4.2 Logical Security

The Technology Department (TEC) is responsible for providing for the security of computer resources and devices:

- Workstations are protected with Microsoft directory security mechanisms.
- Screen saver passwords are implemented with a maximum of a fifteen (15) minute time-out.
- All critical data on a network drive are backed up nightly onto either external media or a network storage.

7.0 Distributed Systems Environment

7.1 Overview

A number of enterprise servers provide critical application and system services. Different operating systems and configurations may be required for specific applications. This section provides information on the standards for supported systems within the Port Authority.

7.2 Microsoft Windows Servers

The standard for general-purpose application servers and File and Print Computing is IBM servers. Microsoft Windows 2008 Server (Enterprise) and 2012 Server are currently supported Operating Systems for application servers.

7.2.1 Virtual Environment

The standard for Virtualization Computing is IBM host servers. The Port Authority will provide a VMware ESXi-based Guest Virtual Machine (VM) to operate all Contractor-provided applications software.

All applications software will be capable of operating in a virtual environment under VMware ESXi server and will operate in a VMware ESXi-based Guest Virtual Machine (VM) on a 'shared' host-computing platform for Contractor application, unless performance or other requirements mandate a dedicated system.

7.2.2 Windows Data Encryption

For those applications that require additional data security measures, TEC offers additional tools that provide encryption services to protect the data stored in the application's database or file and folders, even from authorized individuals that have physical access to the applications and database servers but not the decryption key.

7.3 Unix

Sun/Oracle Solaris and RedHat enterprise Linux are the currently supported UNIX operating system for infrastructure and corporate servers.

7.3.1 Unix Security

Unix and Linux servers must be physically and logically secured from unauthorized access. Operating system logical security is defined by the Technology Department (TEC).

7.3.2 Backup

Critical system backup must be performed regularly (daily and/or weekly) utilizing our centralized backup strategy and associated tools. Extra copy of backup is kept offsite for disaster recovery purposes if required.

7.3.3 Download Scripts in the Unix/Linux Environment

- The script must be written in a generally supported language: Perl, Korn shell, PowerShell. PowerShell will be consistent with Microsoft standards and best practices.
- The script must be limited in access, as well as the script's owner's user account. The owner of the script should be able to read, edit, and execute the script, but no one else (with the exception of the root or administrator accounts).
- If the content being downloaded is public information or widely available on the Internet, File Transfer Protocol (FTP) may be used.

- For all other content, Secure FTP must be used, and a key exchange made with the entity who is providing the content. A username and password must be used when retrieving the content.
- If the entity cannot accommodate the use of SFTP, ftp may be used as long as the content is encrypted with a secure, widely used utility like PGP.
- Information and guidance on securing passwords should follow Recommendations of the National Institute of Standards and Technology.

7.4 z/OS

z/OS (currently release 1.5) is the IBM-supplied operating system on the IBM 2096-R07. This hardware/software supports multiple users and multiple applications. Provided on this platform for transaction-processing applications are TSO/E, ISPF, and CICS. The database is DB2, although other file structures are also supported. The Agency is dis-investing from this operating system and it will not be used to support additional applications.

7.4.1 Databases

Oracle 11gR2 or higher and MS/SQL Server 2008/2012 or higher are the supported database platforms for Port Authority systems. Auditing trail enabled for all database accounts with administrator privileges.

7.4.2 Geographic Information System

The Geographic Information Systems (GIS) is built on an ESRI platform using ArcGIS for Desktop version 10.2 and ArcGIS for Server version 10.2. GIS data are stored in geodatabases using SQL Server 2012.

7.5 Application Security

TEC recognizes the critical importance of application security and maintains a Best Practices document containing rules and recommendations for purchased applications, and those developed in-house.

7.6 Server Physical Security

All servers and communication equipment must be located in locked rooms or secured with a cable and lock with the keyboard secured to prevent tampering and unauthorized usage. The Business System Manager is responsible for determining the appropriate access control method (receptionist, metal key lock, magnetic card door locks, etc.) This person must also maintain a list of persons authorized to enter secured areas. Technology Department staff is available to provide technical assistance in making this determination.

7.7 Load Balancing – Failover Architecture

Depending on the requirements of the application, load balancing and failover architectures are supported.

8.0 Vendor Provided Dedicated Systems

8.1 Overview

Vendor Provided Dedicated Systems refers to the application software and possibly the computer hardware that may be furnished and/or installed by an outside contractor. These systems are usually procured through either a Request for Proposal (RFP), or a “Low Bid” contract and are specifically engineered to support a dedicated application.

These systems generally support Capital Projects, which are usually large scale, multi-year engagements, requiring specialized technical and management staff, as well as, Systems Integration support. These projects normally have significant construction components and require the coordination, design and support from many diverse Engineering and Technology disciplines.

On all technology related projects a representative from the Technology Department (TEC) provides a single point of contact for technology oversight, accountability, adhering to standards and systems integration, which is required under the Roles and Responsibilities of the Director and is expected by our client departments.

To ensure a successful project implementation and honoring our responsibility to the Agency and our customers, one of the steps undertaken by TEC is to provide guidance and focus attention on, adherence to and compliance with the Port Authority Technology Standards.

By following the Technology Standards, it enables the Port Authority to

- Leverage large discounts negotiated in the various requirements contracts.
- Ensure that the seamless integration of equipment with other existing systems.
- Ensure that long-term maintenance and systems administration contracts are focused on the same product lines.
- Ensure that the relevant sections of the Technology Standards are included in either, the basic design of a low bid contract or as requirements in an RFP. Responses to RFP's shall be reviewed for their compliance with the Technology Standards.
- Deployment, integration and testing shall be monitored by TEC to ensure that equipment or infrastructure is not duplicated, that the integration and migration plan will not adversely affect existing systems, and to integrate new systems under existing maintenance contracts where applicable.

In cases where a specific vendor or system is so specialized that it normally does not adhere to the hardware, software, infrastructure and operations standards of the Technology Standards, the vendor shall be directed to work with TEC in exploring all options. If an exception is required, the vendor should work with TEC to prepare the necessary business case scenarios to receive written concurrence from the CTO for this deviation from the Port Authority Technology Standards.

8.2 Physical Security Technology Standards

8.2.1 Agency Standard for Digital Video Recording, Access Control and Alarm Monitoring

Based upon the Agency's investment and positive experience with commercial leaders in access control and alarm monitoring application, CCTV and Digital Video recording technologies. The Agency has developed a standard for these business functions.

The Port Authority has long recognized the need for a corporate architecture for its security systems that would allow us to integrate digital video and access control recording compatible technologies agency-wide. Using these standards will improve the Agency's security posture and will permit us to leverage additional operations and business benefits while keeping our operations resources, maintenance and support costs at a minimum.

The standard will also improve:

- Access to and the sharing of information from a centralized location
- Centralized monitoring of all facilities from an Emergency Operations Center

- The operational and cost-effectiveness of adding a variety of modular features to the core systems, such as paging, e-mail, fire systems, facility management, etc.
- Alarm notification, response, and acknowledgement
- Operational flexibility for facility and Public Safety staff
- Single learning curve
- Reduce the cost for maintenance and system administration

8.2.2 Situational Awareness Platform Software

The Situational Awareness Platform Software (SAPS), is a software application that allows multiple, independently manufactured and installed security, life safety, and building systems to all interoperate under a single, common operating picture, giving a user access to information spreading across multiple systems as if they were all one single system. This “common view” is made even more valuable by the incorporation of powerful, rules-based tools within the SAPS system, which allows intelligent linking of seemingly unrelated events into “Situations” that represent patterns of activity that pose a threat to security or site-wide operations.

The SAPS objective is to monitor the identity and event data from the various systems, identify incidents and anomalies, and detect trends that could be a threat to our facilities. SAPS turns data into actionable intelligence when an incident is detected. SAPS have the capability to automatically alert the security operations staff and push the information to security control centers and first responders.

- Provide a software platform to enable integrating the various electronic systems across all agency sites
- Provide a single software perform solution for situational awareness.
- Provide a single system database for reports
- The SAPS will provide transparent notification of security related events for all agency security systems.

8.3 Communications Infrastructure Standards

The Port Authority Standard for Communications Infrastructure is Cisco. This applies to all future systems, as well as, upgrades to existing systems. This standard ensures the interoperability of all deployed systems and permits the full integration of systems into PAWANET. In addition, all Cisco equipment either designed in a low bid contract or specified in an RFP must be purchased through the Cisco Requirements contract, which is administered by TEC and permits the Agency to purchase equipment, maintenance and support services under the high discounts negotiated in the Requirements Contract.

This standard applies but is not limited to; Layer 2 and 3 Ethernet switches, Routers, Wireless Access Points (WAP), Mobile Access Routers (MAR), GIG E (Gigabit Ethernet) switching and networking and SONET (Synchronous Optical NETWORK) equipment. Deviation from this standard requires the written consent of the CTO.

8.4 Server Infrastructure Standard

The Port Authority’s standard platform for File & Print and Application servers is IBM.

Technology Department has contracted discounted pricing with our service provider for its servers and hardware support. In order for the agency to take full advantage of these savings, any new Application servers or File & Print servers must be built using IBM hardware purchased by TEC. This includes turnkey and distributed systems where File & Print or Application servers are specified in the design. Any replacement File & Print or Application servers must be IBM servers. Deviation from this policy will not be

allowed without prior approval of the CTO or his designee.

9.0 Wireless Technologies

9.1 Wireless Standards

9.1.1 Purpose and Scope

This section references the standard policies and procedures for all wireless devices and technologies including voice and data capabilities that store, process, transmit or access data. This includes but is not limited to commercial and unlicensed wireless networks and laptops, cellular devices, scanning devices, messaging devices (email devices) and PDAs.

9.1.2 General Policy

Employees will only use PA owned wireless devices to store, process, transmit or access PA data.

9.1.3 Personal Area Networks - PAN

PAN technologies should not be used for transmitting information without encryption.

Bluetooth security alone is unacceptable because it is not encrypted and does not use Federal Information Processing Standardization (FIPS) 140-1/2.

9.1.4 Wireless Local Area Networks – WLANs

9.1.4.1 Overview

Business requirements have arisen throughout various Port Authority locations for the improved use of Wireless LAN technology to facilitate local user mobility. Research performed on the different technologies support the use of Cisco as opposed to various wireless vendors in an attempt to produce a standard that will provide the agency with a secure, robust and scalable solution as WLAN's continue to grow within the agency.

In summary, the current Port Authority Wireless LAN standards are based upon IEEE 802.11n draft 2.0 technologies. (802.11n is backwards-compatible with existing 802.11a/b/g network adapters.)

The physical infrastructure is now based upon a centralized WLAN architecture that relies upon Cisco wireless bridges, access points, mesh routers and newly implemented controllers. WLAN's should be standardizing on the 4404 and 4402 controllers at this time as described further in this document.

Wireless LAN technology is continually developing with rapidly evolving industry standards, government regulations, and vendor products. As a result, the WLAN Standard presented in this document will likely be superseded in the future as the technology and products change.

9.1.4.2 Scope

The scope of this document shall present some standards for the Agency Wireless LAN and the specification of all devices and configurations.

9.1.4.3 Principles

At the highest level, the principles for the Wireless Standard are based upon the following attributes:

- Security - use of strong encryption (e.g. WPA-TKIP / WPA2- AES) for use as authentication of all traffic on a port-to-port basis, with the use of credentials stored on a back-end RADIUS server utilizing key distribution.

- Scalability - with LWAPP access points & use of LWAPP tunnels
- Reliability - via authentication of users to the networking enterprise mode.
- Manageability - via secured ports and VPN / FW access.

9.1.4.4 Compliance Requirements

All specifications defined in this section may be effective upon approval of and complete concurrence with TEC's CTO, to update wireless standards and policies as per IEEE and Wi-Fi Alliance Standards

9.1.4.5 Device Specifications

The following sections will provide the various hardware components, and related firmware versions, that are specified for use in the Port Authority's WLAN solution.

9.1.4.6 Access Point (AP) Standard

Standards Details:

- 3600 AP's are the agency standard for WLAN deployment. These AP's have 802.11n 2.0 radios. Backward compatible to 802.11 a/b/g.
- 1310 AP/ Bridge is certified for use in unique situations where both internal and external antennae are supported. The major distinction is that of a more rugged chassis designed for higher-stress outdoor-type conditions. 3250 mobile routers for mesh deployments.
- AP Deployments will be Lightweight Access Point (LWAP)
- AP Standard Summary:
 - a) Two cables per pull during wiring for wired to wireless.
 - b) AP's & controller placements via RF propagation results.
 - c) PA supported standard AP's need to be verified with TEC
 - d) If wireless is primary connection-'load-balance' AP' cabling connection to two different network switches
- WLAN Controller Standard
This standard is in the process of being upgraded to Network Control System (NCS) & Identity Services Engine (ISE) Appliance to accommodate more advanced wireless deployments.

9.1.4.7 Best Practice

The following information is industry best practices for wireless hardware implementation used for the Agency's deployments, not for wireless device configuration practices.

WLAN Best Practices Add-ons:

1. Ensure that the PA maintains an up-to-date wireless hardware inventory.
2. Identify rogue wireless devices via wireless intrusion prevention systems (IPS)
3. Enable automatic alerts on the wireless IPS
4. Perform stateful inspection of connections.
5. Augment the firewall with a wireless IPS
6. Mount AP in location that do not permit easy physical access
7. Secure handheld devices with strong passwords
8. Enable WPA and WPA2 under ENTERPRISE mode
9. Synchronize the AP's clocks to match networking equipment.
10. Manage remote physical locations of all access points which support an isolated network that needs access to PAWANET for server farms and internet access.
11. Maintain cryptographic strength range from 128-bits to 256-bits with matching symmetric algorithms AES-128 to AES-256

Wireless Control System (WCS):

1. Single license
2. Secure "WIRELESS LOCATION APPLIANCE" with real-time client tracking & RF fingerprinting
3. Secure Windows-Based deployment as minimum, for example, windows server 2003; intel dual-core; 3.2 GHz; 4-GB RAM; 80-GB hard drive; IPS devices; IOS firewall routing; HTTP port 80; HTTPS port 443.
4. Multi-homed server (i.e., two NIC cards)
5. Secure WCS and IIS (i.e., internet information service), installation sequence
6. Create configuration group (configure multiple controllers)
7. Secure auto provisioning with filtering
8. Secure WCS with RF modeling for heat map planning
9. Secure 15 second alarm summary refresh

9.1.4.8 Portable Electronic Devices (PEDs) – Cell Phones, PDAs, messaging devices, laptops and tablets

If a device receives information via a wireless technology, and that device allows that information to be placed directly into the corporate network at the workstation level, then all perimeters and host-based security devices have been bypassed. Therefore, the following procedures apply:

- PEDs connected directly to a PA wired network via a hot sync connection to a workstation is not permitted to operate wirelessly at the same time. Wireless solutions could create backgrounds into corporate networks.
- IR, Bluetooth and 802.11 peer to peer should be set to "off" as the default setting. Mobile code should be downloaded only from trusted sources over assured channels.
- Anti-virus software are required on devices and workstations that are used to synchronize/transmit data, if available. Where not available on a device, disable the synchronization capability or provide server or workstation based handheld anti-virus protection.
- PEDs are easily lost or stolen therefore approved file system/data store encryption software is required.
- PEDs need to be capable of being erased or overwritten to protect data. If the device is no longer needed and cannot be erased or overwritten, it must be physically destroyed.

9.1.4.9 Cellular and Wireless Email

Cellular and wireless e-mail devices are subject to several vulnerabilities (e.g. interception, scanning, remote command to transmit mode, etc). Therefore, the following procedures apply:

- Must have end-to-end encryption.
- PC based redirectors are not allowed as it requires the PC to be active at all times only server based redirectors will be used.
- The use of LANS and Wireless transmitters, i.e. Bluetooth etc. by PANYNJ personnel using PANYNJ equipment is strictly prohibited

9.1.4.10 Synchronization

Some synchronism systems will operate even if the workstation is locked and the wireless or handheld device is not registered with the sync application on the workstation. As long as the workstation is on, the user is logged on, the data application client (e.g. MS Outlook) is active, and the "hot sync" cable is attached to the workstation; any person can place a compatible wireless or handheld device in the "hot sync" cradle and download data. Therefore, the following procedures apply:

- "Hot sync" cable or cradle has significant security risks, therefore perform "hot sync", and then remove immediately once "hot sync" operation is complete.
- Secure "hot sync" cables and cradles.
- Use only PA approved third party sync access control software installed on all workstations.
- PA owned devices may only be synchronized with PA owned computer systems

9.1.4.11 Responsibilities of Technology Department

- Monitor and provide oversight of all PA wireless activities, insure interoperability of wireless capabilities across the agency.
- Develop appropriate technical standards for secure wireless and handheld solutions.
- Establish a formal coordination process to ensure protection of PA information with PA information systems employing wireless technologies.
- Review and evaluate wireless technologies, products, solutions that meet PA requirements.
- Identify approved monitoring mechanisms for wireless devices to ensure compliance with policy.
- Periodically review approved wireless technology standards and procedures to ensure products and solutions remain compliant.
- Support risk management activities associated with evaluating wireless services
- Act as central coordination point and final approval authority for any exceptions to this policy.
- Define or approve acceptable wireless devices, products, services and usage.
- Provide immediate consultation to PA units.
- Adhere to wireless procedures and standards, establish procedure for reviewing and approving requests for using wireless devices to store, process, or transmit information.
- Establish procedures for periodically reviewing approved wireless devices and services to ensure that the business requirement for device/service/system is still valid and meet current PA guidance.
- Establish procedures for inventory and control of wireless devices and equipment.
- Establish procedures and implementation plans for auditing wireless connections to the network.
- Provide user training.

9.1.4.13 Responsibilities of Wireless and Handheld Device Users

- Coordinate all requests through Technology Department...
- Read and follow standards.
- Access information systems using only approved wireless hardware, software, solutions and connections.
- Take appropriate measures to protect information, network access, passwords and equipment.
- Use approved password policy and bypass automatic password saving features.
- Use extreme caution when accessing PA information in open areas where non-authorized persons may see PA info (airport lounge, hotel lobby).
- Protect PA equipment and information from loss or theft at all times, especially when traveling.
- Keep current anti-virus software on devices.
- Use appropriate Internet behavior (e.g. approved downloads).
- Exercise good judgments in efficient cooperative uses of these resources and comply with current and future standards of acceptable use and conduct at all times.
- Report any misuse of wireless devices, services or systems to management.

9.2 Cellular Phone & Wireless Modem

The Port Authority obtains cellular service under governmental contracts. All orders for cellular service or equipment must be placed under these contracts. If the contract service provider cannot meet the requirements, a memorandum requesting approval to obtain cellular service outside of the contracts must be sent to the CTO.

9.3 Technology Mobile Device Policy

9.3.1 Introduction

Mobile devices are a class of handheld computers that currently offer limited functionality with compact size and portability. Additional functionality such as Word and Excel are already included in many Mobile devices, with further enhancements predicted.

In order to better serve the PA, and to limit the expense of supporting a wide variety of Mobile device hardware and software, Technology Department will support the use of the Windows and Apple IOS based devices.

With a Mobile device, a user can maintain their calendar, address book, to-do list, and e-mail on a platform that is very portable and easy to use. Integration with Outlook makes it possible for users to keep identical, synchronized copies of data on both the desktop application and the Mobile devices.

9.3.3 Software

The current version of Apple IOS software are supported.

Microsoft ActiveSync is used for connecting to the corporate E-Mail system.

Any software found to interfere with normal operation must be uninstalled in order to receive support from Technology Department.

9.3.4 Support

Support for Mobile devices hardware and software is provided by Technology Department through the Customer Support Desk. TEC will support the physical hardware connection (PDA cradle to PC) and software to support this connection. No software can be added to company owned mobile devices without TEC's assistance and CTO approval.

9.3.5 Training

Training will be available covering basic mobile devices use and integration with Outlook at the time of installation of the equipment. Training classes for the mobile devices may be provided in the future depending on user demands.

9.3.6 Acquisition

The PA will purchase Mobile devices for employees with a business need for the mobile device. Employees are responsible for obtaining management approval. TEC also recommends that a protective case (preferably a zippered case) be purchased to reduce damage to the units.

Since the PA owns the device, if an employee leaves the PA, the device is returned to the Director's office of their department.

9.3.7 Personal Acquisition

Employees, who purchase their own mobile devices, will not be allowed to connect to the PA corporate network or equipment, unless approved by Technology Department.

Customer Support Desk personnel will support all PA owned and authorized mobile devices.

9.3.8 Data Security Considerations

Users should carefully consider what type of information they store on their mobile. Extreme caution should be taken when using company confidential data on the mobile units.

All mobile devices accessing corporate resources are to be password protected.

9.3.9 Data Backup

Though it does not happen often, it is possible to lose or damage the data that resides in the mobile devices. Technology Department will provide assistance in attempting to recover files or data from data corruption.

Appendices

Appendix 1 -- Business Resumption Plan Document Format

I. PURPOSE

- Goals and objectives of plan
- Benefits obtained if plan properly implemented

II. SCOPE OF PLAN

- Planning assumptions
- Facilities and resources included in plan

III. NOMENCLATURE

- Recovery terms
- Definitions and acronyms

IV. DISASTER SEVERITY DEFINITION

Define level of potential disaster based on impact to critical functions. Explain what degree of operational disruption would constitute each level of disaster:

- catastrophic
- serious
- major
- limited

V. OPERATIONS RECOVERY PROCEDURES (Procedures for recovering services)

1. Indicate time frames in which essential operational/business functions must be resumed.
2. Specify sequence of operations recovery events and individuals responsible for activity. Note any specific activities required for particular levels of disaster severity. For example:

- Notifications
- Preliminary evaluation
- Activate operations recovery personnel
- Coordinate with emergency personnel
- Evaluate recovery options and issue directive which details:
 - Assigned tasks
 - Project schedule/time frame
 - Coordination required
 - Identify relocation activities, if required
 - External/internal status updates

3. Identify items required for backup of critical functions. For example:

- Alternate work site
- Hardware/software

- Personal computers
- Necessary software packages
- Documentation
- Peripherals (printers, modems, etc.)
- Databases
- Emergency equipment
- Communications
- Transportation
- Supplies
- Security
- Operations and procedures manuals

VI. OFFICE/FACILITY BUSINESS SITE RESTORATION PROCEDURES

(Procedures for restoring physical facilities)

- Identify restoration responsibilities
- Assess damage
- Develop restoration plan/time frames

VII. BRP UPDATE PROCEDURES

- Specify responsibility for updating and communicating BRP changes
- Indicate frequency of review/update

Appendix 2 -- Communication Rooms/Closets Standards

SPACE

All data communication rooms must be designed with required and estimated space to meet immediate requirements, as well as, future growth.

ENVIRONMENTAL

The following conditions must be met:

- a) Doorways/Entrances must be designed to support at least the minimum space requirements of 90"Hx72" Wx60" D.
- b) The room's cooling capabilities must be sufficient to support the heat dissipation requirements for the equipment. This requirement will be measured in minimum and maximum BTUs powered by AC-powered systems. Equipment specs will be supplied by TEC upon request.
- c) Backup UPS systems are necessary to avoid equipment damage in case of site power failure.
- d) Telco demarcs must be located in a central location with sufficient space to house Telco termination equipment.
- e) The room should be designed with the appropriate fire safety regulations.
- f) Cables trays must also be installed in the communications room ceiling where appropriate, to support the routing of data communications and Telco cables.
- g) Basic 24"W/30"D/84"H cabinets with 19" racks must be installed to house communications equipment such as: routers, switches, hubs, DSUs/CSUs and monitors.
- h) To create more wall space the use of wall mount racks can be installed, however, all wall cabinets must support rear access to the equipment. Appropriate sized plywood must be installed prior to mounting racks.
- i) Category 5e/6 cable must be terminated in wall/rack mounted patch panel.
- j) Fiber patch panel must be installed in fiber IDF panel with SC female interface.
- k) The fiber must be neatly tie wrapped and enclosed in flexible inner-duct.
- l) Telephone access must be installed in the appropriate location to provide for basic trouble-shooting and vendor support.
- m) All communications equipment and cabinets must have ample room for easy access and proper ventilation.

Appendix 3 – Standard Cabling Schemes

- a) Teflon-coated cables will be installed per fire code regulations.
- b) Overhead cable trays and drop post must be installed for cable routing.
- c) Cabling scheme must be used to label and identify all cables. All cables must be neatly tie-wrapped.

Appendix 4 -- Unified Wiring Plan

To satisfy existing and future voice and data communications requirements, while minimizing the need for wiring changes and additions, the Port Authority has adopted the following lateral wiring specifications for all workstations being constructed. This plan is applicable to all PA locations, except when specifically noted.

LATERAL CABLE:

Voice and data telecommunications requirements for each workstation will be provided by a combination of three individual cables, installed between the workstation and the serving telephone closet / intermediate distribution frame (IDF), in a "home run" configuration. All cabling installed will be of plenum type, fire retardant (FEP) rated.

Cable specifications:

(3) Cables capable of supporting Category 5e/6 capabilities as outlined in the TIA/EIA-568-B.2 standard. Specifically:

Gauge: 24 AWG Pair

Size: 4

Insulation: Plenum, fire code rating (FEP)

Cable allocations will be as following:

Cable #1: Voice**

Cable #2: Data

Cable #3: Data

- *100.0MHz is the speed the PA wants to deliver to the desktop.
- **Cable #1 is to be split in the workstation to support 2 telephones.

Technical specs for the Cat 5e/6 cable is as follows.

TECHNICAL DATA--ELECTRICAL				
Frequency MHz	Horizontal		Patch	
	Attenuation dB/100 m max.	Next dB min.	Attenuation dB/100 m max.	Next dB min.
1	2	62.3	2.4	62.3
4	4.1	53.2	4.9	53.2
10	6.5	47.3	7.8	47.3
16	8.2	44.2	9.8	44.2
20	9.3	42.7	11.1	42.7
31.25	11.7	39.8	14.1	39.8
62.5	17	34.3	20.4	34.3
100	22	32.3	26.4	32.3

Technology Standards for the Port Authority (Non-Confidential) – December 2015

TECHNICAL DATA--PHYSICAL			
	CMR	CMP	CM (Patch)*
Conductor diameter-in. (mm)	.020 (0.52)	020 (0.52)	024 (0.61)
Cable diameter-in. (mm)	.195 (5.0)	165 (4.2)	215 (5.5)
Nominal cable weight-lb./kft. (kg/km)	21 (31)	21 (31)	23 (34.2)
Max. installation tension-lb. (N)	25 (110)	25 (110)	25 (110)
Min. bend radius-in. (mm)	1.0 (25.4)	1.0 (25.4)	1.0 (25.4)
* Patch cables utilize stranded tinned copper conductors			

PARAMETRIC MEASUREMENTS		
	Horizontal	Patch
Mutual Capacitance	4.6 nF/100 m nom.	5.6 nF/100 m nom.
DC resistance	9.38 Ohms/100 m Max.	9.09 Ohms/100 m max.
Skew	45 ns/100 m max.	45 ns/100 m max.
Velocity of	72% nom. Non Plenum	72% nom.
Propagation	72% nom. Plenum	
Input Impedance	100 + 15% 0.7772-100 MHz	100 + 15% 0.772-100MHz
	ISO/IEC 11801	

COLOR CODE			TEMPERATURE RATING	
Pair 1	White/Blue	Blue	Installation	0 degrees C to +50 degrees C
Pair 2	White/Orange	Orange	Operation	-10 degrees C to +60 degrees C
Pair 3	White/Green	Green		
Pair 4	White/Brown	Brown		

Appendix 5 -- Telephone Closet / IDF Termination Blocks

Lateral Data cabling serving each workstation will be terminated on a CAT5e/6 patch panel (RJ45 face, 110 punch rear) in the telephone closet. For analog phone service, termination is to be on 110 blocks in telephone closet, allowing access to the telephone riser. For data, a patch cord is installed between patch panel and IT device. The patch panel can be mounted on the wall with a wall mount kit or in a rack if one is needed and should be appropriately numbered with the workstation number. The patch panel must be capable of supporting Category 5e/6 the TIA/EIA-568-B.2 standard. The patch panel shall have a swing away faceplate or rack mountable.

NOTE: The Category 5e/6 patch panel should be equivalent to the AMP SL series 110Connect Category 5e/6 patch panel or approved Category 6 patch panel. The number of ports may vary.

Each workstation shall be assigned a unique station identification number.

Appendix 6 -- Workstation Jacks

Workstations will be equipped with various components of the AMP Communications Outlet system (AMP equivalent can be used with TEC approval). Each workstation will be installed with (1) double-gang jack housing box and matching face plate, capable of securely mounting three Category 5e cables or Category 6 and four modular data connectors, maintaining the integrity of category 5e/ Category 6 capabilities as outlined in the TIA/EIA-568-B.2 standard. All workstation jacks will be wired in accordance with the TIA/EIA-568-B.2 standard. All modular jacks are to be labeled in accordance with TEC number schema.

Appendix 7 -- Standard Switches Inside the Department

Any switches in the following Cisco series are acceptable (Vendors will consult with the Technology Department (TEC) to determine the appropriate switch configuration at the time of proposal submission):

Cisco 3000 series – low capacity

Cisco 4000 series – medium capacity

Cisco 5000 series – medium capacity

Cisco 6000 series – high capacity

Cisco Nexus 7000 series – high capacity

Cisco Nexus 9000 series – medium and/or high capacity

Appendix 8 -- Workstation and Lateral Cable Identification Management

WORKSTATION AND LATERAL CABLE IDENTIFICATION/MANAGEMENT (Facility)

All lateral cabling installed to workstations at the Port Authority Facilities must be designated in accordance with the Port Authority's workstation and lateral cable identification code: This code consists of two elements, as follows:

- 1 - Room number or department name (acronyms are acceptable).
- 2 - Workstations (3 numeric digits)

The cable identification code for Workstation 10 in room 3801 at LGA CTB is 3801-010. The cable identification code for Workstation 15 in PA Automotive shop is Auto-015

Appendix 9 – Fiber Optic Specification for Network Services - PAWANET

General Scope of Work

1. Conduct a walk thru based on the specific Scope of Work for the job in question.
2. Note that all diagrams and or sketches that may be provided are approximates and not to scale.
3. All fiber optic cable is to be installed in rigid conduit or, where applicable, in plenum rated flexible inner duct.
4. Contractor shall furnish and install fiber optic cable as designated in the specific Scope of Work.
5. Fiber optic cable type for interoffice use shall be loose tube, with aramid yarn water block:
 - Singlemode Fiber – 8.3/125/250 micron diameter (core/cladding/coating) manufactured by General Cable or approved equal.
6. Fiber optic cable attenuation from the factory, before installation, shall not exceed:
 - Singlemode – 4db per km @ 1310nm/.3 db per km @ 1550nm
7. All fiber optic cable is to be labeled on each end and at any junction or patch panel with, 28 gauge, 2" wide embossed with ¼" high letters. The labels are to be fastened to the fiber optic cable using sealed wrap around labels or pliable Velcro ties.
8. Fiber optic cable shall be installed in accordance with the manufacturer's specifications. Any portion of the cable damaged during installation will be repaired or replaced by the contractor without any additional cost to the Port Authority of New York New Jersey.

Fiber Optic Terminations

1. Fiber optic terminations will use SC connectors unless otherwise specified in the Scope of Work.
2. Fiber optic terminations shall not yield more than 1db per mated (at the bulkhead) connector.

Fiber Optic Testing

1. Fiber optic testing shall be performed by the contractor and certified fiber optic technicians.

Fiber optic technicians will be prepared to complete test procedures with the following equipment:

- Source and power meter testing to provide optical loss measurements.
 - Reference test cables and mating adapters that match the cables to be tested.
 - Cleaning materials – lint free cleaning wipes and pure alcohol.
 - OTDR test set with the proper launch cables and adapter types.
 - Power loss testing from both ends.
2. Fiber optic technicians will perform OTDR test on all terminated fibers unless otherwise noted in the Scope of Work.
 3. Fiber optic test results shall be recorded, and reports provided to the PA in hardcopy and via a readable txt file (PDF or RTF is acceptable).

Appendix 10 -- Public Telephone Ordering Standards

Technology Department (TEC) staff is responsible for the management of the permit for public telephone service are available to answer any questions and provide direction for any matter relating to public telephones.

General Standards

All public telephone requests – that is both coin and non coin in any Port Authority space or any area of the tenant space – both “public” and “club” locations will be coordinated by the Port Authority to cover both New York and New Jersey.

Process

When the Facility, Property Manager, tenant or their representative (e.g. designer, architect, general contractor) has a public telephone requirement, they will contact the Technology Department (TEC) whom will review the request and provide coordination with the appropriate service provider.

**CYBER SECURITY GUIDELINES FOR THE
PORT AUTHORITY OF NY & NJ**

**CYBER SECURITY
GUIDELINES FOR THE PORT
AUTHORITY OF NY & NJ
V 3.4**

Prepared by: Technology Services Department (TSD)

As of August 15, 2011

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Introduction

The Port Authority significantly relies on Information Technology (IT) to support its various businesses and achieve its strategic mission. To ensure that information and systems are safe, the Technology Services Department (TSD) has developed a formal IT Security Program and Cyber Security Guidelines, focused on protecting the Agency from all types of security threats to the Agency's IT infrastructure.

The Cyber Security Guidelines encompass all systems, automated and manual, for which the Agency has administrative responsibility, and identifies measures taken to protect a network, system, computer device, etc., against unauthorized access or attack.

1. User Authentication

a. User Accounts

- i. The Agency uses the Request for Access to Information Systems (Form PA 3624A), which can be found online on ENet, for all user account and systems access adds, changes and deletions. The form is submitted by a Port Authority employee and is approved by the departmental approver.
- ii. Upon approval from the department, the form reaches TSD and is reviewed by TSD for approval or denial.
- iii. If elevated rights (i.e., Administration Rights) are requested with expiration date identified, Assistant Director of Technology Infrastructure approves; if requested not to expire, Director of TSD approval is required before processing.
- iv. Both Daily and Weekly personnel additions and terminations are forwarded to TSD. TSD ensures that 3624A's exist, or are processed for, each change. Submission of personnel transfers, however, are the sole responsibility of the Business Manager.
- v. All users accessing the Port Authority's network must authenticate to the Agency's Directory Services. Directory Services is a database containing descriptions of all network devices including servers, printers, shared devices and user accounts.

b. Password Authentication

- i. A "strong" password should be created:
 1. User accounts should be changed every 30 days; You must change every 90 days
 2. Administrator accounts must be changed every 30 days
 3. At least eight characters is preferred; Six characters is the minimum
 4. Should include both alpha and numeric characters
 5. May include at least one special character
 6. May include both upper and lower case letters
 7. Cannot reuse password within a one-year period
- ii. Accounts on servers, desktop and laptops are locked after five (5) unsuccessful login attempts. Accounts on BlackBerry devices are locked after ten (10) unsuccessful login attempts.
- iii. Initial password for systems and applications access should be changed on first login and may only be changed once a day.

- iv. Never write it down
- v. Never share it
- vi. Cannot be stored in clear text
- vii. Cannot be stored in an automated logon process (e.g., macro, application code, etc.)
- viii. Notify the Customer Support Desk, 10-7469, immediately if you suspect your password has been compromised

2. Information Assurance

Downloading and printing Confidential Information carries with it the responsibility to protect that information in accordance with the requirements of the Agency's Information Security Handbook (<http://eNet.panynj.gov/home/pdf/Corporate-Information-Security-Handbook.pdf>). In addition, possession of electronic files containing Confidential Information assumes full responsibility for the proper handling, storage and transmittal of this type of information in the same manner as hard copy requirements.

Users who possess electronic files containing Confidential Information shall adhere to the following guidelines to maintain the proper protections of this material.

Electronic equipment that has a storage device or persistent memory, such as desktop computers, laptops, CAD desktop computers, portable computing devices (e.g., BlackBerry devices) must adhere to the following guidelines to maintain the proper protections of this material.

a. Computer Devices (Desktops, Laptops, CAD Workstations)

- i. All computing for the Agency is performed on PA approved computer devices. To protect them against viruses and malicious software, (e.g., Trojan Horses), McAfee VirusScan Enterprise & AntiSpyware is installed. In addition, software restriction policies are fully integrated with Active Directory and applied on all computer devices to prevent unauthorized installation of non-standard applications. Agency approved software, which can be found on the TSD Department eNet site, is installed by TSD. Each Line Department is responsible for maintaining a current inventory of their approved Line Department specific software licenses and for providing proof of license to the TSD at time of installation request.
- ii. TSD oversees the System Administration and day-to-day operational support for PA approved computer devices.
- iii. The automatic lock/screen saver feature will activate after a period of fifteen (15) minutes of non-use.
- iv. TSD maintains a "chain of custody" process surrounding all hard drives. Currently, all removed hard drives are managed and stored off-site at a secure location. Required exceptions are in place with the Office of the Inspector General (OIG) and Public Safety (PSD).

- v. User Responsibilities:
 - 1. Individuals granted access to the Port Authority's network or information systems shall secure computer devices from unauthorized access.
 - 2. When leaving a computer device unattended, users should apply the "Lock Workstation" feature (Ctrl/Alt/Delete, Enter).
 - 3. Unattended computer devices should be secured from viewing by password protected screen savers.
 - 4. Confidential Information must be stored on a networked drive directory rather than the computer device's hard drive. (Note: Due to the nature of the functions of the Office of Inspector General [OIG], there will be occasions when OIG must deviate from this practice.)
 - 5. Computer devices and monitors should be turned off at the end of each workday.
 - 6. Users must not disable or alter security safeguards (e.g., virus detection software) installed on the PA approved computer device.
 - 7. Users must not load non-Agency software or proprietary non-Agency data onto an Agency owned computing device.

b. Mobile Computing Devices

- i. All mobile computing resources (e.g., laptops, BlackBerry devices, mobile phones, etc.) and information media must be secured to prevent compromise of confidentiality or integrity while on or off Agency premises. Information contained on these mobile computing devices is governed by the Information Security Handbook (ISH).
- ii. Personal Mobile Computing Devices are not allowed to connect to the Agency's corporate network or infrastructure, unless pre-approved by the Director of TSD.
- iii. To protect data information and hardware, a password is required on every BlackBerry device. An inactivity timeout value is set to lock the device after 30 minutes of inactivity.
- iv. TSD maintains a "chain of custody" process surrounding all hard drives. Currently, all removed hard drives are managed and stored off-site at a secure location. Required exceptions are in place with the Office of the Inspector General (OIG) and Public Safety (PSD).
- v. User Responsibilities:
 - 1. Care must be taken when using mobile computing devices in public places, meeting rooms and other unprotected areas outside of the Agency's facilities. Protection must be in place to avoid the unauthorized access of information stored and processed by these devices. *Please contact TSD to discuss protection measures if you identify a device/scenario meeting such criteria.*
 - 2. It is important that when such devices are used in public places, care must be taken to avoid the risk of unauthorized persons viewing information on the screen.
 - 3. Mobile computing devices must be physically protected against theft, especially when in transit (e.g., car, train, plane, etc.) or at rest (e.g., hotel rooms, conference rooms, etc.).

4. Equipment carrying important, sensitive and/or critical information must not be left unattended and must be physically locked away and secured.
5. Mobile computing devices must not be checked in airline luggage systems. These devices must remain in the possession of the Port Authority employee at all times.
6. By default, Wireless Detection (e.g., Bluetooth, WiFi, Wireless Networks, etc.) must be turned off on all mobile computing devices, *unless* it is required. Only when required should the Wireless Detection be turned on for use. Once completed, the Wireless Detection should be immediately turned off.
7. Users must not load non-Agency software or proprietary non-Agency data onto an Agency owned computing device.

c. Servers

- i. The standard for general purpose Application servers, Database servers and File and Print Computing is IBM. Microsoft (MS) Windows 2003 and 2008 R2 64-bit Server (Standard and Enterprise) are the supported Operating Systems for these servers.
- ii. Fault Tolerant Application servers and Database servers is NEC FT. MS Windows 2003 and 2008 R2 64-bit servers are the supported Operating Systems for these servers.
- iii. Operating system settings and configuration will be performed by TSD to ensure compliance to appropriate security policies based on server roles, e.g., Web, Database, Fax, etc..
- iv. All servers and communication equipment must be located in access controlled/locked rooms (or secured with a cable and lock at the very least), in data cabinets with dual power, with the keyboard secured to prevent tampering and unauthorized use, with appropriate environmental cooling and monitoring oversight.
- v. TSD maintains a "chain of custody" process surrounding all hard drives. Currently, all removed hard drives are managed and stored off-site at a secure location. Required exceptions are in place with the Office of the Inspector General (OIG) and Public Safety (PSD).

d. Virtual Environment

- i. All ESX servers and associated storage components must be located in access controlled/locked rooms (preferably the Agency Data Center environments), in data cabinets with dual power, with the keyboard secured to prevent tampering and unauthorized use, and with appropriate environmental cooling.
- ii. All ESX server implementations must implement a management framework consistent with our PA ESX Administration Guide, which from time-to-time will be updated to reflect Standard Operating Procedures.
- iii. All ESX server implementations must provide "as built" documentation consistent with the framework established in our VMware Infrastructure Documentation For the Port Authority. This document must be kept current as changes to the environment are implemented.

- iv. All ESX server implementations (i.e., ESXi Operating System) must be patched on a regular basis using the management framework established in our PANYNJ ESX Patch Management document, which from time-to-time will be updated to reflect current patching procedures.
- v. All ESX-based Guest Virtual Machines must implement Operating System configurations and security settings, consistent with those identified in the Standards and Guidelines, System Administration and Windows Server Installation documents.
- vi. Access to ESX Operating System must be limited to System Administrators who have received ESX training and certification in the appropriate VMware components.
- vii. Storage Devices or Storage Area Network (SAN) should be configured based on ESX implementation purpose/application needs:
 - 1. Switch Zoning and/or Volume Partitioning – used to separate servers/storage based on the functionality and/or data criticality.
 - 2. SAN-to-SAN Replication – used to provide extra level of protection and high availability for mission critical data by block level replication between physical locations.

e. Portable Media

The risk of unauthorized disclosure of highly sensitive data is very high when such data is stored on individual-use electronic devices (e.g., flash drives, portable hard drives, DVDs, CDs, memory cards, etc.) and media, as these items are easily stolen or misplaced.

- i. Personal portable media devices are not allowed to connect to the Agency's corporate network or infrastructure, unless pre-approved by the Director of TSD.
- ii. It is important that portable devices offer strong protection, e.g., hardware encryption. Additionally, the encryption key must be protected with strong user authentication. *Please contact TSD to discuss protection measures if you identify a device/scenario meeting such criteria.*
- iii. The Agency strictly limits the circumstances under which highly sensitive data may be stored on these individual-use electronic devices and electronic media. It further mandates that strict security requirements be met when highly sensitive data must unavoidably be stored on individual-use electronic devices or electronic media. *Please refer to the Agency's Information Security Handbook (<http://eNet.panynj.gov/home/pdf/Corporate-Information-Security-Handbook.pdf>).*
- iv. User Responsibilities:
It is the responsibility of individuals to determine if they have sensitive data on their device(s) and/or media, and, if so, to ensure compliance with the following guidelines:
 - 1. The Director of the Department with which the individual is primarily affiliated must state, in writing, that such storage is an essential business need and must file the written statement and approval in a secure location for subsequent audit purposes. The Department Director must also ensure the individual has a signed Electronic Access Agreement on file with TSD.

2. Highly sensitive data must be securely encrypted on the individual-use electronic devices or electronic media according to encrypted methods recommended by TSD. Login password must be enabled for the individual-use electronic device, and if available, the electronic media. The password must meet or exceed appropriate complexity levels stated by the Agency. The password must not be shared with anyone.
 3. The data must be deleted from the individual-use electronic devices or electronic media as soon as it is no longer required, using secure methods according to the Agency's Information Security Handbook.
 4. Management of the individual-use electronic devices or electronic media may not be outsourced to any party external to the Agency without written approval from the Director responsible for the department with which the individual is primarily affiliated.
 5. All individual-use electronic devices and electronic media should be stored in a secure location or locked cabinet when not in use.
 6. Users must not load non-Agency software or proprietary non-Agency data onto an Agency owned computing device.
- f. **Centralized Data Backup**
Approved standard software products are used to perform centralized and scheduled server backups, to be managed automatically, logged and stored remotely with encryption.
- i. The backup strategy for servers connected to the Port Authority network (PAWANET) reflects the intent to protect data, files and electronic records stored on these servers in the event of data loss or corruption.
 - ii. Media containing backed up data is stored off-site at a secure location, to be retrieved for disaster recovery purposes, if required.
- g. **Cyber Scrubbing**
- i. On a file-by-file basis, Cyber Scrubbing may be used to permanently delete Confidential Information only in accordance with the Port Authority's Records Retention Policy.
 - ii. Once contacted, TSD will utilize the CyberScrub suite of software to remove Confidential Information as requested.

3. Data Center

- i. Located in a gated campus that controls access via numerous layers of physical and electronic security devices.
- ii. Protected with fire safety system, leak detection system and is equipped with fully redundant backup systems for communications, power and cooling infrastructure.
- iii. Threat and risk assessment reviews and audits of security standards, operating procedures, and other protective measures are performed regularly to ensure we provide a secure, reliable and available centralized information systems environment to house the Agency's information and computing equipment.

4. PAWANET

The Port Authority has a modern distributed computing network, which is managed as an Enterprise resource. The network connects all individual computing devices, servers, printers and other devices in a unified computing infrastructure that makes it possible for the Port Authority to conduct its business. Please also reference the TSD Standards and Guidelines document, from the TSD eNet Home Page, for additional detailed information.

a. Network Devices

- i. All users accessing the Port Authority's network must authenticate to the Agency's Directory Services. Directory Services is a database containing descriptions of all network devices including servers, printers, shared devices and user accounts.
- ii. Access to network devices such as routers and switches is limited by the use of Access Control Lists (ACLs). Access to network routers and switches is authenticated by Cisco's TACACS (Terminal Access Controller Access Control System).
- iii. The SNMP V3 (Simple Network Management Protocol) Security Feature has been applied to all routers and switches to deny unauthorized access.
- iv. All router and switch configurations are updated regularly based on the Cisco Security Best Practice policy. This policy, as well as the PA Standard Configuration policy, is available upon request.
- v. Modems and wireless devices must be pre-approved by the Director of TSD and follow all security and encryption best practices referenced within and in the TSD Standards and Guidelines.
- vi. Penetration tests are conducted twice a year.
- vii. The Enterprise Network consists of the PAWANET and connected Local Area Networks (LANS). The line of demarcation between the cable and wiring, which is the responsibility of the carrier, and the Port Authority's area of responsibility, is usually a secure limited access wiring closet. The Port Authority's Enterprise Network consists of the following components on the Port Authority side of demarcation:
 1. Enterprise Devices
 - a. Cabling (both copper and fiber optics)
 - b. Routers
 - c. Switches
 - d. Wireless Access Points (WAP)
 - e. Wireless Bridges
 - f. Fiber Optic SONET Nodes
 - g. Wiring Closets
 - h. Communications Equipment Racks
 - i. Server Racks
 - j. Servers
 - k. Storage Area Networks (SAN)
 - l. Network Printers
 - m. Video Encoders and Decoders

2. LAN Devices

- a. Workstations (Desktops and CADs)
- b. Laptops
- c. Local Printers
- d. Scanners
- e. Copiers
- f. PC Peripherals
- g. VOIP (Voice Over Internet Protocol) Telephones
- h. Voice Analog Gateways
- i. Cameras
- j. Security Card Access Devices

b. Firewalls and Intrusion Detection Appliances

- i. The Agency uses several layers of stateful inspection firewalls to control traffic between the PAWANET, Public and Private DMZs, directly connected vendors and the Internet. In addition to stateful inspection, the firewall technology offers application intelligence, which allows for deeper protocol-specific traffic inspection and protection against IP spoofing, Denial of Service (DoS) and other kinds of attacks. The access is controlled by policy sets, which limit the source, destination, port, protocol and in some cases, certain functionality of the protocol. The traffic that is not explicitly allowed is denied. Both allowed traffic and denied traffic are logged. The rule usage is reviewed on a periodic basis.
- ii. The Agency uses a multi-layered network-based Intrusion Detection (IDS/IPS) solution to protect the perimeter against intrusions. The updated attack signatures are automatically downloaded from the vendor's repository on an hourly basis and are automatically applied to the intrusion prevention system units. The IPS architecture allows for the centralized mining of the events across multiple IPS nodes and email-based alerts for high-priority events. Events are monitored and correlated on a regular basis. Correlation is also performed between the application protection policy of the firewall and the IDS layers of defense.
- iii. Host-based Intrusion Detection (HIDS) is installed and activated by TSD based on the purpose and physical location of the server. The technology protects the host against network attacks by examining incoming and outgoing traffic as well as the events on the host. The technology has the same log management and email alerting functionality as network-based intrusion detection. Events are monitored and correlated on a regular basis.
 1. Examples include:
 - a. Servers having a legal/regulatory obligation to ensure their security.
 - b. Servers housing information, that if disclosed, could pose a security threat.
 - c. Servers supporting a business process that must be available 24 x 7, such as physical access control.
 - d. Servers that are accessible to the outside world, firewalls, VLANs enforcing internal zone/domain separation.

- iv. All layers of perimeter security appliances offer several layers of intra-site and inter-site redundancy with automatic failover. The performed capacity planning and gathered experience over multiple years of maintenance guarantee seamless failover and adequate capacity of the remaining system to provide full functionality and no performance degradation in case of scheduled or ad-hoc failover.
- v. In the event of a security perimeter breach and/or the internal networks being compromised, the intrusions will be reported to the Office of the Corporate Information Security Officer and the Office of the Inspector General. We will retain the applicable logs from the perimeter security devices bearing the details of the perimeter breach.

c. Proxy Service

The proxy appliances and services offer extensive management, monitoring and reporting capabilities.

- i. The Agency has deployed multi-layered Web security appliances from one of the leading security vendors. The appliance performs the following tasks:
 - 1. Allows authenticated users to access Internet sites in accordance with the access policy
 - 2. Caches frequently used content
 - 3. Performs filtering of the malicious and inappropriate Web sites based on:
 - a. Site Database
 - b. Reputation Database
 - c. Proximity Vector
 - 4. Reputation Filters in place analyze more than 200 different web traffic and network-related parameters to accurately evaluate the trustworthiness of the course of the Web content.
 - 5. Performs deep application content inspection of the request and return traffic with several anti-virus and anti-malware engines. The solution employs sophisticated object parsing and streaming techniques as well as hardware optimization and acceleration to enforce security policies.
- ii. All device databases are being continuously and automatically updated with the new content via subscription service. The subscription service taps into the vendor's security event and signature database, which is updated by the 24/7 security team and cross-correlated with the events across the Internet. Such an approach allows for protection against the attacks that were initiated across the globe but have not yet spread to North America (including time-dependent outbreaks of viruses).
- iii. The proxy appliances provide hourly, daily, weekly and monthly statistics of the vital usage and performance parameters, which are stored on the appliances and periodically mailed to the members of the maintenance and management team. The technology also comes with the management application that allows for log consolidation and log mining on a separate server. The access logs are profiled on a regular basis and mined for specific usage per request of OIG and/or Public Safety representatives to assist with internal investigations.

d. Remote Access (Client-to-Site)

i. Infrastructure

1. The Port Authority corporate Remote Access System (RAS) provides authorized users with access to the Port Authority network resources and applications.
2. Access to a number of Port Authority public servers is protected either by a secure reverse proxy solution or by a managed VPN solution, each of which requires user authentication against Directory Services as well as masks the internal address space of the corporate network and the DMZ infrastructure.
3. The operating system of the Port Authority servers is hardened with all unneeded services being disabled.
4. Administrative access to the server is encrypted with SSL/TLS certificates.
5. All servers are monitored by a central monitoring server which generates E-Mail notifications when problems are discovered.
6. Server and application access logs are collected and processed on a regular basis.
7. Both the OS and the applications are patched with the most recent service packs and hot fixes on a scheduled basis. In the case of virtualized servers, the underlying host OS is also patched and secured.

ii. VPN Access

1. Remote access from external sources (such as a user's home) is achieved through an Internet-based managed VPN service.
2. It utilizes client software and proprietary hardware and software.
3. The servers are located at each of the Agency's secured Data Centers.
4. Requests for remote access are handled via the Request for Access to Information Systems (Form PA 3624A), which can be found online on ENet.

iii. Agency Application(s) Access

1. Single sign-on and remote authentication services to access internal web-based applications from the Internet have been established.
2. Identity-based Web security service and a two-form factor secure authentication device are required for authorized users to securely authenticate to the network over the Internet.

5. Virtual Private Network (VPN) (Site-to-Site)

Because the Internet is inherently insecure and provides no security mechanisms, dial-up access to the Internet is prohibited from any device that is attached to any part of the Agency's PAWANET Network. This includes accounts with third party Internet service providers. Users will not use the Agency's Internet accounts to establish connections to these third party services, unless authorized in advance to do so by the Agency's management and the security of the connection is reviewed and approved by the Director of TSD.

- i. The Director of TSD must approve all other connections from PAWANET to external networks, in advance. Connections will be allowed only with external networks that have been reviewed and found to have acceptable security controls and procedures, or where appropriate security measures have been implemented by the Agency to protect the Agency's resources. All connections to approved external networks will pass through an approved Agency firewall and intrusion detection sensor. Remote access to PAWANET and resources will be permitted provided that authorized users are authenticated, data is encrypted across the Internet and privileges are restricted.
- ii. External networks must adhere to the PA Standard Configuration policy, available upon request.
- iii. Audit trails and system logs for external connections will be reviewed weekly. The Network Manager will require the business managers to validate the need for all such connections on a quarterly basis. When notified and confirmed in writing, to both the business manager and the Director of TSD that the need for connection to a particular network is no longer required, all accounts and parameters related to the connection will be deleted within one working day.
- iv. Any connection between firewalls over public networks must use encrypted Virtual Private Networks (VPNs) to ensure the privacy and integrity of the data passing over the public network. All traffic emerging from the VPN tunnel should pass through the layers of firewall and IDS/IPS traffic inspection. The Director of TSD, prior to implementation, must approve all VPN connections. Appropriate means for distributing and maintaining encryption keys must be established prior to operational use of VPNs.

6. Internet Access

a. Outbound Traffic Requests

- i. The Agency encourages authorized employees to use the Internet for appropriate Agency business use. They offer valuable resources for employees and provide business value to the Agency. However, some web sites contain material whose content is clearly inappropriate for anyone using the Agency's resources. Therefore, access to inappropriate sites from Agency's computing devices is disabled. Such sites include: sexual content, violence, weapons, hacking, drugs, etc.
- ii. Misuse of Agency resources will not be tolerated. All Agency Employees and Non-Employees are responsible to follow the requirements outlined in Agency's Computing Resources Policy (<http://eNet/resources/ai/ai15403.pdf>). Examples of behavior that could result in disciplinary action include use for:
 1. Personal gain or profit
 2. Spoofing (representing yourself as someone else)
 3. Copying or posting the Agency's or third party's information without permission
 4. When it interferes with the operation of the Internet gateways
 5. Unauthorized attempts to break into any computing system whether the Agency's or another organization's
 6. Theft or unauthorized copying of electronic files
 7. Posting sensitive Agency information to unauthorized personnel
 8. Creating or forwarding chain letters
 9. Personal communication using "instant messaging" or similar technology
 10. Downloading or uploading malicious code
 11. Downloading or uploading inappropriate material for "sniffing" (i.e., monitoring network traffic); except if authorized as job responsibilities
- iii. Internet usage is monitored through use of proxy logs and reviewed with the Director of TSD on a monthly basis.
- iv. Outbound traffic is provided via both FTP (File Transfer Protocol) and SFTP (Secured File Transfer Protocol).

b. Inbound Traffic Requests

- i. Access to the PA-hosted Web sites in the DMZs is regulated by the firewall rules, which deny all traffic that is not explicitly allowed.
- ii. The access to the PA-hosted Web sites is further controlled by the several layers of IDS/IPS technology and by host-based intrusion detection running on the host (as described in Outbound Traffic Requests section).
- iii. High priority events generate E-Mail based alerts to the TSD perimeter security team.
- iv. Inbound traffic is allowed over SFTP (Secured File Transfer Protocol) from specific IP addresses. The data must be encrypted.

7. E-Mail

a. E-Mail Hosted Environment

- i. The Port Authority E-Mail environment is hosted by AT&T at a secured data center on dedicated servers. The data center is connected to the Port Authority network at our Network Operations Centers using two dedicated circuits. There are firewalls and other network equipment at each end of the circuits maintained separately by each party (AT&T and the Port Authority).
- ii. Both the Port Authority and AT&T employ network intrusion detection and other security controls.
- iii. Remote access to E-Mail is provided via a secure VPN system, through Outlook Web Access (OWA) access using Secure Socket Layers (SSL) with 128-bit encryption and via corporate mobile devices.

b. E-Mail Virus and Spam Protection and Content Scanning

- i. The E-Mail servers utilize anti-virus software. All anti-virus software signature files are automatically updated regularly. This software scans E-Mails and removes detected viruses entering and leaving the E-Mail environment.
- ii. The Port Authority uses additional anti-virus protection and anti-spam protection from a third party service provider which utilizes several industry-leading anti-virus engines, as well as proprietary software to identify and remove viruses from E-Mails and to quarantine E-Mails suspected of being spam.
- iii. E-Mail Quarantined Reports are provided to each user. The user can access a secure web site to safely access these quarantined E-Mails in order to delete or release as appropriate. E-Mail is quarantined for 14 days prior to automatic deletion.
- iv. Content filtering is used to identify potential spam E-Mail and when required, for handling certain forms of E-Mail related issues, e.g., E-Mail attacks, etc.
- v. Following industry best practices to mitigate risk, certain attachments in E-Mails are blocked.

8. Desktop Patch Management

- i. The Agency patching philosophy includes every security patch that can be applied to the Windows Operating System and the Microsoft Office suite of products.
- ii. On the second Tuesday of every month, Microsoft releases hot fixes/patches/security bulletins for private and publicly reported vulnerabilities identified in their operating system and office suite of products. The monthly patches are pushed to the primary patch management distribution server within the Agency. TSD reviews all patches with a severity rating of Critical or Important. In addition, TSD performs lab testing to ensure no adverse effect is experienced during the deployment of the security updates.
- iii. Once lab testing has been successfully completed, the monthly deployment is executed in three stages:
 1. Pre-Pilot Deployment
 2. Pilot Deployment
 3. Agency Deployment
- iv. A feature of our patch management system is the “mandatory baseline” that will deploy the patches to any computer that is recently added to PAWANET as new or re-imaged.

9. Server Patch Management

- i. The Agency patching philosophy includes every security patch that can be applied to the Windows Operating products.
- ii. On the second Tuesday of every month, Microsoft releases hot fixes/patches/security bulletins for private and publicly reported vulnerabilities identified in their operating system and office suite of products. The monthly patches are pushed to the primary patch management distribution server within the Agency. TSD reviews all patches with a severity rating of Critical or Important.
- iii. All servers deployed within the Agency must be patched on a regular basis using the management framework established in our Standard Operating Procedure For Applying Desktop and Server Patches Within the Port Authority Enterprise document, which from time-to-time will be updated to reflect current patching procedures.
- iv. All servers deployed within the Agency must have the appropriate patches tested prior to deployment into a production setting.
- v. All servers patched within the Agency must have a ‘Change Control’ log entry documented and a ‘Maintenance Window’ identified.

10. Content Management

- i. The Port Authority’s Content Systems (a.k.a., PACS) provides a highly scalable and secure platform for the storage and management of electronic documents, collaboration and automated workflow for varying business applications across

the Agency. The PACS platform consists of a series of best-in-breed applications that when combined manage documents, drawings, forms, photos, video and architectural models. The PACS provides the following services:

1. Storage and Archival
 2. Permissions and Privileges
 3. Client-less Viewing
 4. Full Text Search
 5. Forms and Data Collection
 6. Digital Visual Rights Management
 7. Workflow
 8. Collaboration Services
- ii. PACS is the primary method for sharing in-process and milestone documents with partners, consultants, contractors and other Agencies via external Internet-based access. The PACS repositories are layered with the protections best suited for the information managed, as follows:
1. Proposed users of the system must request access via a uniform process that requires both business unit and TSD approval and coordination.
 2. Access is linked directly to the PAWANET based authentication protocols and policies.
 3. Users external to the Authority must sign NDA's and operate within contract requirements pledging compliance with PANYNJ information handling procedures.
 4. Both external and internal users may undergo background checks prior to being granted access to PACS repositories or content. *Please refer to the Agency's Information Security Handbook (<http://eNet.panynj.gov/home/pdf/Corporate-Information-Security-Handbook.pdf>).*
 5. User based activity, for both common users and administrators, are captured in a detailed and unalterable Audit Trail that is accessible by authorized individuals via the standard user interface.
 6. PACS repositories may be physically isolated from one another due to specific business needs or enhanced security requirements.
 7. Separate internal and external authentication schemes are maintained and monitored for security and reliability providing additional controls for external clients.
 8. All PACS servers are located in PANYNJ Data Centers that provide for fault tolerance, physical and environment security systems.

9. Utilizes Agency's standard virus protection to ensure that documents passed into the PACS and maintained in the repository are scanned at multiple points in the information life-cycle.
10. Internet-based access is controlled by additional layers of authentication managed via reverse proxy and remote access protocols (further described within these Guidelines).
11. Multiple firewalls allow for specific access across approved ports between each of the application servers and in-line authentication devices (further described within these Guidelines).
12. Application servers are physically separate from Database servers and have no direct communication to external connections.
13. Dual form factor authentication is utilized for external access.
14. Database, Document Store and Index encryption technologies are utilized for ports of the PACS.
15. Intruder detection systems are employed to detect unauthorized access internally or externally to PACS application servers.
16. Server hardening and testing protocols are reviewed for each new piece of hardware introduced into the environment and periodically throughout its life.
17. PACS operates within the Agency's Change Management and Patch Management programs and policies.

TENANT CONSTRUCTION OR ALTERATION APPLICATION

NOTE: This is an instruction sheet only. Please remove before completing alteration application.

PREPARATION OF TENANT CONSTRUCTION OR ALTERATION APPLICATIONS

Tenant Construction or Alteration Applications are prepared as follows:

1. Prepare 4 copies of form PA 531 for minor alterations such as electric outlets, partitions, cabinets, etc. Attach 1 copy of plans and specifications to each copy of form.
2. Prepare 7 copies of form PA 531 for all other tenant construction. Include 10 copies of plans and specifications for an application whose estimated cost is \$50,000 or more.

TENANT CONSTRUCTION PLAN AND SPECIFICATION GUIDELINES

The following comments are to assist your engineer or architect in preparing drawings of proposed work. Use of the guidelines, where pertinent, will minimize Port Authority review time and resultant comments.

1. Locate area of construction with respect to existing conditions, (i.e., column numbers, coordinates, dimensions to existing structures, etc.), and provide a "Plot Plan."
2. Indicate existing structures and facilities in area affected and adjacent areas; also indicate all demolition and removals.
3. Include on drawings the plans, sections, elevations and details of proposed work.
4. Show arrangement of equipment and furniture, which might constitute an obstruction of passage to exits.
5. Provide floor plans to include that area beyond the limits of proposed work area necessary to show the entire means of ingress and egress.
6. Indicate where prescribed occupancy count for all area.
7. Give location and specifications for all fire protection equipment, i.e. fire doors, fire dampers, smoke detectors, sprinklers, fire alarm systems, hose cabinets, extinguishers, etc.
8. Include a note on the drawings requiring all work to be done in accordance with the National Electrical Code and the applicable code of the City, or municipality in which work occurs. F.I.R.O. and Employers Group of Insurance Companies approval required for sprinkler and fire protection items.
9. Indicate power requirements and source of power. Also indicate size and type of all electrical equipment, i.e. conduit, wire, panels, control devices, etc.
10. Provide details of all built-in equipment.
11. Provide complete specifications for all materials.
12. Show all new and modified ventilating systems including that portion outside the area of proposed work necessary to indicate the complete circulation cycle.
13. Provide design computations for major structural members including all existing members receiving additional loads.
14. All drawings must bear the stamp of a Registered Architect or Professional Engineer licensed in the state in which the work is to be performed.
15. If proposals require resubmission, clearly indicate change from original on the resubmitted drawings.
16. "As Built" Drawings are to be furnished after completion of this work.
17. Asbestos Certification Letter, Form PA 3677, is to be submitted with Form PA 531.
18. If Form PA 3677, Asbestos Certification Letter, indicates that asbestos will be disturbed, Form PA 3678 is to be submitted with Form PA 531.
19. If Form PA 3677, Asbestos Certification Letter, indicates that asbestos will be disturbed and the tenant is waiving his/her right to participate in the Port Authority's litigation, Form PA 3679 is to be submitted with Form PA 531.
20. All materials used for the construction of this project, whether building materials or appurtenances, shall be non-asbestos containing materials.
21. A contractor approved by the Port Authority must perform asbestos work.
22. All environmental services required to be performed with respect to tenant construction, including and without limitation, surveys, monitoring, laboratory analysis and waste removal, must be performed by a contractor/consultant, approved in advance by the Port Authority.

TENANT CONSTRUCTION OR ALTERATION APPLICATION	PA 0531 / 07-10	For Port Authority Use Only	
225 Park Avenue South New York, New York 10003		Facility	APP. No.
		Date	Applicant's Name

APPLICANT MUST READ THE TERMS AND CONDITIONS INCLUDED WITH THIS FORM

The Applicant shall not commence performance of any of the said work prior to the receipt by Applicant of a copy of this application duly signed in Part Two hereof on behalf of the Port Authority of New York and New Jersey. Upon receipt thereof, the Applicant agrees to perform said work in accordance with the following "Information to be Furnished by Applicant" and to comply with and be bound by all requirements and conditions set forth below under the remarks, if any, in Part Two hereof and the terms and conditions set forth in this form.

Minimum Insurance Limits Unless Specified to be Greater – Bodily Injury \$500,000 each person; \$500,000 each occurrence; Property Damage \$500,000 each accident; \$500,000 aggregate.

PART ONE: Information to be furnished by Applicant (Refer to your lease or permit for required information)

Permission is hereby requested to perform the following described work on the space occupied by the Applicant.

At (Facility)	Pursuant to (Lease, Space, Permit) No.	Location (Building No. or Area) of Space to be Altered	
Description of Work and Reason			

Estimated Cost of Work \$	Estimated Time to Complete (Days)	Starting Date	Completion Date
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Plans: Prints of each drawing must be submitted with copies of application. Include floor plan and show area affected by proposed Work (size 8 1/2" x 11" or larger).

TITLE OF DRAWING	DRAWING NO.	DATED

Name & Address of Contractor (If Not Known, Submit Later)	Name & Address of Engineer or Architect	Telephone No.
Email (Optional)	Email (Optional)	License No.

Send Correspondence To: (Name & Address of Employee in Charge of Work)	<p>ENGINEER OR ARCHITECT CERTIFICATION</p> <p>I have supervised the preparation of plans and specification f or the entire work represented herein and hereby certify that they conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the City, town or municipality in regard to construction and maintenance of buildings and structures and in regard to health and fire protection which should be applicable if the Port Authority were a private corporation.</p>
Email (Optional)	
Telephone No.	
Applicant's Name (As it Appears on Lease or Permit)	

By (Signature of Authorized Rep.)	Title	Date	Signature of Licensed Prof. Engineer or Architect	Date
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PART TWO: Prepared by Port Authority and returned to applicant.

The above Application is Approved Disapproved. Subject to the following conditions:

Continued on Rider "A" attached

Please advise the undersigned in writing, when this work has been completed.

The Port Authority of New York and New Jersey		By:	
Inspected By	Date	Title	Date

TERMS AND CONDITIONS

1. In the performance of work covered hereunder the Applicant shall, unless otherwise directed in writing by the Port Authority, conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the city, town or municipality in which the Facility is located in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation. The Applicant's obligations to comply with the above governmental requirements is for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and is not to be construed as a submission by the Port Authority to the applications to itself of such requirements or any of them.
2. The Applicant shall comply also with such federal, state and municipal laws, statutes, orders and regulations, if any, as may be legally applicable to the work or the performance thereof or its employees therein. The Applicant shall consult with the Facility Manager with respect to the applicability of any and all laws, statutes, enactments, ordinances, resolutions and regulations and as to the procedures to be followed before taking any other action with respect thereto, and shall follow the instructions and procedure prescribed by said Facility Manager with respect thereto.
3. The Applicant shall also observe and obey (and compel its officers, employees, agents and contractors to observe and obey) the rules and regulations of the Port Authority now in effect which are applicable to the performance of the work and such further applicable rules and regulations which may from time to time during the said performance be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, or for the safe and efficient operation of the Facility.
4. The Applicant shall procure and maintain bodily injury and property damage liability insurance in its own name in at least the limits specified in the preamble to this Application and Workmen's Compensation insurance; or if the work is to be done by an independent contractor, the Applicant shall require such contractor to procure and maintain such insurance in the contractor's name. A certificate evidencing such insurance shall be furnished to the Port Authority Facility prior to the commencement of the work.
5. The Applicant shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, against and from (a) the risk of injuries (including wrongful death) or damage direct or consequential, to it or them or to its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons arising or alleged to arise out of the performance of the work, whether such risks arise out of acts of omissions or the Applicant its contractors, the Port Authority, or otherwise.
6. The Applicant shall pay all claims lawfully made against it by 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 all contractors and subcontractors to pay all such claims lawfully made against them.
7. Only first-class materials and workmanship shall be used in the performance of the work, which shall be done in accordance with the drawings described in Part 1 of this Application and to the satisfaction and subject to the inspection of the Facility Manager; the Applicant shall re-do or replace at its own expense any work not approved by him.
8. The Applicant shall notify the Facility Manager no less than two days prior to the commencement of the work, and shall complete the same within the number of days specified in Part 1 of this Application; and upon completion shall notify the Facility Manager.
9. In the performance of the work, (a) the Applicant shall not do or permit to be done any act affecting the operation of the existing plumbing, heating, fire-protection, fire-alarm, sewerage, drainage, water supply, electrical, sprinkler, ventilating, refrigerating, fuel or communication system at the Facility, or other such service system thereat, including all pipes, tubes, lines, mains, wires, conduits, equipment and fixtures, except with the express written approval of the Facility Manager or the Port Authority resident engineer; (b) the Applicant shall obtain a Port Authority permit from the Facility Manager prior to any cutting or welding and shall comply with the conditions which form a part of said permit, a sample of which may be examined in the office of the Facility Manager.
10. (a) Prior to the commencement of the work and throughout the performance thereof, the Applicant shall erect and maintain at its own expense in or about the space such barriers, shields and other suitable protective devices for the protection of the public and others and their property as in the opinion of the Facility Manager may be necessary or desirable for the purpose. The work shall be performed in such manner as will cause the minimum inconvenience to members of the public and others at the Facility. During the performance of the work, the Applicant shall not permit the accumulation in or about the space of any debris, rubbish or liter of any sort resulting from such performance and shall make such arrangements for the frequent removal thereof from the Facility, by means of facilities to be furnished by the Applicant, as may in the opinion of the Facility Manager be necessary to prevent such accumulations.
(b) In the performance of the work covered by this permit, the Applicant shall not employ any contractor nor shall the Applicant or any of its contractors employ any persons or use or have any equipment or materials or allow any condition to exist if any such shall, or in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Facility which interfere, or in the opinion of the Port Authority, are likely to interfere with the operations of the Facility by the Port Authority or with the operations of others at the Facility or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive on the Applicant and, upon notice from the Port Authority, the Applicant shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Facility the persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, persons, equipment and materials and the Applicant shall or shall cause its contractor to immediately rectify any conditions specified in the notice in the event of failure by the Applicant or any of its contractors to immediately comply with the requirements of this paragraph (whether or not such failure is due to the Applicant's fault) the Port Authority shall have the right to suspend this permit and the permission thereby granted, without prior notice when the labor troubles shall be so settled that such interference or the danger thereof no longer exists, the Port Authority, by notice to the Permittee, shall reinstate this permit on all the same terms and conditions as before the suspension. "Labor troubles" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the person involved or their employment status if any.
(c) Notwithstanding the approval of this permit by the Port Authority, the Applicant shall not perform or permit to be performed any work hereunder, the performance of which or the subsequent use or occupancy of which will (1) invalidate or conflict or conflict with any insurance covering the Facility or any part thereof, or in any property located therein or thereon, or (2) increase the rate of any fire insurance, extended coverage, rental insurance or other insurance on the Facility, or any part thereof or upon any property located therein or thereon. The Applicant shall promptly observe, comply with and execute the provisions of any and all present and future rules, regulations, requirements, orders, directions and standards of the National Board of Fire Underwriters as interpreted by the New York Fire Insurance Rating Organization as to work performed in New York State, or as interpreted by the Fire Insurance Rating Organization of New Jersey as to work performed in New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the performance of the work or to the completed work (including use or operation (hereof) and the Applicant shall make any and all structural and non-structural improvements, alterations or repairs of the work that may be required at any time hereafter by any such present or future rule, regulation, requirement, or order or direction. If because of the work done or by reason of any failure on the part of the Applicant to comply with the provisions of this paragraph any such insurance shall at any time be limited, cancelled or invalidated, then the Applicant shall immediately remove the work, or if the rate of premium for any such insurance shall be higher than it otherwise would be, then the Applicant shall pay to the Port Authority on demand that part of all premiums which shall have been charged because of such work or by reason of such failure by the Applicant. The Applicant shall furnish to the Port Authority evidence of approval of the work by the insurance authority having jurisdiction.
11. Title to any installation, improvement, alteration, modification, addition, repair or replacement resulting from work done pursuant hereto shall immediately upon completion vest in the Port Authority (or in the Port Authority's lessor, if any and if the agreement between such lessor and the Port Authority so provides) without execution of any further instrument. The Applicant shall not remove or change the same unless the Port Authority, on or prior to the expiration or termination of the lease or permit described in Part 1 of this Application or within sixty (60) days after such expiration or termination, shall give notice to the Applicant requiring removal or restoration, in which case the Applicant (on or prior to the expiration or termination date or, if the notice is given after such date, then immediately after receipt of the notice) shall complete the removal of all of the same (or as much thereof as may be required by the notice) and the restoration (to the extent required by the notice) of the space affected by the work to the same condition as it was in prior to the commencement of the said work. If the Applicant shall fail to comply with such notice, the Port Authority may effect the removal and restoration and the Applicant shall pay the cost thereof to the Port Authority upon demand.
12. A certificate of completion shall be issued to the Applicant by the Facility Manager upon request of the Applicant on completion of the work hereunder in accordance with the Terms and Conditions hereof and inspection thereof by the Facility Manager. Issuance of such certificate shall not preclude the Port Authority from showing that Applicant has failed to comply with his obligations hereunder nor shall it release Applicant from such obligations.

**ATTACHMENT D
PERFORMANCE AND PAYMENT BOND**

ATTACHMENT E
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 fifty thousand dollars (\$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, including an inspector general of a governmental agency or public authority.

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 March 11, 2014, or as may be revised (a copy of which is available upon request) 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.

g. no person or organization has been retained, employed or designated on behalf of the Bidder to impact any Port Authority determination with respect to (i) the solicitation, evaluation or award of this Contract, or (ii) the preparation of specifications or request for submissions in connection with this Contract.

The foregoing certifications in this Part III, Sections 1 and 2, shall be deemed to have been 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. With respect to the foregoing certification in paragraph "2g", if the Bidder cannot make the certification, it shall provide, in writing, with the signed bid: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Contract, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Chief Procurement Officer of the Procurement Department of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Contract. As a result of such disclosure, the Port Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsiveness or non-responsibility.

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 and the term of the Contract, if Bidder is awarded the Contract, of any change of circumstances which might under this clause make it unable to make the foregoing certifications, might render any portion of the certifications previously made invalid, 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 and continuing 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, has failed to immediately notify the Port Authority of any change in circumstances which might make it unable to make the foregoing certifications, might render any portion of the certifications previously made invalid, or require disclosure, 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.

3. 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

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. Contractor Responsibility, Suspension of Work and Termination

During the term of this Contract, the Contractor shall at all times during the Contract term remain responsible. The Contractor agrees, if requested by the Port Authority to present evidence of its continuing legal authority to do business in the States of New Jersey or New York, integrity, experience, ability, prior performance, and organizational and financial capacity.

The Port Authority, in its sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, when it discovers information that calls into question the responsibility of the Contractor. In the event of such suspension, the Contractor will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Contractor must comply with the terms of the suspension order. Contract activity may resume at such time as the Port Authority issues a written notice authorizing a resumption of performance under the Contract.

Upon written notice to the Contractor, and an opportunity to be heard with appropriate Port Authority officials or staff, the Contract may be terminated by Port Authority at the Contractor's expense where the Contractor is determined by the Port Authority to be non-responsible. In such event, the Port Authority or its designee may complete the contractual requirements in any manner he or she may deem advisable and pursue available legal or equitable remedies for breach, including recovery of costs from Contractor associated with such termination.

5. No Gifts, Gratuities, Offers of Employment, Etc.

At all times, 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 the event that the Contractor becomes aware of the occurrence of any conduct that is prohibited by this section entitled "No Gifts, Gratuities, Offers of Employment, Etc.," it shall report such occurrence to the Port Authority's Office of Inspector General within three (3) business days of obtaining such knowledge. (See "<http://www.panynj.gov/inspector-general>" for information about to report information to the Office of Inspector General). Failing to report such conduct shall be grounds for a finding of non-responsibility.

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 March 11, 2014, or as may be revised, (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.

6. 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 Chief Procurement Officer in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Chief Procurement Officer, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. The Chief Procurement Officer may require the Contractor to submit a mitigation plan addressing and mitigating any disclosed or undisclosed conflict, which is subject to the approval of the Chief Procurement Officer and shall become a requirement,

as though fully set forth in this Contract. In the event the Chief Procurement Officer 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 Chief Procurement Officer to be no longer appropriate because of such preclusion, then the Chief Procurement Officer 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. The Port Authority's determination regarding any questions of conflict of interest shall be final.