

THE PORT AUTHORITY OF NY & NJ
PROCUREMENT DEPARTMENT
ATTN: BID/PROPOSAL CUSTODIAN
TWO MONTGOMERY STREET, 3RD FLOOR
JERSEY CITY, NEW JERSEY 07302

REQUEST FOR PROPOSALS

ISSUE DATE: May 30, 2014

**TITLE: THREE-YEAR PORT AUTHORITY OF NEW YORK &
NEW JERSEY GROUP TRAVEL ACCIDENT INSURANCE AND
BROKERAGE SERVICES CONTRACT**

RFP NO.: 38083

**SUBMIT PROPOSALS NO LATER THAN THE DUE DATE AND
TIME TO THE ABOVE ADDRESS**

QUESTIONS DUE BY: JUNE 6, 2014 TIME: 3:00 P.M.

PROPOSAL DUE DATE: JUNE 16, 2014 TIME: 2:00 P.M.

**CONTRACTS SPECIALIST: LESLEY BROWN
PHONE: (201) 395-3469
FAX: (201) 395-3470
EMAIL: lbrown@panynj.gov**

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1. INFORMATION FOR PROPOSERS ON THIS REQUEST FOR PROPOSALS

A. General Information: The Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey (the "Port Authority" or the "Authority") is an agency of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. It is charged with providing transportation, terminal and other facilities of trade and commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States. The Port Authority manages and/or operates all of the region's major commercial airports (Newark Liberty International, John F. Kennedy International, Teterboro, LaGuardia and Stewart International Airports), marine terminals in both New Jersey and New York (Port Newark and Elizabeth, Howland Hook and Brooklyn Piers); and its interstate tunnels and bridges (the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; and the Outerbridge Crossing), which are vital "Gateways to the Nation."

In addition, the Port Authority operates the Port Authority Bus Terminal in Manhattan, the largest facility of its kind in the world, and the George Washington Bridge and Journal Square Transportation Center bus stations. A key link in interstate commuter travel, the Port Authority also operates the Port Authority Trans-Hudson Corporation (PATH), a rapid rail transit system linking Newark, and the Jersey City and Hoboken waterfronts, with midtown and downtown Manhattan. A number of other key properties are managed by the agency including but not limited to a large satellite communications facility (the Teleport) in Staten Island, and a resource recovery co-generation plant in Newark. Prior to September 11, 2001, the Port Authority's headquarters were located in the World Trade Center, and that complex is still owned and being partially redeveloped by the Authority.

B. Brief Summary of Scope of Work

The Port Authority is seeking proposals from qualified insurance brokers to provide Three-Year Port Authority Group Travel Accident Insurance and Brokerage Services, as more described herein. The Contract shall be for a three-year period, effective July 15, 2014, with one (1) three-year renewal option period, which if exercised, will be effective July 15, 2017.

C. Deadline for Receipt of Proposals

Proposals are due by the date specified on the cover page (the "Proposal Due Date"). Closing of the Proposal Due Date is 2:00 P.M., Eastern Standard Time

(EST) on the Proposal Due Date. The Port Authority assumes no responsibility for delays caused by any delivery service.

Postmarking by the Proposal Due Date will not substitute for the actual proposal receipt by the Port Authority, which must occur on or prior to the Proposal Due Date. If your proposal is to be delivered by messenger, please note that only individuals with proper photo identification will be permitted access to the Port Authority's offices. The proposal package may be hand delivered or sent by U.S. Postal Service. It is the responsibility of the Proposer to ensure that the proposal package arrives at the Port Authority address listed on the cover page of the RFP by the specified Proposal Due Date and Time.

E-mail, telephone or facsimile proposals will not be accepted. Any communication (such as a facsimile transmittal) that reveals the contents of the proposal will result in disqualification of the entire proposal.

D. Submission of Proposals

In order to expedite the evaluation of proposals, a Proposer's response to this RFP shall follow the format and order of items, using the same paragraph identifiers, as set forth in Section 6 below. The Proposer shall submit one (1) reproducible original (containing original signatures and clearly designated as such), and five (5) separately bound and indexed copies with pages consecutively numbered.

Proposals must be submitted on or before the Proposal Due Date and Time in accordance with the information on the cover page of this RFP and sent or delivered to the RFP Custodian at the address specified on the cover page. Each copy of the proposal as well as the parcel(s) used for shipping must be conspicuously marked with the Proposer's name and address as well as the Proposer's Vendor Number, if available. In addition, the outside of the package must clearly state the title of this RFP, the number of this RFP and the Proposal Due Date. Failure to properly label proposal submissions may cause a delay in identification, misdirection or disqualification of proposal submissions.

It is necessary to carry valid photo identification when attempting to gain access into the Port Authority's offices to hand-deliver proposals.

Consistent with environmentally preferable procurement practices, the Port Authority requests all documents submitted to be in a form that can be easily recycled (i.e., no plastic covers or binding) and to provide only supporting literature which directly relates to the proposal being submitted.

E. Communications Regarding this RFP

All communications concerning this RFP should be directed to the Contracts Specialist listed on the cover page. All questions regarding this RFP should be submitted in writing to the Contracts Specialist at the address or facsimile number listed on the cover page no later than 3:00 P.M. (EST) on June 6, 2014.

The Contracts Specialist is authorized only to direct the attention of prospective Proposers to various portions of this RFP so that they may read and interpret such portions themselves.

Neither the Contracts Specialist nor any other employee of the Port Authority is authorized to interpret the provisions of this RFP or give additional information as to its requirements. If the Port Authority determines that interpretation or other information is required, it will be communicated to Proposers by written addenda and such writing shall form a part of this RFP.

F. Proposal Acceptance or Rejection

Acceptance of a proposal by the Port Authority shall be accomplished by either (a) written notice mailed or delivered to the Proposer at the office designated by the Proposer in its proposal, which notice shall be signed by an authorized representative on behalf of the Port Authority specifically stating that the proposal is accepted or, (b) execution of an agreement covering the subject matter of this RFP signed by authorized representatives of the Port Authority and the Proposer. No other act of the Port Authority, its Commissioners, officers, agents, representatives, or employees shall constitute acceptance of a proposal. Rejection of a proposal shall be accomplished by either (a) written notice specifically stating that the proposal is not accepted, signed by an authorized representative of the Port Authority and mailed or delivered to the Proposer at the office designated in the Proposal, or (b) failure by the Port Authority to accept the proposal within 180 days after the Proposal Due Date. No other act of the Port Authority, its Commissioners, officers, agents, representatives or employees shall constitute rejection of a proposal.

G. City Payroll Tax

Proposers should be aware of the city payroll taxes imposed by each of the:

- a. City of Newark, New Jersey for services performed in Newark, New Jersey;
- b. City of New York, New York for services performed in New York, New York; and
- c. City of Yonkers, New York for services performed in Yonkers, New York.

These taxes, if applicable, are the sole responsibility of the successful Proposer ("Contractor"). Proposers should consult their tax advisors as to the effect, if any, of these taxes. The Port Authority provides this notice for informational purposes only and is not responsible for either the imposition or administration of such taxes. The Port Authority exemption set forth in Paragraph entitled "Taxes and Costs," in the "Standard Contract Terms and Conditions" included herein, does not apply to these taxes.

H. Additional Proposer Information

Proposers are advised that additional vendor information, including, but not limited to, forms, documents and other information including M/WBE

Participation Plan Submission Forms and Protest Procedures, may be found on the Port Authority website at:
<http://www.panynj.gov/business-opportunities/become-vendor.html>

2. SCOPE OF WORK

A. Product and Services Required

The Port Authority is seeking a qualified insurance broker to provide a three (3) year Group Travel Accident Insurance policy and provide all associated brokerage services. The insurance will cover all Port Authority employees for accidental bodily injury sustained while traveling outside the Port District on official Port Authority business. Additionally, the insurance will cover the Commissioners of the Port Authority and the Governors of the States of New York and New Jersey, for accidental bodily injury sustained while traveling within and outside the Port District on official Port Authority business.

Proposers should refer to Section 8, Attachment C for a copy of the insurance policy currently in effect, which includes coverage limits, endorsements, and other policy details.

B. Duration

July 15, 2014 to July 15, 2017.

C. Option Period-One (1), Three (3) Year Option Period

Option 1 - July 15, 2017 to July 15, 2020. Option period will be a three-year option based on submission of renewal notice and premium quotation at least thirty (30) days prior to the expiration of the policy in force.

D. Contract Type

Insurance Brokerage Services – Three (3) Year Term, Lump Sum Premium

E. Contract Requirements

1. Premium quotes shall, at a minimum, be based on the same limits and deductibles, include all coverage enhancing endorsements with not less than comparable terms and conditions as the current coverage, and be inclusive all service fees, surcharges and commissions. Proposals must include a specimen policy and all endorsement documents.
2. The insurance carriers whose names are submitted must currently have a financial "A-" rating or better by the Best's Insurance Reports and must be approved to do business in the States of New York and New Jersey.
3. Premium quotations shall be for a three (3) year term.

4. Premium for Option 1 must be provided to the Port Authority at least 30 days prior to the expiration date of the policy in force. Renewal quotes are not required to be included with the proposal.
5. The Proposer must be a licensed insurance broker or producer in both the States of New York and New Jersey. The Proposer must maintain valid licenses in both states for the duration of this Contract, including any renewal option periods.

F. Proposer Disclosures

The following shall be provided with the proposal submission:

1. A written statement, signed by an authorized representative, describing the nature of any previous or ongoing investigation by or litigation with any governmental or regulatory agency.
2. A written statement, signed by an authorized representative, that discloses any actual or potential conflict of interest known to the Proposer that could arise in connection with the Proposer's duties in connection with its proposal.
3. Information explaining the Proposer's contingent commission arrangements, if any, with insurance carriers and describe any plans to eliminate such arrangements.
4. The names of any insurance carriers which decline to quote on this coverage.

G. Payments

The original and any renewal premium payments shall be paid in one installment. Original premium invoices will be sent directly to Chao Ng, The Port Authority of New York and New Jersey, Treasury Department, 225 Park Avenue South, 12th Floor, New York, NY 10003.

3. PROPOSER PREREQUISITES

The Port Authority shall only consider proposals from Proposers who can demonstrate compliance with each of the following criteria:

- A. The Proposer must demonstrate to the satisfaction of the Port Authority that it has been in continuous operation in the business of providing insurance and brokerage services for at least five (5) years immediately prior to the date of submission of its proposal.
- B. The Proposer shall have successfully placed within the past five (5) years at least two (2) insurance policies (property or casualty), and provided brokerage services for these policies, for a minimum of at least two (2) different clients (other than the Port Authority). Please provide the following information for each client with the proposal:
 - Name and address;
 - Reference contact, title and telephone number;
 - Industry sector and types of exposure;
 - Period of time services were provided.

- C. The Proposer must possess either a resident or non-resident broker's or insurance producer's license in both the States of New York and New Jersey. Provide a copy of each broker's or insurance producer's license with the proposal, and a written statement certifying that the licenses are valid and have not been revoked or otherwise rendered void. The Proposer must maintain a valid license in both states for the duration of this Contract, including any renewal option period.
- D. The Proposer must operate an office within 50 miles of the New York metropolitan area. Identify the address of the primary office in this area with the proposal.
- E. In the event a proposal is submitted by a joint venture the foregoing prerequisites will be considered with respect to such proposal as follows:
 - 1. With respect to subparagraphs A, B, C and D above, the prerequisite will be considered satisfied if the joint venture itself, or any of its members individually, can meet the requirements.
 - 2. If the proposal is submitted by a common law joint venture, a joint venture that has not been established as a distinct legal entity, each member of the joint venture shall be held jointly and severally liable and must individually execute and perform all acts required by its proposal. Documents signed by a common law joint venture, in connection with its proposal, shall include the names of all participants of the joint venture followed by the words "acting jointly and severally." All joint venture proposers must provide documentation of their legal status.
- F. All Proposals must include documentation that demonstrates the above prerequisites have been met.
- G. By furnishing this solicitation document to Proposers, the Port Authority has not made a determination that the Proposers have met the prerequisites or have otherwise been deemed qualified to perform the services required herein. In addition, a determination that a Proposer has met the prerequisites is not an assurance that it will be deemed qualified in connection with other proposal requirements included herein.

4. FINANCIAL INFORMATION

The Proposer will be required to demonstrate that it is financially capable of performing the contract resulting from this RFP ("Contract"). The determination of the Proposer's financial qualifications and ability to perform this Contract will be in the sole discretion of the Port Authority. The Proposer shall submit, with its proposal, the following:

- A. (1) Certified financial statements, including applicable notes to those financial statements, reflecting the Proposer's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent calendar year or the Proposer's most recent fiscal year.

(2) Where the certified financial statements in (1) above are not available, then either reviewed or compiled statements attested to by an independent certified public accountant setting forth the aforementioned information shall be provided.

(3) Where neither certified financial statements nor reviewed or compiled financial statements attested to by an independent certified public accountant are available, as set forth in (1) and (2) above, then financial statements containing such information prepared directly by the Proposer may be submitted; such financial statements, however, must be accompanied by a signed copy of the Proposer's most recent Federal Income Tax Return and a written statement, signed by the executive officer or his/her designee, that such statements accurately reflect the present financial condition of the Proposer.

Where the statements submitted pursuant to subparagraphs (1), (2) and (3) aforementioned exclude the forty-five (45) day period immediately prior to the Proposal Due Date, then the Proposer shall also submit a statement in writing, signed by the Proposer's executive officer or his/her designee, that the present financial condition of the Proposer has not materially adversely changed from that shown on the statements submitted

B. The name and address of the Proposer's financial institution, chief financial representative handling the Proposer's account; the Proposer's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes); the Proposer's Dun and Bradstreet number, if any; and the name of any credit service to which the Proposer has furnished information and the number, if any, assigned by such service to the Proposer's account.

5. EVALUATION CRITERIA AND RANKING

Each proposal will be reviewed by the Port Authority to determine if it adheres to the format required in this RFP, if it contains all required submissions, and if the Proposer meets the prerequisites required for submission of a Proposal. Proposals meeting these requirements will be evaluated by the following criteria, set forth in order of importance.

- Financial – The financial terms and fees proposed for all required services. The degree and extent to which the Proposal is cost-effective to the Port Authority and the overall cost of the service.
- Technical – The coverage terms and conditions offered.

6. PROPOSAL SUBMISSION REQUIREMENTS

In order to expedite the evaluation of proposals, responses to this RFP shall follow the format and order of items, using the same paragraph identifiers, as set forth below.

A. Letter of Transmittal

The Proposer shall submit a letter on its letterhead, signed by an authorized representative, stating its experience and qualifications in meeting the requirements of this RFP. This letter shall state whether the Proposer is submitting a proposal as a single entity, a joint venture, or is partnering with another firm in a prime/subcontracting relationship. In all cases, information required for a single entity is required for each participant in a joint venture.

The Letter of Transmittal shall contain:

- (1) Name and address of the Proposer and an original signature by an authorized representative on behalf of the Proposer;

- (2) Name(s), title(s) and telephone number(s) of the individual(s) authorized to negotiate and execute the Contract;
- (3) Name, title and telephone number of a contact person to which the Port Authority can address questions or issues related to this RFP;
- (4) Name and address of proposed subcontractors, if any;
- (5) If a corporation: (a) the names and residences of its officers and directors, and (b) a copy of its Certificate of Incorporation, with a written declaration signed by the Secretary of the corporation, with the corporate seal affixed thereto, that the copy furnished is a true copy of the Certificate of Incorporation, as of the date of the opening of the Proposals;
- (6) If a limited liability company: (a) a copy of its Articles of Organization, Certificate of Formation, (b) Operating Agreement for the limited liability company and (c) names and residences of managing members;
- (7) If a partnership: (a) whether a general or limited partnership, (b) the names and residences of its principal officers, indicating which are general and which are limited partners, (c) names and residences of all general partners and (d) a copy of the partnership agreement;
- (8) If an individual: a statement of residence;
- (9) If a joint venture: information on each member consistent with the information requested above; if the Contract is awarded to a common law joint venture (a partnership of business entities) each member will be jointly and severally liable under the Contract.

B. Executive Summary

The Proposer shall submit a summary presenting the major features of its proposal and how the proposal satisfies the requirements contained in this RFP, as well as any special competencies and expertise of the Proposer to meet the requirements of this RFP.

C. Agreement on Terms of Discussion

The Proposer shall submit an executed copy of the "Agreement on Terms of Discussion," signed by an authorized representative of the Proposer. The Agreement format is included as Attachment A and shall be submitted by the Proposer without alteration or deviation. Any Proposer who fails to sign the Port Authority's "Agreement on Terms of Discussion" set forth in Attachment A will not have its proposal reviewed. If the Proposer is a joint venture, an authorized representative of each member of the joint venture must sign the Agreement.

D. Documentation of Proposer Prerequisites

The Proposer shall submit documentation to demonstrate that it meets all prerequisites.

E. The Proposal

The proposal must detail and clearly describe the Proposer's experience and capability to perform the services required by this RFP, its approach to such work and the cost of such work to the Port Authority.

The Proposal shall include a Cost Proposal indicating the compensation that the Proposer expects to receive. The Cost Proposal shall be complete and inclusive of all work required by this RFP and shall include, but not be limited to, material and labor costs, fuel costs, any salaries, health benefits and other benefits, overheads, profits, etc. The Cost Proposal should be submitted on Attachment B – Cost Proposal.

F. Acknowledgment of Addenda

If any Addenda are posted or sent as part of this RFP, the Proposer shall complete, sign and include with its Proposal the addenda form(s). In the event any Proposer fails to conform to these instructions, its proposal will nevertheless be construed as though the Addenda had been acknowledged.

If the Proposer downloaded this RFP document, it is the responsibility of the Proposer to periodically check the Port Authority website at <http://www.panynj.gov/business-opportunities/bid-proposal-advertisements.html> and download any addenda that might have been issued in connection with this solicitation.

7. CONDITIONS FOR THE SUBMISSION OF A PROPOSAL

In addition to all other requirements of this RFP, the Proposer agrees to the following conditions for the submission of its proposal.

A. Changes to this RFP

At any time, in its sole discretion, the Port Authority may by written addenda, modify, correct, amend, cancel and/or reissue this RFP. If an addendum is issued prior to the date proposals are due, it will be provided to all parties in the medium in which the parties obtained the RFP. If an addendum is issued after proposals are due, the addendum will be provided only to those Proposers whose proposals remain under consideration at such time.

B. Proposal Preparation Costs

The Port Authority shall not be liable for any costs incurred by the Proposer in the preparation, submittal, presentation, or revision of its proposal, or in any other aspect of the Proposer's pre-contract activity. No Proposer is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of the Port Authority and the Proposer.

C. Disclosure of Proposal Contents / Use of Ideas and Materials

Proposal information is not generally considered confidential or proprietary. All information contained in the proposal is subject to the "Agreement on Terms of Discussion" attached hereto as Attachment A.

D. Ownership of Submitted Materials

All materials submitted in response to or in connection with this RFP shall become the property of the Port Authority. Selection or rejection of a proposal shall not affect this right.

E. Subcontractors

If a Proposer intends to use subcontractor(s,) the Proposer should identify in its proposal the names of the subcontractor(s) and the portions of the work the subcontractor(s) will perform.

F. Conflict of Interest

If the Proposer or any employee, agent or subcontractor of the Proposer may have a possible conflict of interest, or may give the appearance of a possible conflict of interest, the Proposer shall include in its proposal a statement indicating the nature of the conflict. The Port Authority reserves the right to disqualify the Proposer if, in its sole discretion, any interest disclosed from any source could create a conflict of interest or give the appearance of a conflict of interest. The Port Authority's determination regarding any questions of conflict of interest shall be final.

G. Authorized Signature

Proposals must be signed by an authorized representative (e.g., President or Vice President), General Partner, or such other individual authorized to bind the Proposer to the provisions of its proposal and this RFP.

H. References

The Port Authority may consult any reference familiar with the Proposer regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a proposal shall constitute permission by the Proposer for the Port Authority to make such inquiries and authorization to third parties to respond thereto.

I. Evaluation Procedures and Negotiation

The Port Authority shall evaluate proposals based on the evaluation criteria set forth in this RFP, however, the Port Authority shall only consider proposals from Proposers which meet the prerequisites in this RFP. The Port Authority may use such procedures that it deems appropriate to evaluate such proposals. The Port Authority may elect to initiate contract negotiations with one or more Proposers including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this RFP. The option of whether or not to initiate contract negotiations rests solely with the Port Authority.

J. Taxes and Costs

Purchases of services and tangible personal property by the Port Authority in the States of New York and New Jersey are generally exempt from state and local sales and compensating use taxes, and from most federal excises (Taxes). All costs associated with the Contract must reflect this exemption and be stated in U.S currency.

K. Most Advantageous Proposal/No Obligation to Award

The Port Authority reserves the right to award the Contract to other than the Proposer proposing the lowest price. The Contract will be awarded to the Proposer whose

proposal the Port Authority believes, in its sole discretion, will be the most advantageous to the Port Authority. Neither the release of this RFP nor the acceptance of any response thereto shall compel the Port Authority to accept any proposal. The Port Authority shall not be obligated in any manner whatsoever to any Proposer until a proposal is accepted by the Port Authority in the manner provided in Section 1.F of this RFP entitled "Proposal Acceptance or Rejection."

L. Multiple Contract Awards

The Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services.

M. Right to Extend Contract

If this is a proposal for a contract for a term of years, including specified options for renewal, the Port Authority reserves the additional right to extend the contract term for an additional 90 days, upon the same terms and conditions of the original Contract negotiated between the Port Authority and the successful Proposer.

N. Rights of the Port Authority

(1) The Port Authority reserves all its rights at law and equity with respect to this RFP including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this RFP, to reject any and all proposals, to waive defects or irregularities in proposals received, to seek clarification of proposals, to request additional information, to request any or all Proposers to make a presentation, to undertake discussions and modifications with one or more Proposers, or to negotiate an agreement with any Proposer or third person who, at any time, subsequent to the deadline for submissions to this RFP, may express an interest in the subject matter hereof, to terminate further participation in the proposal process by a Proposer or to proceed with any proposal or modified proposal, which in its judgment will, under all circumstances, best serve the Port Authority's interest. The Port Authority may, but shall not be obliged to, consider incomplete proposals or to request or accept additional material or information. The holding of any discussions with any Proposer shall not constitute acceptance of a proposal, and a proposal may be accepted with or without discussions.

(2) No Proposer shall have any rights against the Port Authority arising from the contents of this RFP, the receipt of proposals, or the incorporation in or rejection of information contained in any proposal or in any other document. The Port Authority makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of the contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Proposer, by submitting its proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefore in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its directors, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Proposer required by this RFP or Contract and the Proposer agrees that

it shall not hold the Port Authority liable or responsible therefore in any manner whatsoever.

(3) At any time and from time to time after the opening of the proposals, the Port Authority may give oral or written notice to one or more Proposers to furnish additional information relating to its proposal and/or qualifications to perform the services contained in this RFP, or to meet with designated representatives of the Port Authority. The giving of such notice shall not be construed as an acceptance of a proposal. Information shall be submitted within three (3) calendar days after the Port Authority's request unless a shorter or longer time is specified therein.

O. No Personal Liability

Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof shall be charged personally with any liability by a Proposer or another or held liable to a Proposer or another under any term or provision of this RFP or any statements made herein or because of the submission or attempted submission of a proposal or other response hereto or otherwise.

8. ATTACHMENTS

The following documents are attached:

- **Attachment A** – Agreement on Terms of Discussion
- **Attachment B** – Cost Proposal
- **Attachment C** – Copy of Policy in Force
- **Attachment D** – Standard Contract Terms and Conditions

ATTACHMENT A: AGREEMENT ON TERMS OF DISCUSSION

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

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Policy and Procedure adopted by the Port Authority's Board of Commissioners on March 29, 2012, which may be found on the Port Authority website at:[the link on the PA website still points to the old FOI policy, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a proposal.

(Company)

(Signature)

(Title)

(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.
DO NOT RETYPE.**

ATTACHMENT B: COST PROPOSAL

TOTAL THREE-YEAR PREMIUM* July 15, 2014 to July 15, 2017 \$ _____

Renewal Options:

Option 1*: July 15, 2017 to July 15, 2020

*Option 1 - Three-year option period will require notice of renewal premium to the Port Authority at least 30 days prior to the expiration of the policy in force. This amount is not required to be included on this form.

ATTACHMENT C
COPY OF POLICY IN FORCE

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038
(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ
Policy Number: GTP 0009134117

BLANKET ACCIDENT INSURANCE POLICY

This Policy is a legal contract between the Policyholder and the Company. The Company agrees to insure eligible persons of the Policyholder for whom premium is paid (herein called Insured Person(s)) against loss covered by this Policy subject to its provisions, limitations and exclusions. The persons eligible to be Insured Persons are all persons described in the Classification of Eligible Persons section of the Declarations section of this Policy.

This Policy is issued in consideration of the payment of the required premium when due and the statements set forth in the Declarations section.

This Policy begins on the Policy Effective Date shown in the Declarations section and continues in effect until the Policy Termination Date as long as premiums are paid when due, unless otherwise terminated as further provided in this Policy. If this Policy is terminated, insurance ends on the date to which premiums have been paid. After the Policy Termination Date, this Policy may be renewed for additional periods of time by mutual written consent of the Company and the Policyholder at the premium rates in effect at the time of renewal.

This Policy is governed by the laws of the state in which it is delivered.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Policy:



President



Secretary

PLEASE READ THIS POLICY CAREFULLY.

IMPORTANT NOTICE – THIS POLICY PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT PROVIDE COVERAGE FOR SICKNESS OR DISEASE

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DECLARATIONS

1. **Identification of Policyholder:**

Name of Policyholder: Port Authority of NY & NJ
Address of Policyholder: 225 Park Avenue South, 12th Floor, New York, NY 10003
Type of Business or Purpose of Organization: Airport Services
Covered Affiliates(s) or Subsidiary(ies): None
Policy Number: GTP 0009134117

2. **Classification of Eligible Persons:**

Class	Description of Class
I	All Commissioners of the Policyholder and the Governors of New York and New Jersey.
II	All Employees of the Policyholder (including Directors and Retirees of the Policyholder who are working as Consultants for the Policyholder) while on a business trip outside the corporate limits of the town or city in which they are regularly employed or have their residence.
III	All Guests of the Policyholder, excluding the Spouse of Class I and II Insured's, while on a business trip outside the corporate limits of the town or city in which they are regularly employed or have their residence.
IV	The Spouse of Class I and II Insured's who are authorized by the Policyholder to accompany the Insured on the business of the Policyholder.
V	All Passengers, Pilots, crew Members and Aerial Photographers of the Policyholder who are not covered in any other Class.
VI	All Contract Employees of the Policyholder, whose contract provides this coverage and whose names are on file with the Policyholder.
VII	All Temporary Voluntary Employees of the Policyholder whose names are on file with the Policyholder.

Domestic Partner – means an opposite or a same sex partner who has met all of the following requirements for at least 12 months: (1) resides with the Insured; (2) shares financial assets and obligations with the Insured; (3) is not related by blood to the Insured to a degree of closeness that would prohibit a legal marriage; (4) is at least 18 years of age; and (5) neither the Insured or Domestic Partner is married to anyone else, nor has any other Domestic Partner. The Company requires proof of the Domestic Partner relationship in the form of a signed and completed Affidavit of Domestic Partnership.

Eligible Spouse – as used above, means the Insured's legal spouse or Domestic Partner.

3. **Principal Sums, Hazards, Benefits and Other Riders and Endorsements for Eligible Persons:**

Any Benefit shown in any row of the chart below applies only to an eligible person in a Class shown in that row, only with respect to an accident that occurs under the circumstances described in a Hazard shown in that row as to such person. Any other Rider or Endorsement shown in any row of the chart below applies only with respect to the Classes, Hazards, and Benefits shown in that row.

Section 3A.

Class(es)	Principal Sum
I	\$1,000,000
II	\$500,000
III	\$500,000
IV	\$500,000
V	\$500,000
VI	\$500,000
VII	\$500,000

Section 3B.

Class(es)	Hazard(s)	Benefit(s) and Benefit Riders	Other Rider(s) and Endorsement(s)
I	H-12, H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
II	H-12, H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
III	H-12, H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
IV	H-19, H-21, H-34, H-39, H-44	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
V	H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
VI	H-12, H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	
VII	H-12, H-19, H-21, H-34, H-39	B-1, B-2, B-4, B-10, B-13, B-16, B-25, B-26, B-28, B-30	

4. **Aggregate Limit:** \$8,000,000 per Air Accident

5. **Hazards, Benefits and Benefit Riders, Other Riders and Endorsements, and Attachments Made Part of this Policy:**

a. The following Hazards are made part of the Policy as of the Policy Effective Date:

FORM NUMBER	HAZARD NUMBER	DESCRIPTION
C11875DBG	H-12	24-Hour Accident Protection While On A Trip (Business Only)
C11878DBG	H-19	Policyholder Aircraft (Passenger, Pilot or Crew Member)
C11880DBG	H-21	On-Premises Violent Crime
C11893DBG	H-34	On-Premises Bomb Scare
C11898DBG-NY	H-39	War Risk (Business Only)
C11903DBG	H-44	Family Accompanying the Insured (Insured Dependents Only)

b. Check one and only one:

- B-1 Accidental Death Benefit Only
- B-1 and B-2 Both Accidental Death and Accidental Dismemberment and Paralysis, Coma Benefits

The following Benefits and Benefit Riders/Endorsements are attached to and made part of the Policy as of the Policy Effective Date. Each Benefit Rider/Endorsement is subject to all provisions, limitations and exclusions of the Policy that are not specifically modified by that Benefit Rider/Endorsement.

FORM DESCRIPTION	BENEFIT DESCRIPTION	BENEFIT DESCRIPTION
C11911DBG-NY	B-4	Bereavement and Trauma Counseling Benefit
C11917DBG-NY	B-10	Day Care Benefit
C11920DBG	B-13	Emergency Evacuation with Family Travel Benefit
C11923DBG-NY	B-16	Home Alteration and Vehicle Modification Benefit
C11932DBG-NY	B-25	Rehabilitation Benefit
C11933DBG-NY	B-26	Repatriation of Remains Benefit
C11935DBG-NY	B-28	Seat Belt and Air Bag Benefit (Percentage of Principal Sum Amount)
C11937DBG-NY	B-30	Tuition Benefit

c. The following attachments are made part of the Policy as of the Policy Effective Date:

Coverage Territory Endorsement 89644 (7/05)

6. **Premiums:**

It is hereby agreed and understood that the premium amounts, and the manner in which premiums are due and payable, are as follows:

\$25,245.00, due and payable for the Policy Term

7. **Coverage Effective Date:**

Subject to the Policy provisions regarding the effective date of coverage for individuals, insurance will become effective as to each eligible person in consideration of the required premium payment on the following date: On the policy effective date if such person is eligible as of that date; or on the date the person becomes eligible for insurance.

A change in coverage due to a change in the eligible person's class or Annual Salary will become effective on the latest of the following dates: (1) if the change requires a change in premium, the date the first changed premium is paid when due; or (2) the effective date of the change. However, a changed Principal Sum applies only with respect to accidents that occur on or after the effective date of the change.

8. **Policy Term:**

Policy Effective Date: July 15, 2011
Policy Termination Date: July 15, 2014

DEFINITIONS

Airworthiness Certificate – means the "Standard" Airworthiness Certificate issued by the Federal Aviation Agency of the United States of America or its equivalent issued by the governmental authority having jurisdiction over civil aviation in the country of registry.

Civilian Aircraft – means a civil or public aircraft having a current and valid Airworthiness Certificate and piloted by a person who has a current and valid medical certificate and pilot certificate with appropriate ratings for the aircraft. A Civilian Aircraft does not include a Policyholder Aircraft.

Immediate Family Member – means a person who is related to the Insured Person in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

Injury – means bodily injury: (1) which is sustained as a direct result of an unintended, unanticipated accident to the body and that occurs while the injured person's coverage under this Policy is in force; (2) which occurs under the circumstances described in a Hazard applicable to that person; and (3) which directly (independent of sickness, disease, or any other cause) causes a covered loss under a Benefit applicable to such Hazard.

Insured – means a person: (1) who is a member of an eligible class of persons as described in the Classification of Eligible Persons section of the Declarations section of this Policy; (2) for whom premium has been paid; and (3) while covered under this Policy. However, an Insured does not include any person covered under this Policy solely as an Insured Dependent.

Insured Dependent – means an Insured Spouse.

Insured Person - means an Insured or an Insured Dependent.

Insured Spouse – means the Insured's Eligible Spouse as described in the Classification of Eligible Persons section of the Declarations section of this Policy: (1) for whom premium has been paid; and (2) while covered under this Policy.

Military Air Transport Aircraft – means an aircraft having a current and valid Airworthiness Certificate; piloted by a person who has a current and valid medical certificate and pilot certificate with appropriate ratings for the aircraft; and operated by the United States of America, or by the similar air transport service of any duly constituted governmental authority of any other recognized country.

Passenger – means a person not performing as a pilot, operator or crew member of a conveyance.

Physician – means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the Insured Person; (2) an Immediate Family Member; or (3) retained by the Policyholder.

Policyholder Aircraft – means any aircraft with a current and valid Airworthiness Certificate and owned, leased or operated by the Policyholder.

Scheduled Air Carrier – means any air carrier holding a certificate, license or similar authorization for civilian scheduled air transport issued by the country of the aircraft's registry, and which in accordance with that authorization flies, maintains and publishes schedules and tariffs for regular passenger service between named cities at regular and specified times, but only if the aircraft is then being used for any regular or chartered flight operated by such carrier.

Sojourn and Personal Deviation, Sojourn or Personal Deviation – means non-business travel or activities undertaken While on the Business of the Policyholder but unrelated to furthering the business of the Policyholder.

Specialized Aviation Activity – means an aircraft while it is being used for one or more of the following activities:

- acrobatic or stunt flying
- racing
- any endurance tests
- any flight on a rocket-propelled or rocket-launched aircraft
- crop dusting
- crop seeding
- crop spraying
- fire fighting
- any flight which requires a special permit or waiver from the authority having jurisdiction over civil aviation, even though granted.
- exploration
- pipe line inspection
- power line inspection
- any form of hunting
- bird or fowl herding
- aerial photography
- banner towing
- any test or experimental purpose

Trip – means a trip taken by an Insured which begins when the Insured leaves his or her residence or place of regular employment for the purpose of going on the trip (whichever occurs last), and is deemed to end when the Insured returns from the trip to his or her residence or place of regular employment (whichever occurs first). However, the trip is deemed to exclude any period of time during which the Insured is on an authorized leave of absence or vacation or travel to and from the Insured's place of regular employment except when an Insured needs to utilize alternative means of transportation because of the discontinuance of service, due to strike or major breakdown, of one or more public transportation systems he or she regularly uses. "Trip" does not include the Insured's trip to a location that extends for more than 365 days. Such a trip will be deemed to change the Insured's residence or place of regular employment to the new location.

While on the Business of the Policyholder – means while on assignment by or at the direction of the Policyholder for the purpose of furthering the business of the Policyholder, but does not include any period of time: (1) while the Insured is working at his or her regular place of employment; (2) during the course of everyday travel to and from work; or (3) during an authorized leave of absence or vacation. If an Insured's assignment to a location exceeds 365 days, such assignment will be deemed to change the Insured's residence and regular place of employment to the new location.

While On-Premises of the Policyholder – means while and in consequence of performing any assigned occupational duties for which compensation is received at the Insured Person's regular place of employment with the Policyholder or elsewhere directly in or on the premises of the Policyholder, but does not include during the course of everyday travel to and from work.

POLICY EFFECTIVE AND TERMINATION DATES

Effective Date. This Policy begins on the Policy Effective Date shown in the Declarations section of this Policy at 12:01 AM Standard Time at the address of the Policyholder where this Policy is delivered.

Termination Date. Either the Company or the Policyholder may terminate this Policy on any Policy Anniversary Date by giving 30 days advance written notice to the other party. This Policy may also, at any time, be terminated by mutual written consent of the Company and the Policyholder. This Policy terminates automatically on the earlier of: (1) the Policy Termination Date shown in the Declarations section of this Policy; or (2) the premium due date if premiums are not paid when due. Termination takes effect at 12:01 AM Standard Time at the Policyholder's address on the date of termination.

INSURED'S EFFECTIVE AND TERMINATION DATES

Effective Date. An Insured's coverage under this Policy begins on the latest of: (1) the Policy Effective Date; (2) the date the person becomes a member of an eligible class of persons as described in the Classification of Eligible Persons section of the Declarations section of this Policy; or (3) the Coverage Effective Date described in the Declarations section of this Policy.

Termination Date. An Insured's coverage under this Policy ends on the earliest of: (1) the date this Policy is terminated; (2) the premium due date if premiums are not paid when due; or (3) the date the Insured ceases to be a member of any eligible class(es) of persons as described in the Classification of Eligible Persons section of the Declarations section of this Policy.

Termination of coverage will not affect a claim for a covered loss that occurred while the Insured's coverage was in force under this Policy.

INSURED DEPENDENT'S EFFECTIVE AND TERMINATION DATES

Effective Date. An Insured Dependent's coverage under the Policy begins on the latest of: (1) the date the Insured's coverage under the Policy begins; (2) the date the person becomes a member of any eligible class of persons as described in the Classification of Eligible Persons section of the Declarations section of this Policy; or (3) the Coverage Effective Date described in the Declarations section of this Policy.

Termination Date. An Insured Dependent's coverage under the Policy ends on the earliest of: (1) the date the Insured's coverage under the Policy ends; (2) the premium due date if premiums for the Insured Dependent are not paid when due; or (3) the date the Insured Dependent ceases to be a member of any eligible class of persons as described in the Classification of Eligible Persons section of the Declarations section of this Policy.

PREMIUM

Premiums. Premiums are payable to the Company at the rates and in the manner described in the Premiums section of the Declarations section of this Policy. The Company may change the required premiums due on any premium due date on or after the first Policy anniversary date, by giving the Policyholder at least 31 days advance written notice. The Company may change the required premiums as a condition of any renewal of this Policy. The Company may also change the required premiums at any time when any coverage change affecting premiums is made in this Policy.

Grace Period. A Grace Period of 31 days will be provided for the payment of any premium due after the first. This Policy will not be terminated for nonpayment of premium during the Grace Period if the Policyholder pays all premiums due by the last day of the Grace Period. This Policy will terminate on the last day of the period for which all premiums have been paid if the Policyholder fails to pay all premiums due by the last day of the Grace Period.

If the Company expressly agrees to accept late payment of a premium without terminating this Policy, the Company does so in accordance with the Noncompliance with Policy Requirements provision of the General Provisions section. In such case, the Policyholder will be liable to the Company for any unpaid premiums for the time this Policy is in force, plus all costs and expenses (including, but not limited to, reasonable attorney fees, collection fees and court costs) incurred by the Company in the collection of all overdue amounts.

No grace period will be provided if the Company receives notice to terminate this Policy prior to a premium due date.

BENEFITS

Principal Sum. As applicable to each Hazard and Benefit for each Insured Person, Principal Sum means the amount of insurance in force under this Policy on that person for that Hazard and Benefit as described for the Insured Person's eligible class in the Principal Sums, Hazards and Benefits section of the Declarations section of this Policy.

B-1. Accidental Death Benefit. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Benefit with respect to each class of Insured Persons and each hazard. If Injury to the Insured Person results in death within 365 days of the date of the accident that caused the Injury, the Company will pay 100% of the Principal Sum.

B-2. Accidental Dismemberment, Paralysis and Coma Benefit. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Benefit with respect to each class of Insured Persons and each hazard. If Injury to the Insured Person results, within 365 days of the date of the accident that caused the Injury, in any one of the Losses specified below, the Company will pay the Benefit shown below for that Loss:

<u>Type of Loss</u>	<u>Percentage of Principal Sum</u>
Both Hands or Both Feet.....	100%
Sight of Both Eyes.....	100%
One Hand and One Foot.....	100%
One Hand and the Sight of One Eye.....	100%
One Foot and the Sight of One Eye.....	100%
Speech and Hearing in Both Ears.....	100%
One Hand or One Foot.....	50%
Sight of One Eye.....	50%
Speech or Hearing in Both Ears.....	50%
Hearing in One Ear.....	25%
Thumb and Index Finger of Same Hand.....	25%
Paralysis	
Quadriplegia.....	100%
Paraplegia.....	75%
Hemiplegia.....	50%
Uniplegia.....	25%
Coma.....	1% per month

"Loss" of a hand or foot means complete severance through or above the wrist or ankle joint. "Loss" of sight of an eye means total and irrecoverable loss of the entire sight in that eye. "Loss" of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. "Loss" of speech means total and irrecoverable loss of the entire ability to speak. "Loss" of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

"Quadriplegia" means the complete and irreversible paralysis of both upper and both lower limbs. "Paraplegia" means the complete and irreversible paralysis of both lower limbs. "Hemiplegia" means the complete and irreversible paralysis of the upper and lower limbs of the same side of the body. "Uniplegia" means the complete and irreversible paralysis of one limb. "Limb" means entire arm or entire leg.

"Coma/Comatose" means a profound state of unconsciousness from which the Insured cannot be aroused to consciousness, even by powerful stimulation, as determined by a Physician. The Coma must continue for 30 continuous days.

No benefit is provided for the first 30 days of the Coma. The benefit is payable monthly as long as the Insured remains Comatose due to that Injury, but ceases on the earliest of the date: (1) the Insured ceases to be Comatose due to that Injury; (2) the Insured dies; or (3) the total amount of monthly Coma benefits paid for all Injuries caused by the same accident equals 100% of the Principal Sum. The Company will pay benefits calculated at a rate of 1/30th of the monthly benefit for each day for which the Company is liable when the Insured is Comatose for less than a full month. Only one benefit is provided for any one month of Coma, regardless of the number of Injuries causing the Coma.

The Company reserves the right, at the end of the first 30 consecutive days of Coma and as often as it may reasonably require thereafter, to determine, on the basis of all facts and circumstances, that the Insured is Comatose for less, including but not limited to, requiring an independent medical examination provided at the expense of the Company.

If more than one Loss is sustained by an Insured Person as a result of the same accident, only one amount, the largest, will be paid.

Exposure and Disappearance. If by reason of an accident occurring while an Insured Person's coverage is in force under this Policy, the Insured Person is unavoidably exposed to the elements and as a result of such exposure suffers a loss for which a benefit is otherwise payable under this Policy, the loss will be covered under the terms of this Policy.

If the body of an Insured Person has not been found within one year of the disappearance, forced landing, stranding, sinking or wrecking of a conveyance in which the person was an occupant while covered under this Policy, then it will be deemed, subject to all other terms and provisions of this Policy, that the Insured Person has suffered accidental death within the meaning of this Policy.

LIMITATIONS

Limitation on Multiple Benefits. If an Insured Person suffers one or more losses from the same accident for which amounts are payable under more than one of the following Benefits provided by this Policy, the maximum amount payable under all of the Benefits combined will not exceed the amount payable for one of those losses, the largest: Accidental Death Benefit, Accidental Dismemberment, Paralysis and Coma Benefit.

Limitation on Multiple Hazards. If an Insured Person's Injury is caused by an accident that occurs under the circumstances described in more than one Hazard applicable to that person as shown in the Principal Sums, Hazards and Benefits section of the Declarations section of this Policy, for Policy purposes the Principal Sum for that Insured Person for that accident will be determined as though the accident occurred under the circumstances described in only one such Hazard, the Hazard with the largest Principal Sum: H-12, H-19, H-21, H-34, H-39, H-44

Aggregate Limit. The maximum amount payable under this Policy may be reduced if more than one Insured Persons suffers a loss as a result of the same accident, and if amounts are payable for those losses under one or more of the following Benefits provided by this Policy: Accidental Death Benefit, Accidental Dismemberment, Paralysis and Coma Benefit. The maximum amount payable for all such losses for all Insured Persons under all those Benefits combined will not exceed the amount shown as the Aggregate Limit in the Declarations section of this Policy. If the combined maximum amount otherwise payable for all Insured Persons must be reduced to comply with this provision, the reduction will be taken by applying the same percentage of reduction to the individual maximum amount otherwise payable for each Insured Persons for all such losses under all those Benefits combined. NOTE: If the Declarations section of this Policy states that an Aggregate Limit is restricted in its applicability to certain eligible classes or certain Hazards, this Aggregate Limit provision applies only to Insured Persons in those eligible classes or to whom that Hazard applies.

GENERAL EXCLUSIONS

No coverage shall be provided under this Policy and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks:

1. suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury.
2. travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, other than as a fare-paying passenger on a scheduled or charter flight operated by a scheduled airline, unless specifically provided by this Policy.
3. declared or undeclared war, or any act of declared or undeclared war unless specifically provided by this Policy.
4. sickness or disease, whether the loss results directly or indirectly from either of these, unless specifically provided by this Policy.
5. infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition.
6. service in the Armed Forces or units auxiliary thereto of any country or international authority. (Unearned premium for any period for which the Insured Person is not covered due to his or her active duty status will be refunded.) (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded.

CLAIMS PROVISIONS

Notice of Claim. Written notice of claim must be given to the Company within 20 days after an Insured Person's loss. Notice given by or on behalf of the claimant to the Company at Chartis A&H Claims Division, PO Box 25987, Shawnee Mission, KS, 66225, with information sufficient to identify the Insured Person, is deemed notice to the Company. Failure to give notice within such time shall not invalidate or reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

Claim Forms. The Company will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed in this Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the Insured's name, the Policyholder's name and the Policy number.

Proof of Loss. Written proof of loss must be furnished to the Company in the case of claim: (1) for which this Policy provides periodic payment contingent upon continuing loss, within 30 days after the termination of the period for which the Company is liable; and (2) for any other loss within 90 days after the date of the loss. If the loss is one for which this Policy requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as the Company may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of an Insured Person will be made to the Insured Person's beneficiary as described in the Beneficiary Designation and Change provision of the General Provisions section.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the Insured Person suffering the loss. If an Insured Person dies before all payments due have been made, the amount still payable will be paid to his or her beneficiary as described in the Beneficiary Designation and Change provision of the General Provisions section.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at the Company's option, to any relative by blood or connection by marriage of the payee, who, in the Company's opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment the Company makes in good faith fully discharges the Company's liability to the extent of the payment made.

Time of Payment of Claims. Benefits payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid immediately, but not more than 60 days after the Company's receipt of due written proof of the loss. Subject to the Company's receipt of due written proof of loss, all accrued benefits for loss for which this Policy provides periodic payment will be paid at the expiration of each month during the continuance of the period for which the Company is liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

GENERAL PROVISIONS

Entire Contract; Changes. This Policy, and any application or attached papers make up the entire contract between the Policyholder and the Company. All statements made by the Policyholder will be considered representations and not warranties. No statement made by the Insured Person shall avoid the insurance or reduce benefits thereunder unless contained in a written instrument signed by the Insured Person.

No change in this Policy will be valid until approved by an officer of the Company. The approval must be noted on or attached to this Policy. No agent has the authority to change this Policy or waive any of its provisions.

Incontestability. The validity of this Policy will not be contested after it has been in force for two year(s) from the Policy Effective Date, except as to nonpayment of premiums.

Certificates of Insurance. The Company, when required, will provide certificates of insurance for distribution to each Insured describing the coverage provided, any limitations, reductions, and exclusions applicable to the coverage, and to whom benefits will be paid.

Beneficiary Designation and Change. The Insured's designated beneficiary(ies) is (are) the person(s) so named by the Insured for the Policyholder's group life insurance policy as shown on the Policyholder's records kept on that policy, unless the Insured has named a beneficiary specifically for this Policy as shown on the Policyholder's records kept on this Policy. The Insured Dependent's beneficiary is the Insured unless the Insured has named a different beneficiary(ies) for the Insured Dependent's coverage as shown on the Policyholder's records kept on this Policy.

An Insured over the age of majority and legally competent may change his or her beneficiary designation or the beneficiary designation for an Insured Dependent's coverage at any time, unless an irrevocable designation has been made, without the consent of the designated beneficiary(ies) or the Insured Dependent, by providing the Policyholder with a written request for change. When the request is received by the Policyholder, whether the Insured or the Insured Dependent is then living or not, the change of beneficiary will relate back to and take effect as of the date of execution of the written request, but without prejudice to the Company on account of any payment made by it prior to receipt of the request.

If there is no designated beneficiary for an Insured's coverage or no designated beneficiary for the Insured's coverage is living after the Insured's death, the benefits will be paid, in equal shares, to the survivors in the first surviving class of those that follow: the Insured's (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the Insured's estate.

If no beneficiary for an Insured Dependent's coverage is living on the date of the Insured Dependent's death, the beneficiary is the Insured's estate.

Physical Examination and Autopsy. The Company at its own expense has the right and opportunity to examine the person of any individual whose loss is the basis of claim under this Policy when and as often as it may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions. No action at law or in equity may be brought to recover on this Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this Policy. No such action may be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Noncompliance with Policy Requirements. Any express waiver by the Company of any requirements of this Policy will not constitute a continuing waiver of such requirements. Any failure by the Company to insist upon compliance with any Policy provision will not operate as a waiver or amendment of that provision.

Conformity With State Statutes. Any provision of this Policy which, on its effective date, is in conflict with the statutes of the state in which this Policy is delivered is hereby amended to conform to the minimum requirements of those statutes.

Workers' Compensation. This Policy is not in lieu of and does not affect any requirements for coverage by any Workers' Compensation Act or similar law.

Clerical Error. Clerical error, whether by the Policyholder or the Company, will not void the insurance of any Insured Person if that insurance would otherwise have been in effect nor extend the insurance of any Insured Person if that insurance would otherwise have ended or been reduced as provided in this Policy.

Records. The Company has the right to inspect at any reasonable time, any records of the Policyholder that may have a bearing on this insurance.

Assignment. This Policy is non-assignable. An Insured may assign all of his or her rights, privileges and benefits under this Policy without the consent of his or her designated beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of this Policy.

New Entrants. This Policy will allow from time to time, that new eligible Insured Persons of the Policyholder be added to the class(es) of Insured Persons originally insured under this Policy.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ

Policy Number: GTP 0009134117

HAZARD H-12 24-HOUR ACCIDENT PROTECTION WHILE ON A TRIP (Business Only)

Hazard H-12 applies only with respect to an Insured Person in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such person:

1. While on the Business of the Policyholder, and
2. during the course of any Trip, including a Sojourn or Personal Deviation taken during the course of the Trip, made by such person.

With respect to any period of time such Insured Person is traveling on a conveyance during the course of any such trip, Hazard H-12 applies only with respect to Injury sustained by the person:

1. while operating or riding in or on (including getting in or out of, or on or off of), or by being struck or run down by any conveyance being used as a means of land or water transportation, except:
 - a. any such conveyance the Insured Person has been hired to operate or for which the Insured Person has been hired as a crew member and while the Insured Person is performing as an operator or crew member on any such conveyance; or
 - b. any such conveyance the Insured Person is operating, or for which the Insured Person is performing as a crew member, (including getting in or out of, or on or off of) for the transportation of passengers or property for hire, profit or gain; or
2. while riding as a Passenger in or on (including getting in or out of, or on or off of):
 - a. any Civilian Aircraft; or
 - b. any Military Air Transport Aircraft; or
3. by being struck or run down by any aircraft.

Exclusions. Exclusion 2 in the General Exclusions section of this Policy is waived with respect to an Insured Person to whom this Hazard applies, but only with respect to Injury sustained by such person under the circumstances described in this Hazard. It is not waived with respect to such person traveling or flying in or on (including getting in or out of, or on or off of) any aircraft other than as expressly described in this Hazard, unless otherwise provided by this Policy.

In addition to all other exclusions in the General Exclusions section of this Policy, the circumstances described in this Hazard are deemed to exclude travel or flight in or on (including getting in or out of, or on or off of) any Policyholder Aircraft, unless otherwise provided by this Policy, and any aircraft while it is being used for Specialized Aviation Activity(ies) except aerial photography.

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Policy Number: GTP 0009134117

**HAZARD H-19
POLICYHOLDER AIRCRAFT
(Passenger, Pilot, or Crew)**

Hazard H-19 applies only with respect to an Insured Person in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such person while riding as a Passenger, pilot, operator or crew member in or on (including getting in or out of, or on or off of), or by being struck or run down by a designated aircraft described below:

Aircraft Owned or Leased kept on file with the Policyholder

which, at the time the Injury is sustained: (1) is a Policyholder Aircraft; (2) is being operated with the consent of the Policyholder; and (3) is being piloted by:

Any Qualified Licensed Pilot of the Policyholder

but only if such pilot, at the time the Injury is sustained: (1) has a current and valid medical certificate and pilot certificate with appropriate ratings for the designated aircraft; and (2) has a minimum of 1000 military, private or professional pilot hours logged for like aircraft, separately or combined.

Exclusions. Exclusion 2 in the General Exclusions section of this Policy is waived with respect to an Insured Person to whom this Hazard applies, but only with respect to Injury sustained by such person under the circumstances described in this Hazard. It is not waived with respect to such person traveling or flying in or on (including getting in or out of, or on or off of), or being struck or run down by, any aircraft other than as expressly described in this Hazard, unless otherwise provided by this Policy.

In addition to all other exclusions in the General Exclusions section of this Policy, the circumstances described in this Hazard are deemed to exclude travel or flight in or on (including getting in or out of, or on or off of) any aircraft described above while it is carrying Passengers for hire and any aircraft while it is being used for any Specialized Aviation Activity(ies) except aerial photography.

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**HAZARD H-21
ON-PREMISES VIOLENT CRIME**

Hazard H-21 applies only with respect to an Insured Person in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such person as a result of a Criminal Act of Violence:

1. that is not an act of the Insured Person, an Immediate Family Member, an employee of the Policyholder, a former employee of the Policyholder whose employment with the Policyholder ended less than 6 (six) months before the date of the Criminal Act of Violence, or an individual who resides with the Insured Person on a permanent basis; and
2. While On-Premises of the Policyholder; and
3. that is not a moving violation as defined under the applicable state motor vehicle laws, unless purposely directed at the Insured Person.

Exclusions. All exclusions in the General Exclusions section of this Policy apply with respect to this Hazard.

Criminal Act of Violence - as used in this Hazard, means any willful or unlawful use of force in connection with the commission of or the attempt to commit a crime (including, but not limited to, robbery, theft, kidnapping, hostage-taking, assault, battery, sniping, murder, manslaughter, riot, or insurrection) that: (1) results in Injury to the Insured Person; and (2) is a felony or a misdemeanor in the jurisdiction in which it occurs.

Limited to \$500,000 per life, with an aggregate of \$8,000,000 per Accident

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**HAZARD H-34
ON-PREMISES BOMB SCARE**

Hazard H-34 applies only with respect to an Insured Person in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such person as a result of a Bomb Scare which is directed at the Policyholder or its property or assets and:

1. that is not an act of the Insured Person, an employee of the Policyholder or, a former employee of the Policyholder whose employment with the Policyholder ended less than 6 (six) months before the date of the Bomb Scare; and
2. that occurs While On-Premises of the Policyholder.

Exclusions. All exclusions in the General Exclusions section of this Policy apply with respect to this Hazard.

Bomb - as used in this Hazard, means any explosive device fused to detonate and placed with the intent to cause injury, damage or fear.

Bomb Scare - as used in this Hazard, means: (1) any report of the presence of a Bomb (whether or not there actually is a Bomb) that requires both evacuation of the Policyholder's premises and an organized search for such Bomb; or (2) any explosion of a Bomb, whether or not reported in advance.

Limited to \$500,000 per life, with an aggregate of \$8,000,000 per Accident

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HAZARD H-39 WAR RISK (Business Only)

Hazard H-39 applies only with respect to an Insured Person in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such person While on the Business of the Policyholder and as a result of an act of declared or undeclared war within the geographic limits or territorial waters of, or airspace above the geographic limits or territorial waters of, a Designated War Risk Territory (but not such an act in which the Insured Person is an active participant).

Changes in Premium. The Company may change the premium rate for the inclusion of Hazard H-39 under this Policy at any time if (1) war risk conditions change in the Designated War Risk Territory(ies); (2) there is a change in which area(s) is (are) defined to be the Designated War Risk Territory(ies); or (3) the Policyholder's exposure to war risk in the Designated War Risk Territory(ies) changes in any way. The Company will give the Policyholder written notice of any change in the premium rate for the inclusion of Hazard H-39 at least 10 days in advance of the effective date of the change.

Termination Date. Hazard H-39 ceases to apply with respect to this Policy on the earliest of: (1) the date the Policy terminates; (2) the date the Company receives written notice from the Policyholder of the Policyholder's intent to terminate the applicability of Hazard H-39 (or on the date specified in the written notice, if later); or (3) the date specified in the Company's written notice to the Policyholder of the Company's intent to terminate the applicability of Hazard H-39 (or 10 days after the date the written notice is received by the Policyholder, if later).

If the applicability of Hazard H-39 terminates prior to the end of a period for which premium has been paid, any unearned premium attributable to Hazard H-39 will be returned.

Termination of the applicability of Hazard H-39 will not affect a claim for a covered loss that occurred while Hazard H-39 was still applicable.

Exclusions. Exclusion 2 in the General Exclusions section of this Policy is waived with respect to an Insured Person to whom this Hazard applies, but only with respect to Injury sustained by such person under the circumstances described in this Hazard. However, unless previously consented to in writing by the Company, that Exclusion is not waived, and this Hazard does not apply, with respect to the person traveling or flying in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the accident causing such Injury occurs while the person is:

1. riding as a Passenger in any aircraft not intended and/or licensed for the transportation of Passengers.
2. performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft.
3. riding as a Passenger in a Policyholder Aircraft or an aircraft owned, leased or operated by the Insured Person's employer.

Exclusion 3 in the Exclusions section of the Policy is waived with respect to an Insured Person to whom this Hazard applies, but only with respect to Injury sustained by such person under the circumstances described in this Hazard, and only where the accident occurs within the geographic limits or territorial waters of, or airspace above the geographic limits or territorial waters of, a Designated War Risk Territory.

All other exclusions in the General Exclusions section of this Policy apply.

Changes in Terms and Conditions. The terms and conditions of Hazard H-39, including but not limited to the definition of the Designated War Risk Territory(ies), may be changed at any time to reflect conditions that, in the opinion of the Company, constitute a change in the Policyholder's war risk exposure.

Designated War Risk Territory(ies) - as used in this Rider, means Worldwide. A Designated War Risk Territory does not include the United States of America, Iraq, Afghanistan or the Insured Person's Country of permanent residence.

Coverage can be provided in the following Country with prior notification of travel:

Iraq, Afghanistan

Reporting Requirements. The Policyholder agrees to report, in writing, exposure of Insured Persons in the below mentioned Designated War Risk Territory(ies) Annually. The report must include the name of each Insured Person exposed, his or her specific itinerary and destination(s) in the Designated War Risk Territory(ies), the effective and termination dates of his or her exposure, and his or her Principal Sum during the period of exposure. An additional premium will be charged at that time.

Designated War Risk Territory(ies)/Named Countries or parts of Countries:

Pakistan, Israel (West Bank and Gaza Strip), Iran, Somalia, Chechnya

Limited to \$500,000 per life, with an aggregate of \$8,000,000 per Accident

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HAZARD H-44 FAMILY ACCOMPANYING THE INSURED (Insured Dependents Only)

Hazard H-44 applies only with respect to an Insured Dependent in a class to which this Hazard applies as stated in the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of this Policy, and only with respect to Injury sustained by such Insured Dependent:

1. while he or she is accompanying the Insured or on his or her way to join the Insured; and
2. when the Trip is authorized by and/or paid for in whole or in part by the Policyholder; and
3. while the Insured is covered during the course of the circumstances described in, and subject to the exclusions and other terms and conditions of any Hazards for which the Insured is covered under this Policy.

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**BENEFIT B-4
BEREAVEMENT AND TRAUMA COUNSELING BENEFIT RIDER**

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Bereavement and Trauma Counseling Benefit. If an Insured Person suffers an accidental death or an accidental dismemberment or paralysis for which an Accidental Death or Accidental Dismemberment and Paralysis and Coma benefit is payable under the Policy, or if he or she goes into a coma for which a Accidental Dismemberment and Paralysis and Coma benefit is payable under the Policy, the Company will pay Covered Bereavement and Trauma Counseling Expenses that are due to his or her death or dismemberment or paralysis or coma. The Covered Bereavement and Trauma Counseling Expenses must be incurred within one year after the date of the accident causing such loss(es), up to a maximum of \$150 per session for up to 10 sessions for the Insured Person and all of his or her Immediate Family Members combined with respect to all such losses caused by the same accident.

Covered Bereavement and Trauma Counseling Expense(s) – as used in this Rider, means an expense that: (1) is charged for a Medically Necessary Bereavement or Trauma Counseling Session for the Insured Person and/or one or more of his or her Immediate Family Member(s) provided under the care, supervision or order of a Physician; (2) does not exceed the usual level of charges for similar counseling sessions in the locality where the expense is incurred; and (3) does not include charges that would not have been made if no insurance existed.

Medically Necessary Bereavement or Trauma Counseling Session – as used in this Rider, means any individual, joint or family mental health counseling session that: (1) is essential to assist the Insured Person and/or one or more Immediate Family Members in coping with the loss for which it is provided; (2) meets generally accepted standards of medical practice; and (3) is ordered by a Physician.

Exclusions. In addition to the Exclusions in the General Exclusions section of the Policy, Covered Bereavement and Trauma Counseling Expenses do not include any expenses for or resulting from any condition for which the Insured Person is entitled to benefits under any Workers' Compensation Act or similar law.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

(212) 458-5000

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BENEFIT B-10 DAY CARE BENEFIT RIDER

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Day Care Benefit. If an Insured suffers accidental death such that an Accidental Death benefit is payable under the Policy, the Company will pay a benefit on behalf of any Child of the Insured on the date of the accident causing the Insured's death and on the date of the Insured's death who: (1) is enrolled in a Day Care Center on the date of the Insured's death; or (2) enrolls in a Day Care Center within 365 days after the Insured's death. The benefit is payable for each year of the Child's enrollment in a Day Care Center. The total amount of the benefit each year is equal to the least of:

1. the actual cost of care for that Child charged by that Day Care Center for that year;
2. 10% of the Insured's Principal Sum on the date of the accident causing death; or
3. \$10,000.

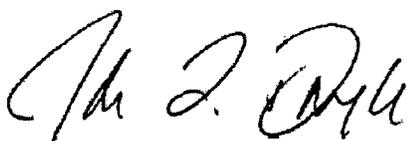
The applicable portion of the yearly benefit for each period of enrollment is payable upon receipt of due proof of enrollment, but not more frequently than monthly.

The benefit is not payable for any period of enrollment in a Day Care Center before the date of the accident that caused the Insured's death. The benefit is not payable for any period of enrollment after the earlier of: (1) the date the Child reaches 13 years of age; or (2) the date four (4) years after the later of the date of the Insured's death or the date the Child first enrolls in a Day Care Center. If there is no Child eligible for the benefit within 365 days after the date of the Insured's death, the Company will pay a one-time lump sum benefit of \$1,000 to the Insured's designated beneficiary.

Child – as used in this Rider, means the Insured's unmarried child, including a natural, step, foster or adopted child from the moment of placement in the Insured's home, under age 13 and primarily dependent on the Insured for support and maintenance.

Day Care Center – as used in this Rider, means a facility that is duly licensed, certified or accredited by the jurisdiction in which it is located to provide child care and is operating in compliance with applicable laws and regulations of the jurisdiction.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

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BENEFIT B-13 EMERGENCY EVACUATION WITH FAMILY TRAVEL BENEFIT RIDER

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents and Emergency Sickneses that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Emergency Evacuation Benefit. The Company will pay for Covered Emergency Evacuation Expenses reasonably incurred if the Insured Person suffers an Injury or Emergency Sickness that warrants his or her Emergency Evacuation while he or she is outside a 100 mile radius from his or her current place of primary residence, up to a maximum of \$500,000 for all Emergency Evacuations due to all Injuries from the same accident or all Emergency Sickneses from the same or related causes.

The Physician ordering the Emergency Evacuation must certify that the severity of the Insured Person's Injury or Emergency Sickness warrants his or her Emergency Evacuation. All Transportation arrangements made for the Emergency Evacuation must be by the most direct and economical conveyance and route possible.

Family Travel Benefit. Following an Emergency Evacuation for which an Emergency Evacuation benefit is payable under the Policy, the Company will pay for expenses reasonably incurred:

1. to return to their current place of primary residence, with an attendant if necessary, any of the Insured Person's Children who were accompanying the Insured Person when the Injury or Emergency Sickness occurred; but not to exceed the cost of a single one-way economy airfare ticket less the value of applied credit from any unused return travel tickets per person; and
2. to bring one person chosen by the Insured Person to and from the hospital or other medical facility where the Insured Person is confined if the Insured Person is alone and if the place of confinement is outside a 100 mile radius from the Insured Person's place of primary residence; but not to exceed the cost of one round-trip economy airfare ticket.

Travel Guard must make all arrangements and must authorize all expenses in advance for any benefits under this Rider to be payable. The Company reserves the right to determine the benefit payable, including reductions, if it is not reasonably possible to contact Travel Guard in advance.

The General Exclusions section of the Policy, and the Exclusions section of each Hazard to which this Rider applies, do not apply with respect to this Rider.

Children - as used in this Rider, means unmarried children, including natural, step, foster or adopted children from the moment of placement in the Insured Person's home, under age 26 and primarily dependent on the Insured Person for support and maintenance. However, the age limit does not apply to a child who: (1) otherwise meets the definition of Children; and (2) is incapable of self-sustaining employment by reason of mental or physical incapacity.

Covered Emergency Evacuation Expense(s) - as used in this Rider, means an expense that: (1) is charged for a Medically Necessary Emergency Evacuation Service; (2) does not exceed the usual level of charges for similar Transportation, treatment, services or supplies in the locality where the expense is incurred; and (3) does not include charges that would not have been made if no insurance existed.

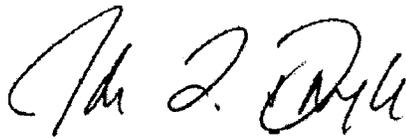
Emergency Evacuation - as used in this Rider, means, if warranted by the severity of the Insured Person's Injury or Emergency Sickness: (1) the Insured Person's immediate Transportation from the place where he or she suffers an Injury or Emergency Sickness to the nearest hospital or other medical facility where appropriate medical treatment can be obtained; (2) the Insured Person's Transportation to his or her current place of primary residence to obtain further medical treatment in a hospital or other medical facility or to recover after suffering an Injury or Emergency Sickness and being treated at a local hospital or other medical facility; or (3) both (1) and (2) above. An Emergency Evacuation also includes medical treatment, medical services and medical supplies necessarily received in connection with such Transportation.

Emergency Sickness - as used in this Rider, means an illness or disease, diagnosed by a Physician, which meets all of the following criteria: (1) there is present a severe or acute symptom requiring immediate care and the failure to obtain such care could reasonably result in serious deterioration of the Insured Person's condition or place his or her life in jeopardy; (2) the severe or acute symptom occurs suddenly and unexpectedly; and (3) the severe or acute symptom occurs while the Policy is in force as to the person suffering the symptom and under the circumstances described in a Hazard (a) applicable to that person and (b) to which this Rider applies. For purposes of this Rider, any references to "Injury" in such a Hazard are deemed to be references to "Injury or Emergency Sickness."

Medically Necessary Emergency Evacuation Service - as used in this Rider, means any Transportation, medical treatment, medical service or medical supply that: (1) is an essential part of an Emergency Evacuation due to the Injury or Emergency Sickness for which it is prescribed or performed; (2) meets generally accepted standards of medical practice; and (3) either is ordered by a Physician and performed under his or her care or supervision or order, or is required by the standard regulations of the conveyance transporting the Insured Person.

Transportation - as used in this Rider means moving the Insured Person during an Emergency Evacuation by a land, water or air conveyance. Conveyances include, but are not limited to, air ambulances, land ambulances and private motor vehicles.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

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Policy Number: GTP 0009134117

BENEFIT B-16 HOME ALTERATION AND VEHICLE MODIFICATION BENEFIT RIDER

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Home Alteration and Vehicle Modification Benefit. If an Insured Person:

1. suffers an accidental dismemberment or paralysis for which an Accidental Dismemberment and Paralysis benefit is payable under the Policy;
2. did not, prior to the date of the accident causing such loss(es), require the use of a wheelchair to be ambulatory; and
3. as a direct result of such loss(es) is now required to use a wheelchair to be ambulatory;

the Company will pay Covered Home Alteration and Vehicle Modification Expenses that are incurred within one year after the date of the accident causing such loss(es), up to a maximum of \$25,000 for all such losses caused by the same accident.

Covered Home Alteration and Vehicle Modification Expenses - as used in this Rider, means one-time expenses that:

1. are charged for:
 - (a) alterations to the Insured Person's residence that are necessary to make the residence accessible and habitable for a wheelchair-confined person; or
 - (b) modifications to a motor vehicle owned or leased by the Insured Person or modifications to a motor vehicle newly purchased for the Insured Person that are necessary to make the vehicle accessible to and/or driveable by the Insured Person; and
2. do not include charges that would not have been made if no insurance existed; and
3. do not exceed the usual level of charges for similar alterations and modifications in the locality where the expense is incurred;

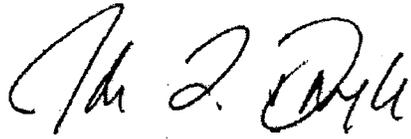
but only if the alterations to the Insured Person's residence and the modifications to his or her motor vehicle are:

1. made on behalf of the Insured Person;
2. recommended by a nationally-recognized organization providing support and assistance to wheelchair users;
3. carried out by individuals experienced in such alterations and modifications; and
4. in compliance with any applicable laws or requirements for approval by the appropriate government authorities.

In addition a Physician must certify that the alteration to the Insured Person's residence and the modification(s) to his or her motor vehicle are needed to accommodate the physical disability.

Exclusions. In addition to the Exclusions in the General Exclusions section of the Policy, Covered Home Alteration and Vehicle Modification Expenses do not include any expenses for or resulting from any condition for which the Insured Person is entitled to benefits under any Workers' Compensation Act or similar law.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038
(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ
Policy Number: GTP 0009134117

**BENEFIT B-25
REHABILITATION BENEFIT RIDER**

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Rehabilitation Benefit. If an Insured Person suffers an accidental dismemberment or paralysis for which an Accidental Dismemberment and Paralysis Benefit is payable under the Policy, the Company will reimburse the Insured Person for Covered Rehabilitative Expenses that are due to the Injury causing the dismemberment or paralysis. The Covered Rehabilitative Expenses must be incurred within two years after the date of the accident causing that Injury, up to a maximum of \$25,000 for all Injuries caused by the same accident.

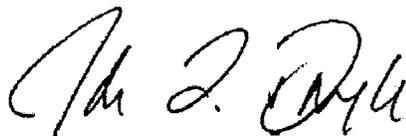
Hospital – as used in this Rider, means a short-term, acute, general hospital, which: (1) is primarily engaged in providing, by or under the continuous supervision of physicians, to inpatients, diagnostic services and therapeutic services for diagnosis, treatment and care of injured or sick persons; (2) has organized departments of medicine and major surgery; (3) has a requirement that every patient must be under the care of a physician or dentist; (4) provides 24-hour nursing service by or under the supervision of a registered professional nurse (R.N.); (5) if located in New York State, has in effect a hospitalization review plan applicable to all patients which meets at least the standards set forth in section 1861(k) of United States Public Law 89-97, (42 USCA 1395x(k)); (6) is duly licensed by the agency responsible for licensing such hospitals; and (7) is not, other than incidentally, a place of rest; a place primarily for the treatment of tuberculosis; a place for the aged; place for drug addicts or alcoholics; a place for convalescent, custodial, educational, or rehabilitative care.

Medically Necessary Rehabilitative Training Service – as used in this Rider, means any medical service, medical supply, medical treatment or Hospital confinement (or part of a Hospital confinement) that: (1) is essential for physical rehabilitative training due to the Injury for which it is prescribed or performed; (2) meets generally accepted standards of medical practice; and (3) is ordered by a Physician.

Covered Rehabilitative Expense(s) – as used in this Rider, means an expense that: (1) is charged for a Medically Necessary Rehabilitative Training Service of the Insured Person performed under the care, supervision or order of a Physician; (2) does not exceed the usual level of charges for similar treatment, supplies or services in the locality where the expense is incurred (for a Hospital room and board charge, does not exceed the most common charge for Hospital semi-private room and board in the Hospital where the expense is incurred); and (3) does not include charges that would not have been made if no insurance existed.

Exclusions. In addition to the Exclusions in the General Exclusions section of the Policy, Covered Rehabilitative Expenses do not include any expenses for or resulting from any condition for which the Insured Person is entitled to benefits under any Workers' Compensation Act or similar law.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038
(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ
Policy Number: GTP 0009134117

**BENEFIT B-26
REPATRIATION OF REMAINS BENEFIT RIDER**

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to losses of life that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

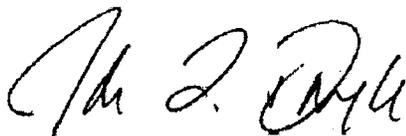
Repatriation of Remains Benefit. If an Insured Person suffers loss of life due to Injury or Emergency Sickness while outside a 100 mile radius from his or her current place of primary residence, the Company will pay for covered expenses reasonably incurred to return his or her body to a mortuary near his or her primary residence, up to a maximum of \$500,000.

Covered expenses include, but are not limited to, expenses for: (1) the most economical coffins or receptacles adequate for transportation of the remains; and (2) transportation of the remains by the most direct and economical conveyance and route possible.

Travel Guard must make all arrangements and must authorize all expenses in advance for this benefit to be payable. The Company reserves the right to determine the benefit payable, including any reductions, if it was not reasonably possible to contact Travel Guard in advance.

Emergency Sickness – as used in this Rider, means an illness or disease, diagnosed by a Physician, which meets all of the following criteria: (1) there is present a severe or acute symptom requiring immediate care and the failure to obtain such care could reasonably result in serious deterioration of the Insured Person's condition or place his or her life in jeopardy; (2) the severe or acute symptom occurs suddenly and unexpectedly; and (3) the severe or acute symptom occurs while the Policy is in force as to the person suffering the symptom and under the circumstances described in a Hazard (a) applicable to that person and (b) to which this Rider applies. For purposes of this Rider, any references to "Injury" in such a Hazard are deemed to be references to "Injury or Emergency Sickness".

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ

Policy Number: GTP 0009134117

BENEFIT B-28

SEAT BELT AND AIR BAG (PERCENTAGE OF PRINCIPAL SUM AMOUNT) BENEFIT RIDER

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Seat Belt Benefit. The Company will pay a benefit under this Rider when the Insured Person suffers accidental death such that an Accidental Death benefit is payable under the Policy and the accident causing death occurs while the Insured Person is operating, or riding as a passenger in, an Automobile and wearing a properly fastened, original, factory-installed seat belt. The amount payable under this Rider is: (1) \$25,000; or (2) 10% of the Insured Person's Principal Sum.

Air Bag Benefit. The Company will pay an additional benefit under this Rider if a Seat Belt Benefit is payable under this Rider and if the Insured Person is positioned in a seat protected by a properly functioning, original, factory-installed Supplemental Restraint System that inflates on impact. The additional amount payable under this Rider is \$5,000.

Verification of the actual use of the seat belt, at the time of the accident, and that the Supplemental Restraint System inflated properly upon impact must be a part of an official report of the accident or be certified, in writing, by the investigating officer(s).

Automobile – as used in this Rider, means a self-propelled private passenger motor vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to, a sedan, station wagon, or jeep-type vehicle and a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.

Supplemental Restraint System – as used in this Rider, means an air bag which inflates for added protection to the head and chest areas.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

(212) 458-5000

(a capital stock company, herein referred to as the Company)

Policyholder: Port Authority of NY & NJ

Policy Number: GTP 0009134117

BENEFIT B-30 TUITION BENEFIT RIDER

This Rider is attached to and made part of the Policy effective July 15, 2011. It applies only with respect to accidents that occur on or after that date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider. See the Principal Sums, Hazards and Benefits for Eligible Persons section of the Declarations section of the Policy for the applicability of this Rider with respect to each class of Insured Persons and each Hazard.

Children and Spouse Tuition Benefit. If an Insured suffers accidental death such that an Accidental Death benefit is payable under the Policy, the Company will pay the following benefit:

A. **For the Children.** The Company will pay a benefit to or on behalf of any Child of the Insured who met the definition of Child on the date of the accident causing the Insured's death and on the date of the Insured's death and who, on the date of the Insured's death: (1) is a full-time student in any Institution of Higher Learning above grade 12; or (2) is in grade 12 and subsequently enrolls as a full-time student in an Institution of Higher Learning within 365 days after the date of the Insured's death. The benefit will be paid for each year of the Child's continuous enrollment as a full-time student in an Institution of Higher Learning, to a maximum of four (4) consecutive years or the date the Child reaches age 26, whichever comes first. The total amount of the benefit each year is equal to the least of:

1. the actual tuition (exclusive of room and board) charged by that institution for enrollment during that year for that Child;
2. 10% of the Insured's Principal Sum on the date of the accident causing death; or
3. \$10,000.

The applicable portion of the yearly benefit for each term of enrollment is payable upon receipt of proof of enrollment for that term.

A Child who ceases to be enrolled as a full-time student becomes permanently ineligible for the benefit, even if he or she reenrolls at a later date. The benefit is not payable for any term of enrollment as a full-time student that begins before the date of the Insured's death. If there is no Child under age 26 eligible for the benefit within 365 days after the date of the Insured's death, the Company will pay a one-time lump sum benefit of \$1,000 to the Insured's designated beneficiary.

B. **For the Spouse.** The Company will pay a benefit to or on behalf of the Spouse of the Insured who met the definition of Spouse on the date of the accident causing the Insured's death and on the date of the Insured's death and who, for the purpose of obtaining an independent source of support or to enrich his or her ability to earn a living: (1) is enrolled in any Institution of Higher Learning or professional or trade training program on the date of the Insured's death; or (2) subsequently enrolls in an Institution of Higher Learning or professional or trade training program within 30 months after the date of the Insured's death. The benefit will be paid for each year of the Spouse's continuous enrollment in an Institution of Higher Learning or professional or trade training program, to a maximum of four (4) consecutive years. The total amount of the benefit for all institutions and programs combined each year is equal to the least of:

1. the total actual tuition (exclusive of room and board) charged by those institutions or programs for enrollment during that year for the Spouse;
2. 10% of the Insured's Principal Sum on the date of the accident causing death; or
3. \$10,000.

The applicable portion of the yearly benefit for each term of enrollment is payable upon receipt of proof of enrollment for that term.

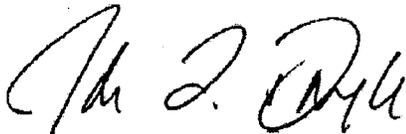
A Spouse who ceases to be enrolled as described above becomes permanently ineligible for the benefit, even if he or she reenrolls at a later date. The benefit is not payable for any term of enrollment that begins before the date of the Insured's death. If there is no Spouse eligible for the benefit within 30 months after the date of the Insured's death, the Company will pay a one-time lump sum benefit of \$1,000 to the Insured's designated beneficiary.

Child – as used in this Rider, means the Insured's unmarried children, including natural, step, foster or adopted children from the moment of placement in the Insured's home, under age 26 and primarily dependent on the Insured for support and maintenance.

Institution of Higher Learning – as used in this Rider, means any accredited institution that provides education or training beyond the 12th grade level, including, but not limited to, any state university, private college, or trade school.

Spouse – as used in this Rider, means the Insured's legal spouse.

The President and Secretary of National Union Fire Insurance Company of Pittsburgh, Pa. witness this Rider:



President



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

Executive Offices: 175 Water Street, 18th Floor, New York, NY 10038

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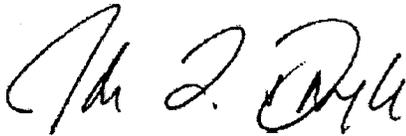
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective July 15, 2011 12:01 A.M. forms a part of Policy No. GTP 0009134117 issued to Port Authority of NY & NJ By National Union Fire Insurance Company of Pittsburgh, PA.

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



President



Secretary

IMPORTANT NOTICE TO OUR CUSTOMERS REGARDING THE OFFICE OF FOREIGN ASSETS CONTROL

Your rights as a policyholder and payments to you, any insured, additional insured, loss payee, mortgagee, or claimant, for loss under this policy may be affected by the administration and enforcement of U.S. economic embargoes and trade sanctions by the OFFICE OF FOREIGN ASSETS CONTROL ("OFAC").

WHAT IS OFAC?

OFAC is an office of the Department of the Treasury and acts under presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC administers and enforces economic embargoes and trade sanctions primarily against:

- Targeted foreign countries and their agents
- Terrorism sponsoring agencies and organizations
- International narcotics traffickers

PROHIBITED ACTIVITY

- OFAC enforces certain embargoes and sanctions against certain designated countries. No U.S. business or person may enter into certain transactions in or connected to such designated "sanctioned" countries.
- OFAC maintains a directory known as the "Specially Designated Nationals and Blocked Persons" ("SDNBP") list. No U.S. business or person may transact business with any person or entity named on the SDNBP list.

Additional and more in-depth information on OFAC is available at the following website:

<http://www.ustreas.gov/offices/eotffc/ofac>.

OBLIGATIONS PLACES ON US BY OFAC

If we determine that you or any insured, additional insured, loss payee, mortgagee, or claimant are on the SDNBP list or are connected to a sanctioned country as described in the regulations enforced by OFAC, we must block or "freeze" property and payment of any funds transfers or transactions and report all blocks to OFAC within ten (10) days.

POTENTIAL ACTIONS BY US

1. We may immediately cancel your coverage effective on the day that we determine that we have transacted business with an individual or entity associated with your policy on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.
2. If we cancel your coverage, you will not receive a return premium unless approved by OFAC. All funds will be placed in an interest bearing blocked account established on the books of a U.S. financial institution.
3. We will not pay a claim, accept premium or exchange monies or assets of any kind to or with individuals, entities or companies (including a bank) on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC. And, we will not defend or provide any other benefits under your policy to individuals, entities or companies on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.

YOUR RIGHTS AS A POLICYHOLDER

If funds are blocked or frozen by us in conjunction with the OFFICE OF FOREIGN ASSETS CONTROL, you may complete an "APPLICATION FOR THE RELEASE OF BLOCKED FUNDS" and apply for a specific license to request their release. Forms are available for download at the OFAC website. See <http://www.ustreas.gov/offices/eotffc/ofac/legal/forms/license.pdf>.

Chartis U.S.

Privacy and Data Security Notice

I. Your Privacy

In the course of conducting business, we collect information about you in order to properly service the products we sell to you. Accordingly, Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of your information.

About This Notice

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you, our Customer, personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a credit card number, a driver's license number, or information on your physical condition or health status.

This Privacy and Data Security Notice outlines how we collect, handle, and disclose Personal Information about you. It applies only to your Personal Information obtained by the Companies listed at the end of this Notice, in connection with products or services with which you received this Notice which are primarily for personal, family, or household purposes in the United States.

Information Collection

We may collect Personal Information about you from applications, enrollment forms, your other interactions with us, our Affiliates, and when we process claims or other transactions in connection with the underwriting process. We may also collect Personal Information about you from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information about you only in accordance with applicable laws or regulations or in response to your request for a product or service from us.

Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

With our Affiliates: We may share customer information with our Affiliates. Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

- We may share your Personal Information with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
- We will not share your Personal Information that is of a financial nature with our Affiliates for marketing purposes without first providing you an opportunity to direct that such information not be shared.
- We will not share your Personal Information that is of a health nature with our Affiliates except as directed or authorized by you.

With Non-Affiliates: We may also share customer information with Non-Affiliated companies.

1. We may share your Personal Information with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
2. We may enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share customer information in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

II. Information Protection

We maintain physical, electronic, and procedural safeguards designed to protect your Personal Information. Only authorized employees, insurance agents and administrators are permitted to have access to that information.

We expect any Non-Affiliates that serve our Customers on our behalf to adhere to our privacy policy. Those non-affiliates are legally bound to use your Personal Information received from us only for the purposes for which it was provided and to not disclose it or use it in any other way. These Non-Affiliates are also subject to and governed by federal and state privacy laws and regulations. We are not responsible for their misuse of information.

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those individuals who need to use your Personal Information to provide products or services to you.

III. Maintaining Information

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer
Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038
Fax: 212 458-7081
E-Mail: CIPrivacy@chartisinsurance.com**

Special Notice: You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete any information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we refuse to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

Our Customers Can Depend on Us

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority with us and thus we will continue to monitor our privacy practices in order to protect and respect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice

Although we may change this Privacy and Data Security Notice at any time, you will be notified of any changes as required by law.

AIG Casualty Company; American Home Assurance Company; American International South Insurance Company; Audubon Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; National Union Fire Insurance Company of Pittsburgh, Pa.; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; AIG Excess Liability Insurance Company Ltd.; American International Specialty Lines Insurance Company; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Vermont, other member companies of Chartis U.S., and American International Life Assurance Company of New York and AIG Life Insurance Company.

POLICYHOLDER NOTICE

Thank you for purchasing insurance from Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

ATTACHMENT D

STANDARD CONTRACT TERMS AND CONDITIONS

STANDARD CONTRACT TERMS AND CONDITIONS

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STANDARD CONTRACT TERMS AND CONDITIONS

PART I GENERAL DEFINITIONS

To avoid undue repetition, the following terms, as used in this Agreement, shall be construed as follows:

Authority or Port Authority - shall mean the Port Authority of New York and New Jersey.

Contract, Document or Agreement - shall mean the writings setting forth the scope, terms, conditions and Specifications for the procurement of Goods and/or Services, as defined hereunder and shall include, but not be limited to: Invitation for Bid (IFB), Request for Quotation (RFQ), Request for Proposal (RFP), Purchase Order (PO), Cover Sheet, executed Signature Sheet, AND PRICING SHEETS with Contract prices inserted, "STANDARD CONTRACT TERMS AND CONDITIONS," and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written addenda issued over the name of the Authority's Manager, Purchasing Services Division.

Days or Calendar Days - shall mean consecutive calendar days, Saturdays, Sundays, and holidays, included.

Week - unless otherwise specified, shall mean seven (7) consecutive calendar days, Saturdays, Sundays, and holidays.

Month - unless otherwise specified, shall mean a calendar month.

Director - shall mean the Director of the Department which operates the facility of the Port Authority at which the services hereunder are to be performed, for the time being, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

Manager - shall mean the Manager of the Facility for the time being or his successor in duties for the purpose of this Contract, acting personally or through his duly authorized representative for the purpose of this Contract.

No person shall be deemed a representative of the Director or Manager except to the extent specifically authorized in an express written notice to the Contractor signed by the Director or Manager, as the case may be. Further, no person shall be deemed a successor in duties of the Director unless the Contractor is so notified in writing signed by the Authority's Manager, Purchasing Services Division. No person shall be deemed a successor in duties of the Manager unless the Contractor is so notified in a writing signed by the Director.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- (a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- (c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;

- (d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Site of the Work - or words of similar import shall mean the Facility and all buildings and properties associated therewith as described in this Contract.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- o The principal place of business must be located in New York or New Jersey;
- o The firm must have been in business for at least three years with activity;
- o Average gross income limitations by industry as established by the Port Authority.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely his own personal labor or his own personal services. "Subcontractor", however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

Work - shall mean all services, equipment and materials (including materials and equipment, if any, furnished by the Authority) and other facilities and all other things necessary or proper for, or incidental to the services to be performed or goods to be furnished in connection with the service to be provided hereunder.

PART II GENERAL PROVISIONS

1. Facility Rules and Regulations of The Port Authority

- a. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the facility Rules and Regulations of the Port Authority now in effect, and such further reasonable Rules and Regulations which may from time to time during the term of this Agreement be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance and efficient operation of the Facility. The Port Authority agrees that, except in case of emergency, it shall give notice to the Contractor of every Rule and Regulation hereafter adopted by it at least five days before the Contractor shall be required to comply therewith.
- b. A copy of the facility Rules and Regulations of the Port Authority shall be available for review by the Contractor at the Office of the Secretary of the Port Authority.

2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of the Port Authority for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically

acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of the Port Authority.

3. Contractor's Warranties

The Contractor represents and warrants:

- a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with the solicitation are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;
- b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;
- c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;
- d. That no Commissioner, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;
- e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

Moreover, the Contractor accepts the conditions at the Site of the Work as they may eventually be found to exist and warrants and represents that it can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at its own cost and expense, anything in this Contract to the contrary notwithstanding.

Nothing in the Specifications or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof.

The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Port Authority to review thoroughly all documents forming this Contract prior to opening of Bids on this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents, that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

The Contractor further recognizes that the provisions of this numbered clause (though not only such provisions) are essential to the Port Authority's consent to enter into this Contract and that without such provisions, the Authority would not have entered into this Contract.

4. Personal Non-Liability

Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Contractor with any liability, or held personally liable to the Contractor under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.

5. Equal Employment Opportunity, Affirmative Action, Non-Discrimination

- a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.
- b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

6. Rights and Remedies of the Port Authority

The Port Authority shall have the following rights in the event the Contractor is deemed guilty of a breach of any term whatsoever of this Contract:

- a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.
- b. The right to cancel this Contract as to any or all of the Work yet to be performed.
- c. The right to specific performance, an injunction or any appropriate equitable remedy.
- d. The right to money damages.

For the purpose of this Contract, breach shall include but not be limited to the following, whether or not the time has yet arrived for performance of an obligation under this Contract: a statement by the Contractor to any representative of the Port Authority indicating that the Contractor cannot or will not perform any one or more of its obligations under this Contract; any act or omission of the Contractor or any other occurrence which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract; any suspension of or failure to proceed with any part of the Work by the Contractor which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract.

The enumeration in this numbered clause or elsewhere in this Contract of specific rights and remedies of the Port Authority shall not be deemed to limit any other rights or remedies which the Authority would have in the absence of such enumeration; and no exercise by the Authority of any right or remedy shall operate as a waiver of any other of its rights or remedies not inconsistent therewith or to estop it from exercising such other rights or remedies.

7. Rights and Remedies of the Contractor

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract which may be committed by the Port Authority, the Contractor expressly agrees that no default, act or omission of the Port Authority shall constitute a material breach of this Contract, entitling the Contractor to cancel or rescind this Contract or to suspend or abandon performance.

8. Submission To Jurisdiction

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy arising out of, connected with, or in any way concerning this Contract.

The Contractor agrees that the service of process on the Contractor in relation to such jurisdiction may be

made, at the option of the Port Authority, either by registered or certified mail addressed to it at the address of the Contractor indicated on the signature sheet, or by actual personal delivery to the Contractor, if the Contractor is an individual, to any partner if the Contractor be a partnership or to any officer, director or managing or general agent if the Contractor be a corporation.

Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it might otherwise have been served in a different manner.

9. Harmony

- a. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of the Port Authority or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

- b. During the time that the Contractor is performing the Contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.

The Contractor shall so plan and conduct its operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with

or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

11. No Third Party Rights

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action."

12. Provisions of Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

13. Costs Assumed By The Contractor

It is expressly understood and agreed that all costs of the Contractor of whatever kind or nature and whether imposed directly upon the Contractor under the terms and provisions hereof or in any other manner whatsoever because of the requirements of the operation of the service or otherwise under this Agreement shall be borne by the Contractor or without compensation or reimbursement from the Port Authority, except as specifically set forth in this Agreement. The entire and complete cost and expense of the Contractor's services and operations hereunder shall be borne solely by the Contractor and under no circumstances shall the Port Authority be liable to any third party (including the Contractor's employees) for any such costs and expenses incurred by the Contractor and under no circumstances shall the Port Authority be liable to the Contractor for the same, except as specifically set forth in this Section.

14. Default, Revocation or Suspension of Contract

a. If one or more of the following events shall occur:

1. If fire or other cause shall destroy all or a substantial part of the Facility.
2. If any governmental agency shall condemn or take a temporary or permanent interest in all or a substantial part of the Facility, or all of a part of the Port Authority's interest herein;

then upon the occurrence of such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right on twenty-four (24) hours written notice to the Contractor to revoke this Contract, such revocation to be effective upon the date and time specified in such notice.

In such event this Contract shall cease and expire on the effective date of revocation as if said date were the date of the expiration of this Contract. Such revocation shall not, however, relieve the Contractor of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

b. If one or more of the following events shall occur:

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or
2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation,

by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or
4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or
5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or
6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or
7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right upon five (5) days notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder; termination to be effective upon the date and time specified in such notice as if said date were the date of the expiration of this Contract. Termination shall not relieve the Contractor of any liabilities or obligations hereunder which have accrued on or prior to the effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or
2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

d. If any of the events enumerated in this Section shall occur prior to commencement date of this Contract the Port Authority upon the occurrence of any such event or any time thereafter during the continuance thereof by twenty-four (24) hours notice may terminate or suspend this Contract and the rights of the Contractor hereunder, such termination or suspension to be effective upon the date specified in such notice.

- e. No payment by the Port Authority of any monies to the Contractor for any period or periods after default of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Contractor and no act or thing done or omitted to be done by the Port Authority shall be deemed to be a waiver of the right of the Port Authority to terminate this Contract or of any other right or remedies to which the Port Authority may be entitled because of any breach thereof. No waiver by the Port Authority of any default on the part of the Contractor in the performance of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Contractor shall be or be construed to be a waiver by the Port Authority of any other subsequent default in the performance of any of the said terms, covenants and conditions.
- f. In addition to all other rights of revocation or termination hereunder and notwithstanding any other provision of this Contract the Port Authority may terminate this Contract and the rights of the Contractor hereunder without cause at any time upon five (5) days written notice to the Contractor and in such event this Contract shall cease and expire on the date set forth in the notice of termination as fully and completely as though such dates were the original expiration date hereof and if such effective date of termination is other than the last day of the month, the amount of the compensation due to the Contractor from the Port Authority shall be prorated when applicable on a daily basis. Such cancellation shall be without prejudice to the rights and obligations of the parties arising out of portions already performed but no allowance shall be made for anticipated profits.
- g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this Contract as aforesaid.
- h. If (1) the Contractor fails to perform any of its obligations under this Contract or any other agreement between the Port Authority and the Contractor (including its obligation to the Port Authority to pay any claim lawfully made against it by any supplier, subcontractor or worker or other person which arises out of or in connection with the performance of this Contract or any other agreement with the Port Authority) or (2) any claim (just or unjust) which arises out of or in connection with this Contract or any other agreement between the Port Authority and the Contractor is made against the Port Authority or (3) any subcontractor under this Contract or any other agreement between the Port Authority and the Contractor fails to pay any claims lawfully made against it by any supplier, subcontractor, worker or other third person which arises out of or in connection with this Contract or any other agreement between the Port Authority and the Contractor or if in the opinion of the Port Authority any of the aforesaid contingencies is likely to arise, then the Port Authority shall have the right, in its discretion, to withhold out of any payment (final or otherwise) such sums as the Port Authority may deem ample to protect it against delay or loss or to assure the payment of just claims of third persons, and to apply such sums in such manner as the Port Authority 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 Port Authority 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 Port Authority does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Port Authority to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the Port Authority shall create any obligation of any kind to such supplier, subcontractors, worker or other third persons. If, however, the payment of any amount due the Contractor shall be improperly delayed, the Port

Authority shall pay the Contractor interest thereon at the rate of 6% per annum for the period of the delay, it being agreed that such interest shall be in lieu of and in liquidation of any damages to the Contractor because of such delay.

- i. If the Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.
- j. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.
- k. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

15. Sales or Compensating Use Taxes

Purchases of services and tangible personal property by the Port Authority in the States of New York and New Jersey are generally exempt from state and local sales and compensating use taxes, and from most federal excises (Taxes). Therefore, the Port Authority's purchase of the Contractor's services under this Contract is exempt from Taxes. Accordingly, the Contractor must not include Taxes in the price charged to the Port Authority for the Contractor's services under this Contract. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and the Port Authority will not separately reimburse the Contractor for any taxes unless specifically set forth in this Agreement.

16. No Estoppel or Waiver

The Port Authority shall not be precluded or estopped by any payment, final or otherwise, issued or made under this Contract, from showing at any time the true amount and character of the services performed, or from showing that any such payment is incorrect or was improperly issued or made; and the Port Authority shall not be precluded or estopped, notwithstanding any such payment, from recovering from the Contractor any damages which it may sustain by reason of any failure on its part to comply strictly with this Contract, and any moneys which may be paid to it or for its account in excess of those to which it is lawfully entitled.

No cancellation, rescission or annulment hereof, in whole or as to any part of the services to be provided hereunder, or because of any breach hereof, shall be deemed a waiver of any money damages to which the Port Authority may be entitled because of such breach. Moreover, no waiver by the Authority of any breach of this Contract shall be deemed to be a waiver of any other or any subsequent breach.

17. Records and Reports

The Contractor shall set up, keep and maintain (and shall cause its subcontractors to set up, keep and

maintain) in accordance with generally accepted accounting practice during the term of this Agreement and any extensions thereof and for three years after the expiration, termination or revocation thereof, records, payroll records and books of account (including, but not limited to, records of original entry and daily forms, payroll runs, cancelled checks, time records, union agreements, contracts with health, pension and other third party benefit providers) recording all transactions of the Contractor (and its subcontractors), at, through or in any way connected with or related to the operations of the Contractor (and its subcontractors) hereunder, including but not limited to all matters relating to the charges payable to the Contractor hereunder, all wages and supplemental benefits paid or provided to or for its employees (and its subcontractors' employees) and such additional information as the Port Authority may from time to time and at any time require, and also including, if appropriate, recording the actual number of hours of service provided under the Contract, and keeping separate records thereof which records and books of account shall be kept at all times within the Port District. The Contractor shall permit (and cause its subcontractors to permit) in ordinary business hours during the term of this Agreement including any extensions thereof and for three years thereafter the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Contractor, or which owns or controls the Contractor if said company performs services similar to those performed by the Contractor anywhere in the Port District. However, if within the aforesaid three year period the Port Authority has notified the Contractor in writing of a pending claim by the Port Authority under or in connection with this Contract to which any of the aforesaid records and documents of the Contractor or of its subcontractors relate either directly or indirectly, then the period of such right of access shall be extended to the expiration of six years from the date of final payment with respect to the records and documents involved.

Upon request of the Port Authority, the Contractor shall furnish or provide access to the federal Form I-9 (Employment Eligibility Verification) for each individual performing work under this Contract. This includes citizens and noncitizens.

The Contractor (and its subcontractors) shall, at its own expense, install, maintain and use such equipment and devices for recording the labor hours of the service as shall be appropriate to its business and necessary or desirable to keep accurate records of the same and as the general manager or the Facility Manager may from time to time require, and the Contractor (and its subcontractors) shall at all reasonable times allow inspection by the agents and employees of the Port Authority of all such equipment or devices.

- a. The Contractor hereby further agrees to furnish to the Port Authority from time to time such written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to the Port Authority shall be subject to the continuing approval of the Port Authority.
- b. No provision in this Contract giving the Port Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this Contract.

18. General Obligations

- a. Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing and all such notices, requests, consents and approvals shall be personally delivered to the other party during regular business hours or forwarded to such party by United States certified mail, return receipt requested, addressed to the other party at its address hereinbefore or hereafter provided. Until further notice the Contractor hereby designates the address shown on the bottom of the Contractors Signature Sheet as their address to which such notices, requests, consents, or approvals may be forwarded. All notices, requests, consents, or approvals of the Contractor shall be forwarded to the Manager at the Facility.

- b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements is not to be construed as a submission by the Port Authority to the application to itself of such requirements.
- c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.
- d. The Contractor shall, in conducting its operations hereunder, take all necessary precautions to protect the general environment and to prevent environmental pollution, contamination, damage to property and personal injury. In the event the Contractor encounters material reasonably believed to be asbestos, polychlorinated biphenyl (PCB) or any other hazardous material, in conducting its operations hereunder, the Contractor shall immediately stop Work in the area affected and report the condition in writing to the Manager. Work in the affected area shall not thereafter be resumed by the Contractor except upon the issuance of a written order to that effect from the Manager.
- e. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder.

The Contractor shall not do or permit to be done any act which:

- 1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon; or
 - 2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon; or
 - 3. in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract; or
 - 4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors; or
 - 5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility; or
 - 6. shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.
- f. If by reason of the Contractor's failure to comply with the provisions of this Section and provided the Port Authority has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay the Port Authority that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by the Port Authority which shall have been charged because of such violations by the Contractor.
 - g. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of the Port Authority and shall conduct operations hereunder in a courteous, efficient and safe

manner.

- h. The Contractor shall provide such equipment and medical facilities as may be necessary to supply first aid service in case of accidents to its personnel who may be injured in the furnishing of service hereunder. The Contractor shall maintain standing arrangements for the removal and hospital treatment of any of its personnel who may be injured.

19. Assignments and Subcontracting

- a. The Contractor shall not sell, transfer, mortgage, pledge, subcontract or assign this Contract or any part thereof or any of the rights granted hereunder or any moneys due or to become due to it hereunder or enter into any contract requiring or permitting the doing of anything hereunder by an independent Contractor, without the prior written approval of the Port Authority, and any such sale, transfer, mortgage, pledge, subcontract, assignment or contract without such prior written approval shall be void as to the Port Authority.
- b. All subcontractors who provide permanent personnel to the Contractor for work under this Contract shall be given written notice to comply with all requirements of the Contract. The Contractor shall be responsible and liable for the performance and acts of each subcontractor.
- c. All persons to whom the Contractor sublets services shall be deemed to be its agents and no subletting or approval thereof shall be deemed to release this Contractor from its obligations under this Contract or to impose any obligations on the Port Authority to such subcontractor or to give the subcontractor any rights against the Port Authority.

20. Indemnification and Risks Assumed By The Contractor

To the extent permitted by law, the Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, representatives and employees from and against all claims and demands, just or unjust, of third persons (including Contractor's employees, employees, officers, and agents of the Port Authority) arising out of or in any way connected or alleged to arise out of or alleged to be in any way connected with the Contract and all other services and activities of the Contractor under this Contract 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 Contractor, the Port Authority, third persons (including Contractor's employees, employees, officers, and agents of the Port Authority), or from the acts of God or the public enemy, or otherwise, including claims and demands of any local jurisdiction against the Port Authority in connection with this Contract.

The Contractor assumes the following risks, whether such risks arise from acts or omissions (negligent or not) of the Contractor, the Port Authority or third persons (including Contractor's employees, employees, officers, and agents of the Port Authority) or from any other cause, excepting only risks occasioned solely by affirmative willful acts of the Port Authority done subsequent to the opening of proposals on this Contract, and shall to the extent permitted by law indemnify the Port Authority for all loss or damage incurred in connection with such risks:

- a. The risk of any and all loss or damage to Port Authority property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions, on or off the premises, the loss or damage of which shall arise out of the Contractor's operations hereunder. The Contractor shall if so directed by the Port Authority, repair, replace or rebuild to the satisfaction of the Port Authority, any and all parts of the premises or the Facility which may be damaged or destroyed by the acts or omissions of the Contractor, its officers, agents, or employees and if the Contractor shall fail so to repair, replace, or rebuild with due diligence the Port Authority may, at its option, perform any of the foregoing work and the Contractor shall pay to the Port Authority the cost thereof.
- b. The risk of any and all loss or damage of the Contractor's property, equipment (including but not limited to automotive and/or mobile equipment) materials and possessions on the Facility.

- c. The risk of claim, whether made against the Contractor or the Port Authority, for any and all loss or damages occurring to any property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions of the Contractor's agents, employees, materialmen and others performing work hereunder.
- d. The risk of claims for injuries, damage or loss of any kind just or unjust of third persons arising or alleged to arise out of the performance of work hereunder, whether such claims are made against the Contractor or the Port Authority.

If so directed, the Contractor 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 shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

Neither the requirements of the Port Authority under this Contract, nor of the Port Authority of the methods of performance hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of performance hereunder nor the failure of the Port Authority to direct the Contractor to take any particular precaution or other action or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

21. Approval of Methods

Neither the approval of the Port Authority of the methods of furnishing services hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of furnishing services hereunder, nor the failure of the Port Authority to direct the Contractor to take any particular precautions or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

22. Safety and Cleanliness

- a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property or environmental impairment and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.
- b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Manager.
- c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by the Port Authority for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of the Port Authority which are located in said facilities.

23. Accident Reports

The Contractor shall promptly report in writing to the Manager of the Facility and to the Deputy Chief, Litigation Management of the Port Authority all accidents whatsoever arising out of or in connection with its operations hereunder and which result in death or injury to persons or damage to property, setting forth such details thereof as the Port Authority may desire. In addition, if death or serious injury or serious

damage is caused, such accidents shall be immediately reported by telephone to the aforesaid representatives of the Port Authority.

24. Trash Removal

The Contractor shall remove daily from the Facility by means provided by the Contractor all garbage, debris and other waste material (solid or liquid) arising out of or in connection with its operations hereunder, and any such garbage, debris and other waste material not immediately removed shall be temporarily stored in a clear and sanitary condition, approved by the Facility Manager and shall be kept covered except when filling or emptying them. The Contractor shall exercise care in removing such garbage, debris and other waste materials from the Facility. The manner of such storage and removal shall always be subject in all respects to the continual approval of the Port Authority. No equipment or facilities of the Port Authority shall be used in such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Facility.

25. Lost and Found Property

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees at the Site must be turned in to the Port Authority and a receipt will be issued therefor.

26. Property of the Contractor

- a. All property of the Contractor at the Site by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.
- b. If the Contractor shall fail to remove its property upon the expiration, termination or revocation of this Contract the Port Authority may, at its option, dispose of such property as waste or as agent for the Contractor and at the risk and expense of the Contractor, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty (30) days may sell the same in accordance with any method deemed appropriate; the proceeds of any such sale shall be applied first, to the expenses of sale and second, to any sums owed by the Contractor to the Port Authority; any balance remaining shall be paid to the Contractor. Any excess of the total cost of removal, storage and sale and other costs incurred by the Port Authority as a result of such failure of performance by the Contractor over the proceeds of sale shall be paid by the Contractor to the Port Authority upon demand.

27. Modification of Contract

This Contract may not be changed except in writing signed by the Port Authority and the Contractor. The Contractor agrees that no representation or warranties shall be binding upon the Port Authority unless expressed in writing in this Contract.

28. Invalid Clauses

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

29. Approval of Materials, Supplies and Equipment

Only Port Authority approved materials, supplies, and equipment are to be used by the Contractor in performing the Work hereunder. Inclusion of chemical containing materials or supplies on the Port Authority Approved Products List – Environmental Protection Supplies constitutes approval. The list may be revised from time to time and at any time by the Port Authority and it shall be incumbent upon the Contractor to obtain the most current list from the Manager of the Facility.

At anytime during the Solicitation, pre-performance or performance periods, the Contractor may propose the use of an alternate product or products to those on the Approved Products List – Environmental Protection Supplies, which product(s) shall be subject to review and approval by the Port Authority. Any alternate product so approved by the Port Authority may be used by the Contractor in performing the Services hereunder. Until such approval is given, only products on the Approved Products List – Environmental Protection Supplies may be used.

30. Intellectual Property

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks, copyrights and trade secrets, collectively hereinafter referred to as “Intellectual Property Rights”, in the performance of the work, shall be obtained by the Contractor without separate or additional compensation. Where the services under this Agreement require the Contractor to provide materials, equipment or software for the use of the Port Authority or its employees or agents, the Port Authority shall be provided with the Intellectual Property Rights required for such use without further compensation than is provided for under this Agreement.

The Contractor shall indemnify the Port Authority against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Contractor’s or Port Authority’s use, in accordance with the above immediately preceding paragraph, of any Intellectual Property. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Contractor or the Port Authority, its employees or agents be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify the Port Authority against infringement, then the Port Authority may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to the Port Authority or take such steps as may be necessary to insure compliance by the Contractor and the Port Authority with said injunction, to the satisfaction of the Port Authority.

In addition, the Contractor shall promptly and fully inform the Director in writing of any intellectual property rights disputes, whether existing or potential, of which it has knowledge, relating to any idea, design, method, material, equipment or any other matter related to the subject matter of this Agreement or coming to its attention in connection with this Agreement.

31. Contract Records and Documents – Passwords and Codes

When the performance of the contract services requires the Contractor to produce, compile or maintain records, data, drawings, or documents of any kind, regardless of the media utilized, then all such records, drawings, data and documents which are produced, prepared or compiled in connection with this contract, shall become the property of the Port Authority, and the Port Authority shall have the right to use or permit the use of them and any ideas or methods represented by them for any purpose and at any time without other compensation than that specifically provided herein.

When in the performance of the contract services the Contractor utilizes passwords or codes for any purpose, at any time during or after the performance of such services, upon written request by

the Authority, the Contractor shall make available to the designated Authority representative all such passwords and codes.

32. Designated Secure Areas

Services under the Contract may be required in designated secure areas, as the same may be designated by the Manager from time to time ("Secure Areas"). The Port Authority shall require the observance of certain security procedures with respect to Secure Areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein. All personnel that require access to designated secure areas who are not under positive escort by an authorized individual will be required to undergo background screening and personal identity verification.

Forty-eight (48) hours prior to the proposed performance of any work in a Secure Area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to Secure Areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the Secure Areas which will be in effect on the commencement date. The description of Secure Areas may be changed from time to time and at any time by the Manager during the term of the Contract.

33. Notification of Security Requirements

The Authority has the responsibility of ensuring safe, reliable and secure transportation facilities, systems, and projects to maintain the well-being and economic competitiveness of the region. Therefore, the Authority reserves the right to deny access to certain documents, sensitive security construction sites and facilities (including rental spaces) to any person that declines to abide by Port Authority security procedures and protocols, any person with a criminal record with respect to certain crimes or who may otherwise poses a threat to the construction site or facility security. The Authority 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, or may make any amendments with respect to such requirements as determined by the Authority.

These security requirements may include but are not limited to the following:

- Contractor/ Subcontractor identity checks and background screening

The Port Authority's designated background screening provider may require inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like.

The Contractor may be required to have its staff, and any subcontractor's staff, material-men, visitors or others over whom the Contractor/subcontractor has control, authorize the Authority or its designee to perform background checks, and a personal identity verification check. Such authorization shall be in a form acceptable to the Authority. The Contractor and subcontractors may also be required to use an organization designated by the Authority to perform the background checks.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening and personal identity verification, except as otherwise required by federal law and/or regulation (such as the Transportation Worker Identification Credential for personnel performing in secure areas at Maritime facilities). Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877) 522-7922 for more information and the latest pricing. The cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Contractor (and its subcontractors) as an out-of-pocket expense

as provided herein. Staff that are rejected for a credential for any reason are not reimbursable.

- Issuance of Photo Identification Credential

No person will be permitted on or about the Authority construction site or facility (including rental spaces) without a facility-specific photo identification credential approved by the Authority. If the authority requires facility-specific identification credential for the Contractor's and the subcontractor's staff, the Authority will supply such identification at no cost to the Contractor or its subcontractors. Such facility-specific identification credential shall remain the property of the Authority and shall be returned to the Authority at the completion or upon request prior to completion of the individual's assignment at the specific facility. It is the responsibility of the appropriate Contractor or subcontractor to immediately report to the Authority the loss of any staff member's individual facility-specific identification credential. The Contractor or subcontractor shall be billed for the cost of the replacement identification credential. Contractor's and subcontractor's staff shall display Identification badges in a conspicuous and clearly visible manner, when entering, working or leaving an Authority construction site or facility.

Employees may be required to produce not less than two forms of valid/current government issued identification having an official photograph and an original, unlaminated social security card for identify and SSN verification. Where applicable, for sensitive security construction sites or facilities, successful completion of the application, screening and identify verification for all employees of the Contractor and subcontractors shall be completed prior to being provided a S.W.A.C. ID Photo Identification credential.

- Access control, inspection, and monitoring by security guards

The Authority may provide for Authority construction site or facility (including rental spaces) access control, inspection and monitoring by Port Authority Police or Authority retained contractor security guards. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work and that of its subconsultant/subcontractor's and service suppliers at the Authority construction site or facility (including rental spaces). In addition, the Contractor, subcontractor or service provider is not permitted to take photographs, digital images, electronic copying and/or electronic transmission or video recordings or make sketches on any other medium at the Authority construction sites or facilities (including rental spaces), except when necessary to perform the Work under this Contract, without prior written permission from the Authority. Upon request, any photograph, digital images, video recording or sketches made of the Authority construction site or facility shall be submitted to the Authority to determine compliance with this paragraph, which submission shall be conclusive and binding on the submitting entity.

- Compliance with the Port Authority Information Security Handbook

The Contract may require access to Port Authority information considered Protected Information ("PI") as defined in the Port Authority Information Security Handbook ("Handbook"), dated October, 2008, corrected as of November 14, 2013, and as may be further amended. The Handbook and its requirements are hereby incorporated into this agreement and will govern the possession, distribution and use of PI if at any point during the lifecycle of the project or solicitation it becomes necessary for the Contractor to have access to PI. Protecting sensitive information requires the application of uniform safeguarding measures to prevent unauthorized disclosure and to control any authorized disclosure of this information within the Port Authority or when released by the Port Authority to outside entities. The following is an outline of some of the procedures, obligations and directives contained in the Handbook:

- (1) require that the Contractor and subcontractors, when appropriate, sign Non-Disclosure Agreements (NDAs), or an Acknowledgment of an existing NDA, provided by the Authority as a condition of being granted access to Confidential Information categorized and protected as per the Handbook;
- (2) require that individuals needing access to PI be required to undergo a background check, pursuant to the process and requirements noted in § 3.2 of the Information Security Handbook.

- (3) require Contractors and commercial enterprises to attend training to ensure security awareness regarding Port Authority information;
- (4) specific guidelines and requirements for the handling of PI to ensure that the storage and protection of PI;
- (5) restrictions on the transfer, shipping, and mailing of PI;
- (6) prohibitions on the publication, posting, modifying, copying, reproducing, republishing, uploading, transmitting, or distributing PI on websites or web pages. This may also include restricting persons, who either have not passed a pre-screening background check, or who have not been granted access to PI, from viewing such information;
- (7) require that PI be destroyed using certain methods, measures or technology pursuant to the requirements set forth in the Handbook;
- (8) require the Contractor to mandate that each of its subcontractors maintain the same levels of security required of the Contractor under any Port Authority awarded contract.
- (9) prohibit the publication, exchange or dissemination of PI developed from the project or contained in reports, except between Contractors and subcontractors, without prior approval of the Port Authority;
- (10) require that PI only be reproduced or copied pursuant to the requirements set forth in the Handbook.

- Audits for Compliance with Security Requirements

The Port Authority may conduct random or scheduled examinations of business practices under this section entitled "NOTIFICATION OF SECURITY REQUIREMENTS" and the Handbook in order to assess the extent of compliance with security requirements, Protected Information procedures, protocols and practices, which may include, but not be limited to, verification of background check status, confirmation of completion of specified training, and/or a site visit to view material storage locations and protocols.

34. Construction In Progress

The Contractor recognizes that construction may be in progress at the Facility and may continue throughout the term of this Contract. Notwithstanding, the Contractor shall at all times during the term hereof maintain the same standards of performance and cleanliness as prevails in non-affected areas as required by the standards hereunder.

35. Permit-Required Confined Space Work

Prior to commencement of any work, the Contractor shall request and obtain from the Port Authority a description of all spaces at the facility which are permit-required confined spaces requiring issuance of an OSHA permit.

Prior to the commencement of any work in a permit-required confined space at a Port Authority facility requiring issuance of an OSHA permit, the Contractor shall contact the Manager to obtain an Authority Contractor Permit-Required Confined Space Notification form. The notification form must be filled out and submitted prior to commencing permit-required confined space work. All confined space work shall be performed in accordance with all applicable OSHA requirements. The Contractor shall provide its employees with a copy of its own company permit and shall furnish the Port Authority with a copy of the permit upon completion of the work. The Contractor must supply all equipment required for working in a confined space.

36. Signs

Except with the prior written approval of the Port Authority, the Contractor shall not erect, maintain or display any signs or posters or any advertising on or about the Facility.

37. Vending Machines, Food Preparation

The Contractor shall not install, maintain or operate on the Facility, or on any other Port Authority property, any vending machines without the prior written approval of the Port Authority. No foods or beverages shall be prepared or consumed at the Facility by any of the Contractor's employees except in areas as may be specifically designated by the Port Authority for such purpose.

38. Confidential Information/Non-Publication

a. As used herein, confidential information shall mean all information disclosed to the Contractor or the personnel provided by the Contractor hereunder which relates to the Authority's and/or PATH's past, present, and future research, development and business activities including, but not limited to, software and documentation licensed to the Authority or proprietary to the Authority and/or PATH and all associated software, source code procedures and documentation. Confidential information shall also mean any other tangible or intangible information or materials including but not limited to computer identification numbers, access codes, passwords, and reports obtained and/or used during the performance of the Contractor's Services under this Contract.

b. Confidential information shall also mean and include collectively, as per *The Port Authority of New York & New Jersey Information Security Handbook (October 15, 2008, corrected as of November 14, 2013)*, Protected Information, Confidential Proprietary Information, Confidential Privileged Information and information that is labeled, marked or otherwise identified by or on behalf of the Authority so as to reasonably connote that such information is confidential, privileged, sensitive or proprietary in nature. Confidential Information shall also include all work product that contains or is derived from any of the foregoing, whether in whole or in part, regardless of whether prepared by the Authority or a third-party or when the Authority receives such information from others and agrees to treat such information as Confidential.

c. The Contractor shall hold all such confidential information in trust and confidence for the Authority, and agrees that the Contractor and the personnel provided by the Contractor hereunder shall not, during or after the termination or expiration of this Contract, disclose to any person, firm or corporation, nor use for its own business or benefit, any information obtained by it under or in connection with the supplying of services contemplated by this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not violate in any manner any patent, copyright, trade secret or other proprietary right of the Authority or third persons in connection with their services hereunder, either before or after termination or expiration of this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not willfully or otherwise perform any dishonest or fraudulent acts, breach any security procedures, or damage or destroy any hardware, software or documentation, proprietary or otherwise, in connection with their services hereunder. The Contractor shall promptly and fully inform the Director/General Manager in writing of any patent, copyright, trade secret or other intellectual property rights or disputes, whether existing or potential, of which the Contractor has knowledge, relating to any idea, design, method, material, equipment or other matter related to this Contract or coming to the Contractor's attention in connection with this Contract.

d. The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be

provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

39. Time is of the Essence

Time is of the essence in the Contractor's performance of this Contract inasmuch as the Work to be performed will affect the operation of public facilities.

40. Holidays

The following holidays will be observed at the Site:

- | | |
|----------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Jr. Day | Columbus Day |
| Presidents Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Day After Thanksgiving |
| Christmas Day | |

This list is subject to periodic revision and the Contractor shall be responsible for obtaining all updated lists from the office of the Manager. If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

41. Personnel Standards

In addition to any specific personnel requirements that may be required under the clause entitled "Personnel Requirements" in the Specifications, the Contractor (and any Subcontractor) shall furnish competent and adequately trained personnel to perform the Work hereunder. If, in the opinion of the Manager, any employee so assigned is performing their functions unsatisfactorily, they shall be replaced by the Contractor within twenty-four (24) hours following the Contractor's receipt of the Manager's request for such replacement.

All Contractor's employees performing Work hereunder shall have the ability to communicate in the English language to the extent necessary to comprehend directions given by either the Contractor's supervisory staff or by the Manager's staff. Any employee operating a motor vehicle must have a valid driver's license.

The Contractor shall verify that employees working under this Contract in the United States are legally present in the United States and authorized to work by means of the federally required I-9 program

42. General Uniform Requirements for Contractor's Personnel

In addition to any specific uniform requirements that may be required by the Specifications, uniforms must be worn at all times during which the Services are being performed hereunder. The Contractor agrees that his/her employees will present a neat, clean and orderly appearance at all times. Uniforms shall include the Contractor's identification badge with picture ID bearing the employee's name. All uniforms, colors, types and styles shall be subject to the prior approval of the Manager. The Contractor will also be responsible for ensuring that its employees are wearing shoes appropriate for the tasks performed. The Manager shall have the right to require removal of any employee who shall fail to wear the proper uniform and shoes, and the exercise of this right shall not limit the obligation of the Contractor to perform the Services or to furnish any required number of employees at a specific location at the Site as specified.

43. Labor, Equipment and Materials Supplied by the Contractor

The Contractor shall, at all times during the performance of this Contract, furnish all necessary labor, supervision, equipment and materials necessary for the prompt and efficient performance of the Work, whether such materials and equipment are actually employed in the furnishing of the Work or whether incidental thereto.

All materials used by the Contractor in furnishing Work hereunder shall be of such quality as to accomplish the purposes of this Contract and the Services to be furnished hereunder in such manner so as not to damage any part of the Site.

The Port Authority by its officers, employees and representatives shall have the right at all times to examine the supplies, materials and equipment used by the Contractor, to observe the operations of the Contractor, its agents, servants and employees and to do any act or thing which the Port Authority may be obligated or have the right to do under this Contract or otherwise.

All equipment, materials and supplies used in the performance of this Contract required hereunder shall be used in accordance with their manufacturer's instructions.

Materials and supplies to be provided by the Contractor hereunder shall comply with OSHA and all applicable regulations.

44. Contractor's Vehicles – Parking - Licenses

At the discretion of the Manager, the Port Authority may permit the Contractor during the effective period of this Contract to park vehicle(s) used by it in its operations hereunder in such location as may from time to time or at any time be designated by the Manager. The Contractor shall comply with such existing rules, regulations and procedures as are now in force and such reasonable future rules, regulations and procedures as may hereafter be adopted by the Port Authority for the safety and convenience of persons who park automotive vehicles in any parking area at the Site or for the safety and proper persons who park automotive vehicles in any parking area at the Site or for the safety and proper identification of such vehicles, and the Contractor shall also comply with any and all directions pertaining to such parking which may be given from time to time and at any time by the Manager. Any vehicle used by the Contractor hereunder shall be marked or placarded, identifying it as the Contractor's vehicle.

45. Manager's Authority

In the performance of the Work hereunder, the Contractor shall conform to all orders, directions and requirements of the Manager and shall perform the Work hereunder to the satisfaction of the Manager at such times and places, by such methods and in such manner and sequence as he/she may require, and the Contract shall at all stages be subject to his/her inspection. The Manager shall determine the amount, quality, acceptability and fitness of all parts of the Work and shall interpret the Specifications and any orders for Extra Work. The Contractor shall employ no equipment, materials, methods or staff or personnel to which the Manager objects. Upon request, the Manager shall confirm in writing any oral order, direction, requirement or determination.

The Manager shall have the authority to decide all questions in connection with the Services to be performed hereunder. The exercise by the Manager of the powers and authorities vested in him/her by this section shall be binding and final upon the Port Authority and the Contractor.

46. Price Preference

If this solicitation has not been set aside for the purposes of making an award based on bids solicited from Port Authority certified Minority Business, Women Business or Small Business Enterprises as indicated by the bidder pre-requisites in Part II hereof, for awards of contracts, not exceeding \$1,000,000, for:

- (a) Services, a price preference of 5% is available for New York or New Jersey Small Business Enterprises (SBE); or

(b) Services (excluding Janitorial/Cleaning Services), a price preference of 10% is available for New York or New Jersey Minority or Women Business Enterprises (M/WBE),

certified by the Port Authority by the day before the bid opening.

If the Bidder is a Port Authority certified MBE, WBE or SBE, enter the applicable date(s) certification was obtained in the space provided on the Signature Sheet attached hereto.

47. M/WBE Good Faith Participation

If specified as applicable to this Contract, the Contractor shall use every good-faith effort to provide for participation by certified Minority Business Enterprises (MBEs) and certified Women-owned Business Enterprises (WBEs) as herein defined, in all purchasing and subcontracting opportunities associated with this Contract, including purchase of equipment, supplies and labor services.

Good Faith efforts to include participation by MBEs/WBEs shall include the following:

- a. Dividing the services and materials to be procured into small portions, where feasible.
- b. Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c. Soliciting services and materials, to be procured, from the Directory of MBEs/WBEs, a copy of which can be obtained on the Port Authority Website at <http://www.panynj.gov/business-opportunities/supplier-diversity.html> or by contacting the Port Authority's Office of Business Diversity and Civil Rights at (212) 435-7819 or seeking MBEs/WBEs from other sources.
- d. Insuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.
- e. Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Either prior or subsequent to Contract award, the Contractor may request a full or partial waiver of the M/WBE participation goals set forth in this Contract by providing documentation demonstrating to the Manager, for approval by the Port Authority's Office of Business Diversity and Civil Rights, that its good faith efforts did not result in compliance with the goals set forth above because participation by eligible M/WBEs could not be obtained at a reasonable price or that such M/WBEs were not available to adequately perform as subcontractors. The Contractor shall provide written documentation in support of its request to the Manager. The documentation shall include, but not be limited to, documentation demonstrating good faith efforts as described above, which may include, proof that the Authority's directory does not contain M/WBEs in this specific field of work, a list of organizations contacted to obtain M/WBEs, and/or a list of M/WBEs contacted and their price quotes. If approved by the Authority's Office of Business Diversity and Civil Rights, the Manager will provide written approval of the modified or waived M/WBE Participation Plan.

Subsequent to Contract award, all changes to the M/WBE Participation Plan must be submitted via a modified M/WBE Participation Plan to the Manager for review and approval by the Authority's Office of Business Diversity and Civil Rights. For submittal of modifications to the M/WBE Plan, Contractors are directed to use form PA3749C, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Contractor shall not make changes to its approved M/WBE Participation Plan or substitute M/WBE subcontractors or suppliers for those named in their approved plan without the Manager's prior written approval. Unauthorized changes or substitutions, including performing the work designated for a

subcontractor with the Contractor's own forces, shall be a violation of this section. Progress toward attainment of M/WBE participation goals set forth herein will be monitored throughout the duration of this Contract.

The Contractor shall also submit to the Manager, along with invoices, the Statement of Subcontractor Payments as the M/WBE Participation Report, annexed hereto as an attachment. The Statement must include the name and business address of each M/WBE subcontractor and supplier actually involved in the Contract, a description of the work performed and/or product or service supplied by each such subcontractor or supplier, the date and amount of each expenditure, and such other information that may assist the Manager in determining the Contractor's compliance with the foregoing provisions.

If, during the performance of this Contract, the Contractor fails to demonstrate good faith efforts in carrying out its M/WBE Participation Plan and the Contractor has not requested and been granted a full or partial waiver of the M/WBE participation goals set forth in this Contract, the Authority will take into consideration the Contractor's failure to carry out its M/WBE Participation Plan in its evaluation for award of future Authority contracts.

PART III CONTRACTOR'S INTEGRITY PROVISIONS

1. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Bidder and each parent and/or affiliate of the Bidder has not

- a. been indicted or convicted in any jurisdiction;
- b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
- c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
- d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
- e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of 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.

2. Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

- a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;
- b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
- c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
- d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996, (a copy of which is available upon request) 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, where the solicitation is a Request for Proposals, 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 shall be deemed to be made by the Bidder as follows:

- * if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;
- * if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Bidder, shall be deemed to have been authorized by the Board of Directors of the Bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty. 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 Director 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 April 11, 1996, (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

The Contractor shall include the provisions of this clause in each subcontract entered into under this Contract.

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 Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. The Director 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 Director and shall become a requirement, as though fully set forth in this Contract. In the event the Director shall determine that the performance by the Contractor of a portion of its Services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said Services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's Services not be performed by the Contractor, reserving the right, however, to have the Services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract, which results, directly or indirectly, from the Services provided by the Contractor hereunder. The Port Authority's determination regarding any questions of conflict of interest shall be final.

7. Definitions

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting and/or law enforcement agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the

term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder; except and until the Contract has been awarded, then it shall mean

Contractor

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.